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# ANNUAL FINANCIAL REPORT

## CITY OF MONROE, LOUISIANA



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**For The Year Ended  
April 30, 2004**

Release Date 11-17-04

**CITY OF MONROE**  
**Financial Statements**  
**As of and for the Year Ended April 30, 2004**

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**\*Denotes Schedule**

**CITY OF MONROE**

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As of and for the Year Ended April 30, 2004**

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**\*Denotes Schedule**

**CITY OF MONROE**  
**Financial Statements**  
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**\*Denotes Schedule**



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John L. Luffey, MBA, CPA (1963-2002)

## INDEPENDENT AUDITORS' REPORT

### **City of Monroe Monroe, Louisiana**

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, the fiduciary fund, and the aggregate remaining fund information of the City of Monroe, Louisiana (the City) as of and for the year ended April 30, 2004, which collectively comprise the City's basic financial statements as listed in the accompanying 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 did not audit the financial statements of the Monroe City Court or the Monroe City Marshal, which represent the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included in the component unit columns, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide* issued by the Louisiana Legislative Auditor and the Louisiana Society of Certified Public Accountants. 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 and the reports of other auditors provide a reasonable basis for our opinion.

The other auditors were unable to satisfy themselves as to the financial activities of the Fiduciary Fund Type for the Monroe City Court. The assets of the fiduciary funds of the Monroe City Court is included in the component units column of Statement J and represent 97% of total assets and total liabilities of the Component Units column.

In our opinion, based on our audit and the reports of other auditors, except for the effects of such adjustments, if any, as might had been determined to be necessary had the other auditors been able to satisfy themselves as to the financial activities discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the fiduciary fund, and the aggregate remaining fund information of the City as of April 30, 2004, 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.

**City of Monroe  
Monroe, Louisiana**

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 States and Local Governments" and Statement No. 37, "Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments: Omnibus", as of May 1, 2003. This results in a change in the form and content of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2004 on our consideration of the City's internal control over financial reporting and on 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.

The Management's Discussion and Analysis and the budgetary information on pages 4 through 12 and pages 64 and 65 respectively, are not a required part of the basic 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 opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as supplemental information (including the schedule of expenditures of federal awards) and the budgetary comparison schedules listed as required supplementary information in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplemental information is the responsibility of management of the City. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly presented in all material respects in relation to the basic financial statements taken as a whole. The accompanying schedule of expenditures of passenger facility charges is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



(A Professional Accounting Corporation)

October 29, 2004

**REQUIRED SUPPLEMENTAL INFORMATION  
(PART A)**

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2004**

As management of the City of Monroe, we offer readers of the City of Monroe's financial statements this narrative overview and analysis of the financial activities of the City of Monroe for the fiscal year ended April 30, 2004. It is designed to assist the reader in focusing on significant financial issues, identify changes in the city's financial position, and identify material deviations and individual fund issues or concerns.

The Management's discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government issued June 2001. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the City has elected to exclude the information in this report. Subsequent reports will include the comparative information.

### **Financial Highlights**

- The assets of the City of Monroe exceeded its liabilities at the close of the most recent fiscal year by \$183,273,113 (*net assets*). Of this amount, a deficit of \$33,879,528 (*unrestricted net assets*) represents the portion of net assets which is not invested in capital assets or otherwise restricted.
- The government's total net assets increased by \$8,167,997.
- As of the close of the current fiscal year, the City of Monroe's governmental funds reported combined ending fund balances of \$67,483,565 a decrease of \$22,399,605 in comparison with the prior year. Of this total amount, \$3,448,414, is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, all of the General Fund's fund balance was reserved for inventories and prepaid items.
- The City of Monroe's total debt increased by approximately \$5,680,000 during the current fiscal year.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Monroe's basic financial statements. The City of Monroe's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.



**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2004**

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Monroe's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City of Monroe's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Monroe is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Monroe that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Monroe include general government, public safety, public works, economic development, health and welfare, and culture and recreation. The business-type activities of the City of Monroe include an airport, public transportation system, civic center, zoo, livestock arena, water and sewer systems.

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

The government-wide financial statements can be found on pages 14 and 15 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Monroe, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Monroe can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2004**

balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Monroe maintains 87 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, I-20 Corridor Improvement Fund and Digester Upstream Fund, all of which are considered to be major funds. Data from the other 84 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Monroe adopts an annual appropriated budget for its general fund, and special revenue funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 17 and 19 of this report.

**Proprietary funds.** The City of Monroe maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. An internal service fund is an accounting device used to accumulate and allocate costs internally among the City of Monroe's various functions. Because the internal service fund predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements can be found on pages 21 through 24 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Monroe's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 25 and 26 of this report.

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2004**

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 29 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Monroe's compliance with budgets for its major funds. The combining statements for non-major governmental funds are presented immediately following the required supplementary information.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Monroe, assets exceeded liabilities by approximately \$183,000,000 at the close of the most recent fiscal year.

By far the largest amount of the City of Monroe's net assets (\$156,271,489) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Monroe uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Monroe's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Monroe's Net Assets**  
**April 20, 2004**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current and other assets	\$ 80,380,261	\$ 4,270,636	\$ 84,650,897
Capital assets	<u>164,442,288</u>	<u>105,281,893</u>	<u>269,724,181</u>
Total assets	<u>244,822,549</u>	<u>109,552,529</u>	<u>354,375,078</u>
Current and other liabilities	11,427,805	1,786,418	13,214,223
Long-term liabilities	<u>153,496,291</u>	<u>4,391,451</u>	<u>157,887,742</u>
Total liabilities	<u>164,924,096</u>	<u>6,177,869</u>	<u>171,101,965</u>
Net Assets:			
Invested in capital assets, net of related debt:			
Restricted	111,189,548	45,081,941	156,271,489
Unrestricted	60,881,152	-	60,881,152
Total net assets	<u>(92,172,247)</u>	<u>58,292,719</u>	<u>(33,879,528)</u>
	<u>\$79,898,453</u>	<u>\$103,374,660</u>	<u>\$183,273,113</u>

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2004**

The deficit of \$92,172,247 in unrestricted net assets in the governmental activities represents the accumulated results of all past year's operations. The principal factors in the large unrestricted deficit is that the City has outstanding debt of approximately \$153,000,000 as well as approximately \$111,000,000 invested in infrastructure assets. Infrastructure assets and long term debt have historically not been reported in governmental funds, but under GASB 34 the reporting of these results in an unrestricted deficit in the governmental activities.

**Governmental activities.** Governmental activities increased the City of Monroe's net assets by \$5,500,000. Key elements of the changes in net assets are as follows:

**City of Monroe's Changes in Net Assets**  
**April 30, 2004**

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program Revenues:			
Charges for services	\$ 7,186,058	\$ 12,501,250	\$ 19,687,308
Operating grants and contributions	4,962,909	1,153,457	6,116,366
Capital grants and contributions	5,107,447	17,026,224	22,133,671
General Revenues:			
Property taxes	7,477,654	1,736,058	9,213,712
Sales taxes	43,870,692	-	43,870,692
Other taxes	71,302	215,667	286,969
Other general revenues	5,736,614		
Total revenues:	<u>74,412,676</u>	<u>32,632,656</u>	<u>107,045,332</u>
Expenses:			
General government	13,063,078	-	13,063,078
Public safety	23,128,501	-	23,128,501
Public works	12,693,019	-	12,693,019
Economic development	393,193	-	393,193
Health and welfare	2,302,413	-	2,302,413
Culture and recreation	4,624,899	-	4,624,899
Interest on long term debt	6,063,525	64,785	6,128,310
Intergovernmental	17,026,224	-	17,026,224
Airport	-	1,411,435	1,411,435
Transit	-	3,157,512	3,157,512
Civic center	-	3,547,243	3,547,243

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2004**

Zoo	-	1,590,120	1,590,120
Excursion boat	-	16,696	16,696
Livestock arena	-	49,409	49,409
Water	-	4,764,595	4,764,595
Sewer	-	4,980,688	4,980,688
Total expenses	<u>79,294,852</u>	<u>19,582,483</u>	<u>98,877,335</u>
Increase (decrease) in assets before transfers	(4,882,176)	13,050,173	8,167,997
Transfers	<u>(568,257)</u>	<u>568,257</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ (5,450,433)</u>	<u>\$ 13,618,430</u>	<u>\$ 8,167,997</u>

**Governmental Activities**

Expenses are classified by functions/programs. Public safety accounts for approximately \$23,000,000 for fiscal year 2004. Other functions such as general government, public works, health and welfare, culture and recreation and economic development totaled approximately \$33,000,000. The remaining costs represent payments for capital expenditures and debt service totaling approximately \$23,000,000.

The related program revenues for fiscal 2004 directly related to these expenses totaled \$17,256,414, which resulted in net program expenses of \$62,038,438. The remaining balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- Sales tax revenues are the largest and most significant source of revenue for the City of Monroe. It provides approximately \$44,000,000 of general fund revenue.
- Property taxes are the second largest revenue source to the City, generating approximately \$7,500,000 of general fund revenue.

**Business-type activities.** Business-type activities increased the City of Monroe's net assets by approximately \$13,000,000. Key elements of this decrease are as follows.

- Water Fund activities increased the City's net assets by approximately \$1,900,000.
- Sewer Fund activities increased net assets by approximately \$12,000,000.
- All other business-type activities decreased net assets by approximately \$300,000.

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2004**

**Financial Analysis of the Government's Funds**

As noted earlier, the City of Monroe uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City of Monroe'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 of Monroe'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.

As of the end of the current fiscal year, the City of Monroe's governmental funds reported combined ending fund balances of \$67,483,565, a decrease of \$22,399,605 in comparison with the prior year. Approximately 5 percent of this total amount (\$3,448,414) constitutes unreserved fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The general fund is the chief operating fund of the City of Monroe. At the end of the current fiscal year, fund balance of the general fund was approximately \$475,000 all of which, is reserved for inventories and prepaid items.

The fund balance of the City of Monroe's general fund decreased by approximately \$5,400,000 during the current fiscal year.

The debt service funds have a total fund balance of \$10,348,587, all of which is reserved for the payment of debt service.

The capital project funds have a fund balance of approximately \$55,000,000 of which approximately \$53,000,000 is reserved for capital improvements.

**General Fund Budgetary Highlights**

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA- R.S 39:1301 et seq), the City of Monroe must adopt a budget for the General Fund and all Special Revenue funds prior to April 30. The original budget for the City was adopted on April 8, 2003, and the final budget amendment was adopted on April 13, 2004.

**Revenues:** Revenues for the General Fund were projected to increase during FY 2004 by \$1,567,000 or 2.5% from the previous year. Property and Sales taxes were together projected to increase by \$800,000 from the 2003 estimates. Revenues from property taxes were based on the average annual 4% increase. The major increase in budgeted revenues is the transfer

**City of Monroe  
Management's Discussion and Analysis (MD&A)  
April 30, 2004**

in from our Water Utility of \$1,000,000, which was used to finance the mandatory increase in pension costs for the fire retirement system.

**Expenditures:** Salaries and Benefits comprise 57% of the General Funds Appropriations. This includes a mandatory 2% increase in salaries for Public Safety which increases by five hundred thousand annually. Appropriations for all other major categories decreased from the prior year's budget.

**Capital Asset and Debt Administration**

**Capital assets.** The City of Monroe's investment in capital assets for its governmental and business type activities as of April 30, 2004, amounts to approximately \$270,000,000 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

**The City of Monroe Capital Assets  
(net of depreciation)**

Land	\$22,888,718
Buildings and improvements	138,190,535
Furniture and equipment	36,153,963
Construction in progress	71,150,452
Infrastructure	97,285,841
Zoo animals	<u>139,050</u>
Total	<u>365,808,559</u>
Less: accumulated depreciation	<u>(96,084,379)</u>
Total Capital Assets	<u>\$269,724,180</u>

Major capital asset events during the current fiscal year included the following:

- Construction of the Water Pollution Control Center at an approximate total cost of \$21,900,000.
- Expenditures for a variety of street construction projects totaled \$7,200,000 for the year.
- Work in progress continues on two pump stations and two force mains. The total cost is expected to be \$20,600,000.

**City of Monroe  
Management's Discussion and Analysis (MD&A)  
April 30, 2004**

**City of Monroe Outstanding Debt  
As of April 30, 2004**

General Obligation Bonds	\$ 930,000
Tax Incremental Bonds	21,150,000
Certificates of Indebtedness	1,685,366
Sales Tax Bonds	117,405,549
Refunding Bonds	6,095,000
Claims and Judgments	5,111,842
Capital Lease	507,325
Compensated Absences	<u>5,002,659</u>
Total	<u>\$157,887,741</u>

The City of Monroe's total debt increased by approximately \$5,800,000 (3.8%) during the current fiscal year.

**Economic Factors and Next Year's Budgets and Rates**

Factors considered in preparing the City of Monroe's budget for the 2005 fiscal year included the impact that will be made by the loss of one of the major businesses. This loss will impact the city's sales and property tax revenue as well as the city's unemployment rate.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Monroe's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administration, 400 Lea Joyner Memorial Expressway, Monroe, LA, 71210.



**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**CITY OF MONROE**  
**Monroe, Louisiana**

**Statement of Net Assets**  
**Governmental Activities**

April 30, 2004

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash	\$ 42,405,576	\$ 1,434,804	\$ 43,840,380	\$ 505,134
Investments, at market value	26,575,604	-	26,575,604	-
Receivables	7,744,896	1,037,849	8,782,745	112,532
Internal balances	(697,487)	856,205	158,718	-
Prepaid expenses	1,557,340	172,956	1,730,296	-
Inventories	182,665	699,219	881,884	-
Bond issuance costs	2,611,667	69,603	2,681,270	-
Capital assets, net	164,442,288	105,281,893	269,724,181	164,876
<b>Total Assets</b>	<u>244,822,549</u>	<u>109,552,529</u>	<u>354,375,078</u>	<u>782,542</u>
<b>Liabilities</b>				
Accounts payable and accrued expenses	8,559,822	516,738	9,076,560	27,739
Due to other governmental units	1,159	-	1,159	-
Deferred revenues	816,852	64,822	881,674	-
Deposits held	-	1,173,727	1,173,727	-
Accrued interest payable	2,016,217	19,556	2,035,773	-
Other current liabilities	33,755	11,575	45,330	-
Long-term liabilities				
Due within one year	7,024,016	916,000	7,940,016	3,258
Due in more than one year	146,472,275	3,475,451	149,947,726	-
<b>Total liabilities</b>	<u>164,924,096</u>	<u>6,177,869</u>	<u>171,101,965</u>	<u>30,997</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	111,189,548	45,081,941	156,271,489	161,618
Restricted for:				
Debt Service	10,348,587	-	10,348,587	-
Capital Improvement	50,532,565	-	50,532,565	-
Unrestricted	(92,172,247)	58,292,719	(33,879,528)	589,927
<b>Total net assets</b>	<u>\$ 79,898,453</u>	<u>\$ 103,374,660</u>	<u>\$ 183,273,113</u>	<u>\$ 751,545</u>

The accompanying notes are an integral part of this statement.

**CITY OF MONROE**  
**Monroe, Louisiana**

**Statement of Activities**  
**Governmental Activities**

April 30, 2004

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
<b>Primary government:</b>								
Governmental activities:								
General government:								
Legislative	\$ 214,541	\$ -	\$ -	\$ -	\$ (214,541)	\$ -	\$ (214,541)	\$ -
Judicial	2,534,632	125,775	-	-	(2,408,857)	-	(2,408,857)	-
Executive	394,928	-	-	-	(394,928)	-	(394,928)	-
Finance and administration	6,235,041	1,782,318	174,476	-	(4,278,247)	-	(4,278,247)	-
Other general government	3,683,936	1,689,485	-	-	(1,994,451)	-	(1,994,451)	-
Total general government	13,063,078	3,597,578	174,476	-	(9,291,024)	-	(9,291,024)	-
Public safety	23,128,501	578,314	1,694,207	379,239	(20,476,741)	-	(20,476,741)	-
Public works	12,693,019	16,451	340,292	4,328,521	(8,007,755)	-	(8,007,755)	-
Health and welfare	2,302,413	2,271,419	2,289,282	224,118	2,482,406	-	2,482,406	-
Culture and recreation	4,624,899	722,296	45,723	175,569	(3,681,311)	-	(3,681,311)	-
Economic and government assistance	393,193	-	418,929	-	25,736	-	25,736	-
Interest and fiscal charges on long-term debt	6,063,525	-	-	-	(6,063,525)	-	(6,063,525)	-
Intergovernmental	17,026,224	-	-	-	(17,026,224)	-	(17,026,224)	-
Total governmental activities	79,294,852	7,186,058	4,962,909	5,107,447	(62,038,438)	-	(62,038,438)	-
Business-type activities:								
Airport	1,411,435	1,469,466	-	2,061,627	-	2,119,658	2,119,658	-
Transit	3,157,512	376,340	1,153,457	-	-	(1,627,715)	(1,627,715)	-
Civic Center	3,547,243	1,551,058	-	-	-	(1,996,185)	(1,996,185)	-
Zoo	1,590,120	330,426	-	-	-	(1,259,694)	(1,259,694)	-
Excursion Boat	16,696	-	-	-	-	(16,696)	(16,696)	-
Livestock Arena	49,409	6,445	-	-	-	(42,964)	(42,964)	-
Water	4,764,595	4,078,157	-	2,631,285	-	1,944,847	1,944,847	-
Sewer	4,980,688	4,689,358	-	12,333,312	-	12,041,982	12,041,982	-
Interest and fiscal charges on long-term debt	64,785	-	-	-	-	(64,785)	(64,785)	-
Total business-type activities	19,582,483	12,501,250	1,153,457	17,026,224	-	11,098,448	11,098,448	-
Total primary government	\$ 98,877,335	\$ 19,687,308	\$ 6,116,366	\$ 22,133,671	(62,038,438)	11,098,448	(50,939,990)	-
<b>Component Unit:</b>								
City Court	\$ 214,862	\$ 278,008	\$ -	\$ -	-	-	-	63,146
City Marshal	210,453	173,305	-	-	-	-	-	(37,148)
Total component units	\$ 425,315	\$ 451,313	\$ -	\$ -	-	-	-	25,998
<b>General revenues:</b>								
Taxes:								
Ad valorem taxes levied for:								
General purposes	-	-	-	-	7,266,690	-	7,266,690	-
Debt service purposes	-	-	-	-	210,964	-	210,964	-
Civic Center	-	-	-	-	-	868,029	868,029	-
Zoo	-	-	-	-	-	868,029	868,029	-
Sales taxes levied for:								
General purposes	-	-	-	-	29,568,927	-	29,568,927	-
Capital infrastructure	-	-	-	-	11,869,819	-	11,869,819	-
Debt service purposes	-	-	-	-	2,431,946	-	2,431,946	-
Other Taxes	-	-	-	-	71,302	-	71,302	-
Licenses and permits	-	-	-	-	3,390,575	-	3,390,575	-
Fines and forfeitures	-	-	-	-	472,061	-	472,061	-
Interest and investment earnings	-	-	-	-	892,674	2,341	895,015	9,879
Gain (loss) on sale of capital assets	-	-	-	-	108,347	8,621	116,968	-
Rents	-	-	-	-	86,691	-	86,691	-
Airport usage fee	-	-	-	-	404,803	-	404,803	-
Miscellaneous	-	-	-	-	381,463	204,705	586,168	63,843
Transfers in (out)	-	-	-	-	(568,257)	568,257	-	-
Total general revenues	56,588,005	2,519,982	-	-	59,107,987	-	59,107,987	73,722
Change in net assets	(5,450,433)	-	-	-	13,618,430	-	8,167,997	99,720
Net assets at beginning of year	-	-	-	-	85,348,886	89,756,230	175,105,116	651,825
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 79,898,453</b>	<b>\$ 103,374,660</b>	<b>\$ 183,273,113</b>	<b>\$ 751,545</b>				

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Balance Sheet**  
**Governmental Funds**  
**April 30, 2004**

	<b>MAJOR FUNDS</b>				<b>TOTAL</b>
	<b>GENERAL FUND</b>	<b>I-20 CORRIDOR IMPROVEMENTS FUND</b>	<b>DIGESTER UPSTREAM FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	
<b>ASSETS</b>					
Cash & cash equivalents	\$ 1,948,631	\$ 10,272,615	\$ 15,208	\$ 30,169,122	\$ 42,405,576
Investments	-	-	-	26,575,604	26,575,604
<b>Receivables:</b>					
Ad valorem taxes	288,611	-	-	8,518	297,129
Sales taxes	3,408,139	-	-	562,829	3,970,968
Special assessments, net	-	-	-	5,134	5,134
Other receivables	394,139	2,500	-	2,474,304	2,870,943
Due from other governmental units	7,102	-	-	-	7,102
Due from other funds	2,195,063	-	4,118,936	18,510,460	24,824,459
Advances to other funds	-	-	-	220,000	220,000
Prepaid expenses & other assets, net	500,533	377,995	-	678,812	1,557,340
Inventories	135,956	-	-	-	135,956
<b>TOTAL ASSETS</b>	<b>\$ 8,878,174</b>	<b>\$ 10,653,110</b>	<b>\$ 4,134,144</b>	<b>\$ 79,204,783</b>	<b>\$ 102,870,211</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts payable and accrued expenses	\$ 1,408,107	\$ -	\$ 922,805	\$ 6,164,501	\$ 8,495,413
Due to other funds	6,485,192	280,884	3,211,339	15,544,923	25,522,338
Due to other governmental units	1,159	-	-	-	1,159
Deferred revenues	288,611	-	-	825,370	1,113,981
Advances from other funds	220,000	-	-	-	220,000
Other current liabilities	-	-	-	33,755	33,755
<b>Total liabilities</b>	<b>8,403,069</b>	<b>280,884</b>	<b>4,134,144</b>	<b>22,568,549</b>	<b>35,386,646</b>
<b>Fund equity:</b>					
<b>Fund balance:</b>					
Reserved for debt service	-	-	-	10,348,587	10,348,587
Reserved for advances to other funds	-	-	-	220,000	220,000
Reserved for capital improvement	-	10,372,226	-	42,619,233	52,991,459
Reserved for inventory and prepaids	475,105	-	-	-	475,105
Unreserved/undesignated	-	-	-	3,448,414	3,448,414
<b>Total fund balance</b>	<b>475,105</b>	<b>10,372,226</b>	<b>-</b>	<b>56,636,234</b>	<b>67,483,565</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 8,878,174</b>	<b>\$ 10,653,110</b>	<b>\$ 4,134,144</b>	<b>\$ 79,204,783</b>	<b>\$ 102,870,211</b>

The accompanying notes are an integral part of this statement.

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Assets**  
**April 30, 2004**

Fund balances - total governmental funds		\$ 67,483,565
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	186,370,973	
Less: accumulated depreciation	<u>(25,013,172)</u>	161,357,801
Assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds		
Deferred bond issuance costs		2,611,667
Some revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures.		
Bond forfeitures receivable	39,099	
Sales tax increment - I-20 Corridor	216,507	
Sales tax increment - Tower Drive	338,014	
Deferred property taxes - General Fund	288,611	
Deferred property tax - City Court Debt Service	<u>8,518</u>	890,749
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest payable	(2,016,217)	
Bonds payable	(142,905,044)	
Compensated absences payable	(4,155,612)	
Obligation under capital leases	(507,325)	
Claims and judgments payable	<u>(5,111,842)</u>	(154,696,040)
Internal service funds are used by management to account for the provision of repair and maintenance services and motor fuels to various City departments. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
		2,250,711
Elimination of interfund assets and liabilities:		
Due to other funds		25,522,338
Due from other funds		(24,824,851)
Internal balances		(697,487)
Advances from other funds		220,000
Advances to other funds		<u>(220,000)</u>
Net assets of governmental activities		<u>\$ 79,898,453</u>

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended April 30, 2004**

	<b>MAJOR FUNDS</b>				<b>TOTAL</b>
	<b>GENERAL FUND</b>	<b>I-20 CORRIDOR IMPROVEMENT FUND</b>	<b>DIGESTER UPSTREAM FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	
<b>Revenues:</b>					
Taxes:					
Ad valorem	\$ 7,144,915	\$ -	\$ -	\$ 210,964	\$ 7,355,879
Sales	40,593,246	-	-	2,994,775	43,588,021
Other	71,302	-	-	-	71,302
Licenses, permits, and assessments	3,388,043	-	-	2,532	3,390,575
Intergovernmental:					
Federal grants	330,642	-	-	7,115,507	7,446,149
State grants	1,404,693	-	-	1,218,736	2,623,429
Local grants	776	-	-	-	776
Fees, charges, and commissions for services	5,347,238	-	-	566,381	5,913,619
Fines and forfeitures	413,799	-	-	19,163	432,962
Use of money and property	167,538	50,513	2,599	758,715	979,365
Other revenues	181,057	-	-	200,406	381,463
Total Revenues	<u>59,043,249</u>	<u>50,513</u>	<u>2,599</u>	<u>13,087,179</u>	<u>72,183,540</u>
<b>Expenditures:</b>					
Current:					
General government:					
Legislative	214,541	-	-	-	214,541
Judicial	2,534,632	-	-	-	2,534,632
Executive	394,928	-	-	-	394,928
Finance and administration	6,235,041	-	-	-	6,235,041
Other	844,118	-	-	-	844,118
Public safety	21,302,921	-	-	1,329,483	22,632,404
Public works	9,523,291	-	-	929,524	10,452,815
Health and welfare	-	-	-	2,302,413	2,302,413
Culture and recreation	4,318,704	-	-	262,091	4,580,795
Economic development	-	-	-	393,193	393,193
Debt service	1,236,218	-	-	21,302,268	22,538,486
Capital expenditures	557,859	2,025,506	5,755,725	34,279,355	42,618,445
Total Expenditures	<u>47,162,253</u>	<u>2,025,506</u>	<u>5,755,725</u>	<u>60,798,327</u>	<u>115,741,811</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	11,880,996	(1,974,993)	(5,753,126)	(47,711,148)	(43,558,271)
<b>Other Financing Sources/(Uses)</b>					
Sale of assets	42,652	-	-	87,000	129,652
Proceeds from the issuance of bonds	635,532	16,000,000	4,479,992	1,759,207	22,874,731
Payments to refinance certificates of indebtedness	(600,000)	-	-	-	(600,000)
Transfers in	2,092,672	214,054	5,642,983	55,703,682	63,653,391
Transfers out	(19,461,613)	(13,090,266)	(3,727,632)	(28,619,597)	(64,899,108)
Total Other Financing Sources/(Uses)	<u>(17,290,757)</u>	<u>3,123,788</u>	<u>6,395,343</u>	<u>28,930,292</u>	<u>21,158,666</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</b>	(5,409,761)	1,148,795	642,217	(18,780,856)	(22,399,605)
<b>Fund Balances at Beginning of Year</b>	3,724,976	9,223,431	(642,217)	74,537,454	86,843,644
<b>Prior period adjustment</b>	2,159,890	-	-	879,636	3,039,526
<b>Fund Balances at Beginning of Year (as restated)</b>	<u>5,884,866</u>	<u>9,223,431</u>	<u>(642,217)</u>	<u>75,417,090</u>	<u>89,883,170</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 475,105</u>	<u>\$ 10,372,226</u>	<u>\$ -</u>	<u>\$ 56,636,234</u>	<u>\$ 67,483,565</u>

The accompanying notes are an integral part of this statement.

**CITY OF MONROE**  
**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 April 30, 2004**

Net change in fund balances - total governmental funds		\$ (22,399,605)
Amount reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay (net of \$17,026,024 capital contributions to business activities)	25,592,422	
Depreciation expense	<u>(3,206,370)</u>	22,386,052
The net effect of various miscellaneous transactions involving capital assets, such as sales and trade-ins:		
Proceeds for sales	(113,600)	
Gain on sales	92,295	(21,305)
Some revenues will not be collected for several months after year-end they are not considered "available" revenues in the governmental funds.		
Property tax revenue	121,575	
Sales tax increment - I-20 Corridor	42,250	
Sales tax increment - Tower Drive	240,421	
Bond forfeitures	<u>39,099</u>	443,345
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are <i>deferred and amortized in the statement of activities</i> .		
Deferred bond issuance costs	992,254	
Amortization of bond issuance costs	(274,523)	
Payment to refinance certificates of indebtedness	600,000	
Debt service	(600,000)	
Principal payments	15,863,952	
Proceeds for bonds and certificates	(22,874,731)	
Capital lease payments	<u>493,279</u>	(5,799,769)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued interest payable	(69,786)	
Compensated absences payable	(111,774)	
Claims and judgments payable	<u>(89,189)</u>	(270,749)
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability.		
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		<u>211,598</u>
Change in net assets of governmental activities		<u>\$ (5,450,433)</u>



**CITY OF MONROE  
MONROE, LOUISIANA**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
APRIL 30, 2004**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 612,985	\$ 805,374	\$ 16,445	\$ 1,434,804	\$ -
Ad valorem taxes receivable	-	-	70,130	70,130	-
Accounts receivable - net	432,626	477,743	57,350	967,719	-
Due from other funds	2,178,182	1,002,541	62,734	3,243,457	392
Prepaid items	11,313	-	161,643	172,956	-
Inventory	535,007	-	164,212	699,219	46,709
Bond issuance costs	-	69,603	-	69,603	-
Total current assets	<u>3,770,113</u>	<u>2,355,261</u>	<u>532,514</u>	<u>6,657,888</u>	<u>47,101</u>
Capital assets:					
Non-depreciable	1,418,951	31,521,038	8,628,156	41,568,145	45,000
Depreciable	<u>34,939,385</u>	<u>58,441,325</u>	<u>40,754,663</u>	<u>134,135,373</u>	<u>3,689,068</u>
Total capital assets	<u>36,358,336</u>	<u>89,962,363</u>	<u>49,382,819</u>	<u>175,703,518</u>	<u>3,734,068</u>
Accumulated depreciation	<u>17,621,695</u>	<u>26,072,167</u>	<u>26,727,763</u>	<u>70,421,625</u>	<u>649,581</u>
Net capital assets	<u>18,736,641</u>	<u>63,890,196</u>	<u>22,655,056</u>	<u>105,281,893</u>	<u>3,084,487</u>
Total assets	<u>\$ 22,506,754</u>	<u>\$ 66,245,457</u>	<u>\$ 23,187,570</u>	<u>\$ 111,939,781</u>	<u>\$ 3,131,588</u>

The accompanying notes are an integral part of this statement.

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
<b>LIABILITIES</b>					
Current liabilities:					
Accounts and retainage payable	\$ 70,217	\$ 341,573	\$ 104,948	\$ 516,738	\$ 64,409
Due to other funds	290,203	2,088,049	9,000	2,387,252	-
Deferred revenue	-	-	64,822	64,822	-
Customer deposits (net)	1,173,727	-	-	1,173,727	-
Current portion of long-term debt	-	-	-	-	151,760
Bonds payable	-	605,000	31,000	636,000	-
Other current liabilities	-	-	11,575	11,575	-
Total current liabilities	<u>1,534,147</u>	<u>3,034,622</u>	<u>221,345</u>	<u>4,790,114</u>	<u>216,169</u>
Liabilities payable from restricted assets:					
Accrued interest payable	-	19,556	-	19,556	-
Current portion of revenue bonds payable	-	280,000	-	280,000	-
Total restricted liabilities	<u>-</u>	<u>299,556</u>	<u>-</u>	<u>299,556</u>	<u>-</u>
Noncurrent liabilities:					
Bonds payable	-	-	142,000	142,000	664,708
Compensated absences payable	192,985	225,258	428,805	847,048	-
Notes payable - DEQ	-	2,486,403	-	2,486,403	-
Total noncurrent liabilities	<u>192,985</u>	<u>2,711,661</u>	<u>570,805</u>	<u>3,475,451</u>	<u>664,708</u>
Total liabilities	<u>\$ 1,727,132</u>	<u>\$ 6,045,839</u>	<u>\$ 792,150</u>	<u>\$ 8,565,121</u>	<u>\$ 880,877</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	\$ 14,486,241	\$ 34,185,811	\$ 22,482,056	\$ 71,154,108	\$ 2,268,019
Unrestricted	<u>6,293,381</u>	<u>26,013,807</u>	<u>(86,636)</u>	<u>32,220,552</u>	<u>(17,308)</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 20,779,622</u>	<u>\$ 60,199,618</u>	<u>\$ 22,395,420</u>	<u>\$ 103,374,660</u>	<u>\$ 2,250,711</u>

**CITY OF MONROE  
MONROE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
APRIL 30, 2004**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 4,078,157	\$ 4,689,358	\$ 3,733,735	\$ 12,501,250	\$ 1,677,243
Miscellaneous revenues	180,150	2,525	22,030	204,705	-
Total operating revenues	<u>4,258,307</u>	<u>4,691,883</u>	<u>3,755,765</u>	<u>12,705,955</u>	<u>1,677,243</u>
<b>OPERATING EXPENSES</b>					
Personal services	1,758,149	1,739,024	4,047,435	7,544,608	709,615
Materials, repairs and supplies	1,001,446	619,783	1,089,424	2,710,653	1,190,066
Utilities and communications	610,070	601,967	819,584	2,031,621	30,691
Depreciation and amortization	746,560	1,208,412	1,679,497	3,634,469	105,649
Insurance	1,028	-	510,557	511,585	-
Promoter's expenses	-	-	823,345	823,345	-
Other operating expenses	647,342	811,502	802,573	2,261,417	18,946
Total operating expenses	<u>4,764,595</u>	<u>4,980,688</u>	<u>9,772,415</u>	<u>19,517,698</u>	<u>2,054,967</u>
Operating income (loss)	(506,288)	(288,805)	(6,016,650)	(6,811,743)	(377,724)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Ad valorem taxes	-	-	1,736,058	1,736,058	-
Operating grants	-	-	1,153,457	1,153,457	-
Investment earnings	840	1,501	-	2,341	-
Interest expense	-	(48,060)	(16,725)	(64,785)	(88,138)
Gain (loss) on disposition of capital assets	-	-	8,621	8,621	-
Total nonoperating revenues (expenses)	<u>840</u>	<u>(46,559)</u>	<u>2,881,411</u>	<u>2,835,692</u>	<u>(88,138)</u>
Income (loss) before contributions and transfers	(505,448)	(335,364)	(3,135,239)	(3,976,051)	(465,862)
Capital contributions	2,631,285	12,333,312	2,061,627	17,026,224	-
Transfers in	-	-	2,187,387	2,187,387	677,460
Transfers out	<u>(1,000,000)</u>	<u>(83,331)</u>	<u>(535,799)</u>	<u>(1,619,130)</u>	<u>-</u>
Changes in net assets	1,125,837	11,914,617	577,976	13,618,430	211,598
Net assets beginning of year	<u>19,653,785</u>	<u>48,285,001</u>	<u>21,817,444</u>	<u>89,756,230</u>	<u>2,039,113</u>
Net assets end of year	<u>\$ 20,779,622</u>	<u>\$ 60,199,618</u>	<u>\$ 22,395,420</u>	<u>\$ 103,374,660</u>	<u>2,250,711</u>

The accompanying notes are an integral part of this statement.

**CITY OF MONROE**  
**Monroe, Louisiana**

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2004**

	Business Type Activities				Governmental Activities Internal Service Fund
	Enterprise Funds				
	WATER FUND	SEWER FUND	OTHER ENTERPRISE FUNDS	TOTAL	
<b>Cash flows from operating activities</b>					
Cash received from customers	\$ 3,740,738	\$ 3,625,348	\$ 3,789,966	\$ 11,156,052	\$ 1,676,890
Cash payments to suppliers for goods and services	(1,890,812)	(3,309,605)	(4,032,231)	(9,232,648)	(1,190,436)
Cash payments to employees for services and benefits	(1,787,028)	(1,752,117)	(4,014,034)	(7,553,179)	(709,615)
Net cash provided by (used for) operating activities	<u>62,898</u>	<u>(1,436,374)</u>	<u>(4,256,299)</u>	<u>(5,629,775)</u>	<u>(223,161)</u>
<b>Cash flows from noncapital financing activities</b>					
Operating grants	-	-	1,153,457	1,153,457	-
Ad valorem taxes	-	-	1,707,316	1,707,316	-
Transfers in	-	-	2,187,389	2,187,389	677,460
Transfers out	(1,000,000)	(83,331)	(535,799)	(1,619,130)	-
Net cash provided by (used for) noncapital financing activities	<u>(1,000,000)</u>	<u>(83,331)</u>	<u>4,512,363</u>	<u>3,429,032</u>	<u>677,460</u>
<b>Cash flows from capital and related financing activities</b>					
Acquisition of capital assets	(2,745,454)	(12,409,335)	(2,406,250)	(17,561,039)	(27,615)
Cash contributed by City of Monroe	2,631,285	12,363,831	2,061,627	17,056,743	-
Proceeds from sale of assets	-	-	30,619	30,619	-
Insurance proceeds	-	-	100,000	100,000	-
Gain on disposal of segment	-	-	4,370	4,370	-
Principal paid on debt	-	(270,000)	(80,658)	(350,658)	(348,532)
Interest paid on debt	-	(53,685)	(16,725)	(70,410)	(88,138)
Net cash (used for) financing activities	<u>(114,169)</u>	<u>(369,189)</u>	<u>(307,017)</u>	<u>(790,375)</u>	<u>(464,285)</u>
<b>Cash flows from investing activities</b>					
Interest received on investments	840	1,501	-	2,341	-
Net cash provided by investing activities	<u>840</u>	<u>1,501</u>	<u>-</u>	<u>2,341</u>	<u>-</u>
<b>Net (decrease) in cash and cash equivalents</b>	(1,050,431)	(1,887,393)	(50,953)	(2,988,777)	(9,986)
<b>Cash and cash equivalents, May 1, 2003</b>	<u>1,663,416</u>	<u>2,692,767</u>	<u>67,398</u>	<u>4,423,581</u>	<u>9,986</u>
<b>Cash and cash equivalents, April 30, 2004</b>	<u>\$ 612,985</u>	<u>\$ 805,374</u>	<u>\$ 16,445</u>	<u>\$ 1,434,804</u>	<u>\$ -</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities</b>					
Operating (loss)	\$ (506,288)	\$ (288,805)	\$ (6,016,650)	\$ (6,811,743)	\$ (377,724)
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities</b>					
Depreciation	746,560	1,208,412	1,679,497	3,634,469	105,649
Adjustment to bond issuance cost	-	21,954	-	21,954	-
Change in assets and liabilities					
Accounts receivable	454,649	(63,996)	75,468	466,121	39
Due from other funds	(1,010,628)	(1,002,539)	(43,724)	(2,056,891)	(392)
Inventories	92,904	-	35,077	127,981	14,055
Prepaid expenses	(11,313)	-	(37,163)	(48,476)	-
Accounts payable	(1,972)	61,185	8,235	67,448	35,552
Due to other funds	289,455	(1,359,492)	(3,897)	(1,073,934)	(340)
Deferred revenue	-	-	18,742	18,742	-
Customer deposits	38,410	-	(16,285)	22,125	-
Other current liabilities	-	-	11,000	11,000	-
Compensated absences	(28,879)	(13,093)	33,401	(8,571)	-
Net cash provided by (used for) operating activities	<u>\$ 62,898</u>	<u>\$ (1,436,374)</u>	<u>\$ (4,256,299)</u>	<u>\$ (5,629,775)</u>	<u>\$ (223,161)</u>

**CITY OF MONROE  
MONROE, LOUISIANA**

**STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
APRIL 30, 2004**

	Police Pension and Relief Fund	Bus Drivers' Pension and Relief Fund	Agency Funds	Total	Component Units Agency Funds	
					City Court of Monroe	Monroe City Marshal
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 109,959	\$ 61,316	\$ 8,208,126	\$ 8,379,401	\$ 777,253	\$ 16,239
Accounts receivable			12,880	12,880	-	9,394
Total assets	<u>109,959</u>	<u>61,316</u>	<u>8,221,006</u>	<u>8,392,281</u>	<u>777,253</u>	<u>25,633</u>
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable	-	-	-	-	106,871	-
Due to other funds	-	-	158,715	158,715	-	-
Due to other agencies	-	-	7,920,638	7,920,638	-	-
Deposits due to others	-	-	141,653	141,653	670,382	25,633
Total liabilities	<u>-</u>	<u>-</u>	<u>8,221,006</u>	<u>8,221,006</u>	<u>777,253</u>	<u>25,633</u>
<b>Net Assets</b>						
Fund Equity						
Reserved for retirement benefits	<u>109,959</u>	<u>61,316</u>	<u>-</u>	<u>171,275</u>	<u>-</u>	<u>-</u>
Total Net Assets	<u>\$ 109,959</u>	<u>\$ 61,316</u>	<u>\$ -</u>	<u>\$ 171,275</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**CITY OF MONROE  
MONROE, LOUISIANA**

**STATEMENT OF CHANGES IN  
FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
APRIL 30, 2004**

	<b>Police Pension and Relief Fund</b>	<b>Bus Drivers' Pension and Relief Fund</b>
	<u>                    </u>	<u>                    </u>
<b>ADDITIONS</b>		
Investment income		
Interest	\$ 1,141	\$ 632
Total investment income	<u>1,141</u>	<u>632</u>
Individual account transactions		
Contributions by the City	<u>-</u>	<u>14,000</u>
Total additions	<u>1,141</u>	<u>14,632</u>
<b>DEDUCTIONS</b>		
Benefits paid	1,913	13,025
Administrative expense	<u>67</u>	<u>179</u>
Total deductions	<u>1,980</u>	<u>13,204</u>
Change in net assets held for pension benefits	(839)	1,428
Net assets, beginning of year	<u>110,799</u>	<u>59,888</u>
Net assets, end of year	<u>\$ 109,960</u>	<u>\$ 61,316</u>

**CITY OF MONROE  
MONROE, LOUISIANA**

**COMBINING STATEMENT OF NET ASSETS  
ALL DISCRETELY PRESENTED COMPONENT UNITS  
APRIL 30, 2004**

	<b>City Court of Monroe</b>	<b>Monroe City Marshal</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 500,143	\$ 4,991	\$ 505,134
Accounts receivable	59,443	53,089	112,532
Total current assets	559,586	58,080	617,666
Capital assets, net of accumulated depreciation	19,231	145,645	164,876
<b>Total assets</b>	<b>\$ 578,817</b>	<b>\$ 203,725</b>	<b>\$ 782,542</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 3,236	\$ 24,503	\$ 27,739
Capital leases - due within one year	-	3,258	3,258
<b>Total liabilities</b>	<b>\$ 3,236</b>	<b>\$ 27,761</b>	<b>\$ 30,997</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 19,231	\$ 142,387	\$ 161,618
Unrestricted	556,350	33,577	589,927
<b>Total Net Assets</b>	<b>\$ 575,581</b>	<b>\$ 175,964</b>	<b>\$ 751,545</b>

The accompanying notes are an integral part of this statement.

**CITY OF MONROE  
MONROE, LOUISIANA**

**COMBINING STATEMENT OF ACTIVITIES  
ALL DISCRETELY PRESENTED COMPONENT UNITS  
APRIL 30, 2004**

	City Court of Monroe	Monroe City Marshal	Total
<b>EXPENDITURES</b>			
Judiciary:			
Personal services	\$ (999,352)	\$ (881,375)	\$ (1,880,727)
Operating services	(188,211)	(63,305)	(251,516)
Materials and supplies	(28,949)	(15,546)	(44,495)
Travel and other	(56,397)	-	(56,397)
Depreciation	(16,314)	(12,452)	(28,766)
Total Expenditures	(1,289,223)	(972,678)	(2,261,901)
<b>PROGRAM REVENUES</b>			
Fees, charges, and court costs:			
Court costs	141,064	170,370	311,434
Civil fees	23,830	-	23,830
Probation fees	43,100	-	43,100
Reinstatement fees	4,387	-	4,387
Bond forfeitures	56,800	-	56,800
Other charges for services	8,827	2,935	11,762
Total Program Revenues	278,008	173,305	451,313
Net Program Expense	(1,011,215)	(799,373)	(1,810,588)
<b>GENERAL REVENUES</b>			
Intergovernmental - City of Monroe	1,074,361	762,225	1,836,586
Interest income	9,879	-	9,879
Bond forfeitures	-	56,800	56,800
Other income	7,043	-	7,043
Total General Revenues	1,091,283	819,025	1,910,308
<b>CHANGES IN NET ASSETS</b>	80,068	19,652	99,720
<b>NET ASSETS</b>			
Beginning of year	495,513	156,312	651,825
End of year	\$ 575,581	\$ 175,964	\$ 751,545

The accompanying notes are an integral part of this statement.



**CITY OF MONROE**  
**Monroe, Louisiana**

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2004**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Monroe, Louisiana (the City) operates under a Home Rule Charter approved by the voters in 1979. This charter provides for an executive branch of government headed by a mayor and a legislative branch of government consisting of five council members. The City's combined balance sheet includes the accounts of all City operations. The City's major operations include police and fire protection, garbage and trash collection, economic development, parks and recreation, other cultural activities, and general administration services. In addition, the City owns and operates six major enterprise activities: airport, water distribution, sanitary sewerage systems, mass transit system, civic center, and gardens and zoo.

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

**A. NEW ACCOUNTING STANDARDS ADOPTED**

As of May 1, 2003, the City adopted three new statements of financial accounting standards and one new interpretation issued by the Governmental Accounting Standards Board (GASB):

- Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*
- Statement No. 37 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*. This statement amends GASB Statements No. 21 and No. 34. The amendments to Statement 21 are necessary because of the changes in the fiduciary fund structure required by Statement 34.
- Statement No. 38 - *Certain Financial Statement Disclosures* which modifies, establishes and rescinds certain financial statement disclosure requirements.
- Interpretation No. 6 - *Recognition and Measurements of Certain Liabilities & Expenditures in Governmental Fund Financial Statements* is an interpretation of NCGA Statements 1, 4, and 5; NCGA Interpretation 8; and GASB Statement Nos. 10, 16, and 18. It clarifies the existing modified accrual standards for distinguishing the portion of a liability that should be reported as a governmental fund liability/expenditure from the portion that should be reported as a general long-term liability.

**CITY OF MONROE**  
**Monroe, Louisiana**

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2004**

Statement No. 34 (as amended by Statement No. 37) represents a very significant change in the financial reporting model used by state and local governments.

Statement No. 34 requires government-wide financial statements to be prepared using the accrual basis of accounting and economic resources measurement focus. Government-wide financial statements do not provide information by fund or account group, but distinguish between the City's governmental activities, business-type activities, and activities of its discretely presented component units on the statement of net assets and statements of activities. Significantly, the City's statement of net assets includes both noncurrent assets and noncurrent liabilities of the City, which were previously recorded in the General Fixed Assets Account Group and the General Long-term Debt Account Group.

The City's implementation of these standards had the following effect on the City's financial statements:

- The City has historically capitalized all capital assets, excluding infrastructure. The City also has not recorded annual depreciation expense or the related accumulated depreciation. As of May 1, 2003, the City recorded infrastructure assets of \$113,825,327 and recognized \$21,806,802 in accumulated depreciation on all governmental activity assets that had not previously been recognized.
- The City recorded bond issuance costs of \$1,893,936 as of April 30, 2003. This reflects the unamortized portion of bond issuance costs of governmental activities as of that date.
- The City recorded receivables in the governmental activities as of April 30, 2003 of \$3,313,883 for sales taxes.
- The City recognized revenues of \$175,354 related to property taxes within the City's governmental funds as of April 30, 2003, which had previously been recorded as deferred revenues.
- The City recorded a liability of \$1,946,431 for accrued interest payable on long term debt being paid through governmental activities as of April 30, 2003.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which continue to use the modified accrual basis of accounting and the current financial resources measurement focus. The accrual basis of accounting is utilized by proprietary fund types and the pension trust fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The format of the financial statements has been modified by Statement No. 34 to focus on major funds, as opposed to presenting fund types.

**CITY OF MONROE**  
**Monroe, Louisiana**

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2004**

Statement No. 34 also requires certain required supplementary information in the form of Management's Discussion and Analysis which includes an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the adopted and modified General Fund budget with actual results.

**B. FINANCIAL REPORTING ENTITY**

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

GASB Statement 14, *The Financial Reporting Entity*, sets forth criteria for determining which, if any, component units should be considered part of the City of Monroe for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which include:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the City to impose its will on that organization and/or;
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority, but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the potential component unit were not included because of the nature or significance of the relationship.

Based on the previous criteria, the City has determined that the following component units should be considered as part of the City reporting entity.

**Discrete Component Units**

**Monroe City Court** - The Monroe City Court is a legally separate entity. The City appoints none of the governing board (Judges) of the court. Judges of the court are independently elected officials. Although the City Council can, to a limited degree, impose its will on the court through City Council ordinances, the City provides office space, court facilities and some

**CITY OF MONROE**  
**Monroe, Louisiana**

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2004**

furnishings, and compensation to the court. Although the court functions entirely within the City of Monroe, it provides no direct services to the City or City Council. However, based on criteria 2. above, it has been determined that the court is a component unit of the City and should be included in the City's financial statements through discrete presentation.

**Monroe City Marshal** - The Monroe City Marshal's office is a legally separate entity. The City does not appoint the governing board (Marshal) of the marshal's office. The City Marshal is an independently elected official. Although the City cannot impose its will on the City Marshal, it does provide a substantial portion of his compensation, facilities, and furnishings. Although the City Marshal functions entirely within the City of Monroe, he provides no direct service to the City, but is rather an officer of the City Court. However, based on criteria 2. above, it has been determined that the City Marshal is a component unit of the City and should be included in the City's financial statements through discrete presentation.

**Blended Component Units**

**Economic Development** – Two not-for-profit entities perform administrative functions for the City's incremental sales tax economic development districts. These entities are the Tower Drive Economic Development Corporation and the Garrett Road Economic Development Corporation. There also exist two other special districts within the City - The Downtown Economic Development District and The Southside Economic Development District. These two districts are charged with planning and delivery of public improvements, facilities, and services in their respective districts. For financial reporting purposes, all of these entities are considered an integral part of the City, not component units. This decision is due to the City keeping the books and records for these entities, the City as a whole reaping the benefits from the use of the proceeds of the incremental tax bonds issued by the not-for-profits, and that the districts and the separate not-for-profits are ministerial and structural in nature, as disbursement of funds is subject to the control of the City through the plan of government. As such, they are presented as separate Special Revenue, Debt Service, and Capital Project funds within those categories of the City's general-purpose financial statements.

Included in the evaluation of potential component units of the City of Monroe were the Monroe City School Board, the Ouachita Council of Governments, the Monroe Housing Authority, the City of Monroe Employees Credit Union, the Monroe/West Monroe Public Trust Financing Authority, and the Ouachita Civil Defense Agency. None of these entities were determined to be component units of the City of Monroe reporting entity.

***C. BASIS OF PRESENTATION***

The City's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the primary government and its component units and the fund financial

**CITY OF MONROE**  
**Monroe, Louisiana**

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2004**

statements (individual major fund and combined non-major fund). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

***GOVERNMENT-WIDE FINANCIAL STATEMENTS:***

The government-wide financial statements include the statement of net assets and the statement of activities for all non-fiduciary activities of the primary government and the total for its component units. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are payments between the enterprise funds to other various functions of government for charges such as sewer fees and contributions between the primary government and its component units which are reported as external transactions. The government-wide presentation focuses primarily on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

*Governmental Activities* represent programs which normally are supported by taxes and intergovernmental revenues.

*Business-Type Activities* are financed in whole or in part by fees charged to external parties for goods and services.

The primary government is reported separately from the legally separate component units as detailed in section (A) of this note.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs have been directly allocated as administrative fees to grants and special fund programs. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. This includes internally dedicated resources such as a restricted property tax.

**CITY OF MONROE**  
**Monroe, Louisiana**

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2004**

***FUND FINANCIAL STATEMENTS:***

The City uses funds, both major and non-major, to report on its financial position and the results of its 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 that comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

Emphasis of fund reporting is on the major fund level in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column in the basic financial statements.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the provision of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The City's current operations require the use of the governmental, proprietary, and fiduciary fund categories. The fund types used by the City are described as follows:

**Governmental Activities Presented as Governmental Funds in the Fund Financial Statements:**

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

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

*Debt Service Funds* - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. All general obligation bonds are direct obligations of the City. Principal and interest are payable from ad valorem taxes levied on all taxable property and improvements within the City. All special assessment debts are secured by liens on assessed properties and backed by the full faith and credit of the City. Special assessment debt is accounted for in the General Long-term Obligations Account Group. Incremental Sales Tax Bonds are secured by a pledge of incremental state (40%) and City (60%) sales and use taxes within the boundaries of the respective districts and do not involve the pledge of the full faith and credit of the City. Incremental Sales Tax Bonds are accounted for in the General Long-Term Obligations Account

**CITY OF MONROE**  
**Monroe, Louisiana**

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2004**

Group.

*Capital Project Funds* - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, improvements and other major projects (other than those financed by Proprietary Funds).

*Proprietary Funds:*

*Enterprise Funds* - These funds are 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. Net cash losses of the Enterprise Funds are subsidized by the General Fund. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements. The two enterprise funds reported as major funds in the fund financial statements are as follows:

The Water Department Fund accounts for the operation of the water treatment and distribution services to the residents of the city. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, and billing and collection of water service revenue.

The Sewer Department Fund accounts for the operation of sewer services and sewerage treatment services to the residents of the city. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance of the system, and billing and collection of sewer user fees.

*Internal Service Funds* - Internal service funds are used to account for the financing of goods and/or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City operates a central shop and warehouse which provides inventory storage, repair and maintenance, and fueling services solely to other City user departments (with the exception of the Monroe Transit System) at rates designed to cover the costs of operations, including depreciation and debt service. Since the principal users of the internal service fund are the City's governmental activities, financial statements of the internal service fund are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate functional activity.

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In accordance with the provisions of GASB Statement 20, the City has elected not to apply FASB statements and interpretations issued after November 30, 1989, to proprietary activities unless they are adopted by the GASB.

*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 individuals, private organizations, other governments, and/or other funds. These include Agency Funds and Pension Trust Funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Pension trust funds account for pension funds established for classified employees of various departments and are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical.

**D. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

***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. Property taxes are recognized in the year for which they are levied.

***FUND FINANCIAL STATEMENTS:***

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types and the fiduciary fund type agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Ad valorem taxes, grants, and fees, charges, and commissions for services have been treated as susceptible to accrual.

The City uses the following practices in recognizing and reporting revenues and expenditures in



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the governmental fund types:

*Revenues:*

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in October or November and are billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year; however, by precedent, this is normally extended until February 1. Revenues from ad valorem taxes are budgeted in the year billed to the extent collections are expected. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Ouachita Parish.

Sales taxes are considered "measurable" when in the hands of the City Sales Tax Collector and are recognized as revenue at that time.

Federal and state grants are normally "expenditure driven", which means that the City does not earn, or is not entitled to, the grant funds until a liability for the expenditure has been incurred. Amounts received in excess of actual expenditures at year end are reflected as deferred revenue on the fund's balance sheet.

Interest earnings on time deposits are recognized as revenue when the time deposits have matured and the interest is available. Substantially all other revenues are recognized when actually received by the City.

*Expenditures:*

Expenditures in the governmental funds are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Compensated absences are recognized as expenditures when leave is actually taken or when employees, or their heirs, are paid for accrued leave upon retirement or death. The cost of leave privileges not requiring current available resources is recognized in the General Long-Term Obligations Account Group.

Principal and interest on long-term debt is recognized when due.

*Proprietary and Pension Trust Funds*

All proprietary funds and pension trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

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*Fiduciary Funds*

Fiduciary Funds include Trust and Agency Funds. Trust and Agency Fund assets and liabilities are accounted for on the modified accrual basis of accounting, except for the pension trust funds, which are discussed above.

*Other Financing Sources (Uses)*

Proceeds from issuing long-term debt and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

**E. BUDGET PRACTICES**

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

1. At least ninety days prior to the beginning of the fiscal year, the Mayor submits to the City Council an operating and capital budget for the succeeding year.
2. A public hearing is scheduled by the City Council after allowing for at least ten days notice to the public at the time the budget is initially submitted to the City Council. The budget for the succeeding year must be finally adopted by the Council no later than the second-to-last regular meeting of the fiscal year.
3. The Mayor may authorize transfers of budgetary amounts within departments. However, any revisions requiring alteration of levels of expenditures or transfers between departments must be approved by the City Council.
4. Operating appropriations, to the extent not expended, lapse at year end. Capital appropriations continue in force until the project is completed or deemed abandoned after three years of no activity.
5. All legally adopted budgets of the City are adopted on a basis consistent with generally accepted accounting principles (GAAP).

For the year ended April 30, 2004, the City adopted a budget for the General Fund and all Special Revenue Funds.

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***F. ASSETS, LIABILITIES, AND FUND EQUITY***

***CASH, CASH EQUIVALENTS, AND INVESTMENTS:***

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

At April 30, 2004, the City has cash and cash equivalents totaling \$43,840,380, as follows:

Petty cash	\$ 21,190
Demand deposits	31,381,984
Money market funds	<u>12,437,206</u>
Total	<u>\$ 43,840,380</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or 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 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 other than these backed by the U.S. government) at April 30, 2004, are secured, as follows:

Bank balances	\$ <u>45,112,907</u>
Federal deposit insurance	\$ 244,864
Pledged securities (uncollateralized)	<u>74,023,049</u>
Total	<u>\$ 74,267,913</u>

Because the pledged securities are held by a custodial bank in the name of the 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.

For purposes of the Statement of Cash Flows, cash equivalents include all highly liquid investments with a maturity date of three months or less when purchased. Included as cash equivalents for purposes of the Statements of Cash Flows are the money market accounts noted below.

The money market accounts are utilized for the daily investment of idle cash of the City. The account is managed by the City's fiscal agent and consists of securities issued or guaranteed by

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the U.S. government. Investments are in accordance with LRS 33:2955(A)(1)(e) and are not required to be covered by the pledge of securities owned by the fiscal agent bank.

Under state law, the City may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At April 30, 2004, the City had the following investments stated at cost, which approximates market:

United States government securities	\$ <u>26,575,604</u>
-------------------------------------	----------------------

The investments in United States government securities are held by the City's agent in the City's name, and are considered collateralized (Category 1) under the provisions of GASB Codification 150.164.

***RESTRICTED ASSETS:***

Certain bond proceeds of a Series 2001 Sales Tax Bond Issue are legally restricted as to purpose. These assets have been classified as restricted assets on the Statement of Net Assets since the use of these funds is limited by applicable bond covenants. In addition, customer deposits in the Water Enterprise Fund have been classified as restricted assets because the use of these funds is limited by customer agreement. Also,

***INVENTORIES AND PREPAID ITEMS:***

Inventories are valued at average cost less writedowns for obsolete items. Inventories in the General and Proprietary Funds consist of expendable supplies and repair and maintenance items held for consumption.

***INTERFUND RECEIVABLES AND PAYABLES:***

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as "due from/to other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

***ACCOUNTS RECEIVABLE:***

Accounts receivables are reported net of an allowance for uncollectibles in business-type activities. Uncollectible amounts for customers' utility fees receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance was \$166,324 as of April 30, 2004.

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***CAPITAL ASSETS:***

Capital assets, which include land, buildings, other improvements, machinery and equipment, vehicles, furniture and fixtures, and infrastructure assets (streets, roads, bridges, drainage canals, and water and sewer systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The capitalization threshold for all movable capital assets is \$1,000 per unit.

All purchased capital assets are valued at cost where historical records are available and at estimated cost where no historical records are available. Donated fixed assets are valued at their fair market value on the date received. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized at completion of construction projects.

Prior to 1985, the City had not maintained capital asset records on a current basis. Subsequently, the City completed reconstructing its capital asset records. In those cases where it was not feasible to determine the original actual cost the assets were recorded at estimated cost derived by price level adjusting current replacement cost. It was not considered practicable to determine the source of investment in capital assets prior to April 28, 1972.

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

<u>Type of Capital Assets</u>	<u>Number of Years</u>
Buildings	10-50
Water System	30-50
Sewer System	10-30
Improvements	7-50
Equipment	2-20
Vehicles	5
Furniture and Fixtures	1-10
Drainage Systems	25
Streets and Roads	20-50

***LONG-TERM DEBT:***

In the government-wide statement of net assets and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums, discounts, issuance costs, and gains (losses) on refunding are deferred and amortized

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over the life of the bonds using the effective interest method. Bonds payable costs are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs during the current financial period. The face amount of the debt issue is reported as "other financing sources." Premiums received on debt issuances are reported as "other financing sources" and discounts on debt are reported as "other financing uses."

***ACCUMULATED VACATION, SICK PAY, AND OTHER EMPLOYEE BENEFITS:***

In the government-wide financial statements and the proprietary fund types financial statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March 2000), no compensated absences liability is recorded at April 30, 2004, in the governmental fund-type financial statements.

Full time employees may earn up to 33 working days of vacation time per year, depending upon length of service. At the end of each year, employees may carry forward up to 120 days of vacation time. Subject to the above conditions, unused vacation is paid to an employee upon retirement, separation, or death at hourly rates being earned by that employee upon separation.

The City also maintains a disability compensation plan which allows employees to draw an additional 30 days paid disability leave, once all the available sick and vacation accruals have been utilized. Individuals with long-term disability status are then eligible for an additional 180 days of disability leave at 60 percent of their regular pay. Such amounts are not accrued in governmental funds, nor are they reflected in the General Long-Term Obligations Account Group due to the inability to estimate such liabilities, and the fact that any unused disability leave does not carry forward to the subsequent year.

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 varying rates ranging up to 12 days per year. A maximum of 120 days of unused sick leave may be carried forward. Subject to the above limitations, employees shall be compensated in cash for any accumulated unused sick leave when they are permanently separated from employment as a result of voluntary resignation, discharge, retirement or death. In the event of death, payment is made to the estate of the employee. The amount of payment for all unused sick leave is calculated at the employee's rate of pay in effect on the payday immediately preceding the employee's separation.

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***RESERVES OF FUND EQUITY:***

Some portions of fund balance in the governmental fund types are reserved to indicate that a portion of fund equity is legally restricted to a specific future use and/or are not available for appropriation or expenditure. In the General Fund a portion of the fund balance is reserved to indicate that it is not available for expenditure or appropriation as it consists of reservations for certain inventories, non-current receivables and prepaid items which are not considered available spendable resources. The reserve of fund balance in the General Fund at April 30, 2004 is \$475,105.

***NET ASSETS:***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulations of other governments.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Details of restricted net assets at year-end are presented in Note 5.

***ACCOUNTING ESTIMATES:***

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

***DEDICATED REVENUES:***

*Sales taxes:*

A one-half per cent city sales tax is dedicated to the General Fund for payment of salaries of city employees and capital improvements. The sales tax, which began on March 1, 1968, is for an indefinite period.

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A one per cent city sales tax is dedicated to the General Fund for any lawful purpose of the City, including payment of operating expenses. The sales tax, which began on January 1, 1975, is for an indefinite period.

A one per cent city sales tax is dedicated to the General Fund for constructing, acquiring, extending, improving, maintaining, and operating capital improvements and facilities of the City and paying general operating expenses of the City. The sales tax, which began on February 1, 1983, is for an indefinite period.

A ten year one per cent sales tax passed by the voters on November 8, 1994 which was for the street program was extended by twenty-five years and its uses expanded by the voters on May 5, 2001. The proceeds can be utilized for all infrastructure including but not limited to streets, water, sewer and drainage and other related capital expenditures. The tax will expire in 2029.

*Property taxes:*

Recreation (1.73 mills), public safety (.98 mills) and drainage (1.21 mills) millages were renewed by the voters in 2003, levied in 2004 and will expire with the 2013 tax roll.

For both the Civic Center and the Louisiana Purchase Gardens and Zoo, 2.47 mills was renewed by the voters in 1998, levied in fiscal 1999, and will expire with the 2007 tax roll.

For both the police and fire departments, 1.48 mills was renewed by the voters in 1998, levied in fiscal 1999, and will expire with the 2007 tax roll.

For capital improvements, 3.21 mills was renewed by the voters in 1998, levied in fiscal 1999, and will expire with the 2007 tax roll.

**2. FUND DEFICITS**

The following funds have deficits at April 30, 2004:

Special Revenues	
Drug Seizure Forfeiture	2,284
Metro Share Grant Program	379
Capital Projects	
Airport Taxiway C Reconstruction	21,927
Airport Parking Apron Renovations	34,741
Recreational Center	2,000
Tower Drive	922,037



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The deficits in the special revenue funds are to be financed with future revenues or transfers from other funds. The deficit in the Capital Project Funds will be funded with future incremental sales tax revenues and other revenues.

**3. RECEIVABLES**

Accounts receivable of \$8,189,125 at April 30, 2004, are comprised of the following:

Fund Type	Taxes - ad valorem	Taxes - Sales	Grants	Accounts	Other	Total
<b>MAJOR FUNDS</b>						
General Fund	\$ 288,611	\$ 3,408,139	\$ 7,102	\$ 392,642	\$ 1,497	\$ 4,097,991
I-20 Corridor	-	-	-	-	2,500	2,500
Water Fund	-	-	-	429,512	3,114	432,626
Sewer Fund	-	-	-	477,193	550	477,743
<b>NONMAJOR FUNDS</b>						
Special Revenues	-	-	224,388	315,825	-	540,213
Debt Service	8,518	-	562,829	8,488	-	579,835
Capital Projects	-	-	1,898,660	7,370	24,707	1,930,737
Enterprise	70,130	-	-	57,350	-	127,480
<b>TOTAL:</b>	<b>\$ 367,259</b>	<b>\$ 3,408,139</b>	<b>\$ 2,692,979</b>	<b>\$ 1,688,380</b>	<b>\$ 32,368</b>	<b>\$ 8,189,125</b>

**4. CHANGES IN CAPITAL ASSETS**

The following schedule presents changes in capital assets for the year ended April 30, 2004:

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	Balance April 30, 2003	Additions	Retirements	Balance April 30, 2004
<b>Governmental Funds:</b>				
Land	\$ 16,718,548	\$ 643,187	\$ (60,957)	\$ 17,300,778
Construction in progress	3,148,704	11,311,111	(10,127,492)	4,332,323
CIP-Infrastructure	56,253,321	7,974,648	(33,295,975)	30,931,994
Total capital assets not being depreciated	76,120,573	19,928,946	(43,484,424)	52,565,095
<b>Depreciable assets:</b>				
Buildings and improvements	8,660,213	4,221,637	-	12,881,850
Furniture and vehicles	18,455,784	4,327,925	(375,475)	22,408,234
Infrastructure	57,572,006	39,713,835	-	97,285,841
School buildings	1,229,953	-	-	1,229,953
Total capital assets being depreciated	85,917,956	48,263,397	(375,475)	133,805,878
Less: accumulated depreciation	(21,806,802)	(3,206,370)	-	(25,013,172)
Total capital assets being depreciated, net	64,111,154	45,057,027	(375,475)	108,792,706
<b>Total governmental funds capital assets, net</b>	<b>140,231,727</b>	<b>64,985,973</b>	<b>(43,859,899)</b>	<b>161,357,801</b>
<b>Internal Service Fund:</b>				
Land	45,000	-	-	45,000
<b>Depreciable assets:</b>				
Buildings and improvements	3,408,222	-	-	3,408,222
Furniture and vehicles	253,230	27,615	-	280,845
Total capital assets being depreciated	3,661,452	27,615	-	3,689,067
Less: accumulated depreciation	(543,931)	(105,649)	-	(649,580)
Total capital assets being depreciated, net	3,117,521	(78,034)	-	3,039,487
<b>Total Internal Service Fund capital assets, net</b>	<b>3,162,521</b>	<b>(78,034)</b>	<b>-</b>	<b>3,084,487</b>
<b>Total governmental activities capital assets, net</b>	<b>\$ 143,394,248</b>	<b>\$ 64,907,939</b>	<b>\$ (43,859,899)</b>	<b>\$ 164,442,288</b>

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Business-type activities:				
Nondepreciable assets:				
Land	\$ 5,542,940	\$ -	\$ -	\$ 5,542,940
Construction in progress	44,357,518	19,513,461	(27,984,844)	35,886,135
Zoo animals	100,041	39,009	-	139,050
Total capital assets				
not being depreciated	50,000,499	19,552,470	(27,984,844)	41,568,125
Depreciable assets:				
Buildings/Improvements	95,088,571	25,581,939	-	120,670,510
Equipment	13,311,967	342,899	(189,982)	13,464,884
Total capital assets				
being depreciated	108,400,538	25,924,838	(189,982)	134,135,394
Less: accumulated				
depreciation	(66,919,343)	(3,502,284)	-	(70,421,627)
Total capital assets				
being depreciated, net	41,481,195	22,422,554	(189,982)	63,713,767
Total business-type activities				
capital assets, net	<u>\$ 91,481,694</u>	<u>\$ 41,975,024</u>	<u>\$ (28,174,826)</u>	<u>\$ 105,281,892</u>

The beginning balance of capital assets has been adjusted by \$92,018,525 (net) for infrastructure assets and construction in progress in compliance with provisions of GASB 34.

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

Governmental Activities:	
General Government	\$ 425,965
Public Safety	496,097
Public Works	2,240,204
Culture and Recreation	44,104
Internal Service Fund	105,649
Total depreciation expense - governmental activities	<u>\$ 3,312,019</u>
Business-Type Activities:	
Water Fund	\$ 746,101
Sewer Fund	1,208,412
Non-major business-type activities	1,547,771
Total depreciation expense - business-type activities	<u>\$ 3,502,284</u>

Included in Furniture and Vehicles is fire fighting equipment with a cost of \$700,000 and various public works equipment with a cost of \$2,400,000 purchased under capital leases as further discussed in Note 9.

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The Central Shop and Warehouse land and building is carried on the City's balance sheet within the Internal Service Fund. At April 30, 2004, only a portion of the cost of the assets are depreciated as only the shop facility is currently accounted for in the Internal Service Fund. In the future, an Internal Service Fund will be established to account for the operations of the warehouse, at which time depreciation will be charged to that fund.

The Louisiana Purchase Gardens and Zoo enterprise fund carries its investment in animals on a separate line of its balance sheet. The cost shown on the balance sheet relates only to animals that were purchased, donated or traded. Animals born in the zoo have no cost attributed to them. Also, the zoo has a number of bird specimens which are covered by the Migratory Bird Treaty (MBT). Certain birds under the MBT have no cost associated with them because they may not be bought or sold. The following schedule reflects the number of specimens on hand at April 30, 2004, the associated cost, and the corresponding market value.

	Number	Cost	Market Value
Specimens having a cost basis	249	\$ 139,050	\$ 139,050
Specimens having no cost basis	208	NONE	46,050
Specimens covered by Migratory Bird Treaty	54	NONE	NONE
Total	511	\$ 139,050	\$ 185,100

**5. RESTRICTED ASSETS AND RELATED RESERVES**

Under terms of the 1995 Sewer Refunding Bonds, the City is required to establish a sinking fund as more fully described in Note 10.

**6. ELECTRICAL SYSTEM OPERATING AGREEMENT**

On July 9, 1977, the voters of the City of Monroe authorized a 50 year operating agreement between the City of Monroe and Entergy (formerly Louisiana Power & Light) for the operation by Entergy of the City's electric system. The agreement provided that Entergy would pay to the City a percentage of total revenue collected from the sale of electric service to residential and commercial customers within the City, such payments not to be less than \$700,000 annually. The aforementioned base increased by one per cent of sales of electric services to residential and commercial customers in excess of \$10,000,000 in a calendar year. Revenues under this agreement totaled \$784,510 for the year ended April 30, 2004.

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**7. PENSION AND RETIREMENT PLANS**

*City of Monroe Sponsored Pension Plans:*

Effective September 1, 1983, the members of the Bus Drivers' Pension and Relief Fund agreed to merge with the Municipal Employees' Retirement System of Louisiana (MERS). Since the merger, the Bus Department administrative employees contribute 9.25% of their salary and the City contributes 7.25 %. The City also reimburses 4% of the bus operators' contributions. For the year ended April 30, 2004, the City contributed \$14,000 to the Bus Drivers' Pension and Relief Fund. The Electrical Workers' Pension and Relief Fund was established for employees of the former Utilities Commission of the City of Monroe. The plan covers only those employees of the Electrical Department of the Monroe Utilities Commission who retired prior to June 30, 1973. All active employees on that date and those hired subsequently are covered under the MERS. This fund was closed during the year ended April 30, 2002 and the residual equity transferred to the General Fund.

The Monroe Policemen's Pension and Relief Fund covers those employees who were members of the fund at September 1, 1983, and who retire prior to the age of 50. Upon reaching their 50th birthday, they will no longer receive benefits under the Monroe Policemen's Pension and Relief Fund, but will begin receiving benefits under the Municipal Police Employees' Retirement System (MPERS). The City made no contributions to the Monroe Policemen's Pension and Relief Fund for the year ended April 30, 2004.

Data concerning the actuarial status of the Policemen's and Bus Drivers' Pension and Relief Funds is not available. The City of Monroe has never required the services of an actuary for these plans nor felt the need to determine the actuarial liability of the plans because state law requires that the plans be funded at minimum reserve requirements rather than an actuarially computed reserve based on future benefits payable. The two funds had net assets at April 30, 2004, as follows; Policemen's, \$109,959 and Bus Drivers', \$61,316.

*State Sponsored Plans:*

*Municipal Employees' Retirement System of Louisiana (MERS)*

Substantially all city employees, except firemen and policemen, are members of the 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 City 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 plan provisions, 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

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with at least 30 years of creditable service is entitled to a retirement benefit, payable monthly for life, equal to 3% of the member's final compensation multiplied by his years of creditable service.

However, for those members of the supplemental plan only prior to October 1, 1978, the benefit is equal to 1% of final compensation plus \$2 per month for each year of supplemental-plan-only service earned prior to October 1, 1978, plus 3% of final compensation for each year of service credited after October 1, 1979.

*Funding Policy.* Contributions to the system include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of members on which contributions were made for the previous fiscal year. State statute requires covered employees to contribute a percentage of their salaries to the system; however, the City is authorized by state statute to pay to the system from its own funds the employee contributions. 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 MERS for the years ended April 30, 2004, 2003, and 2002 were \$2,691,238; \$1,276,408; and \$1,049,195 respectively, equal to the statutorily required contributions for each year.

The MERS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Municipal Employees' Retirement System, 6750 Van Gogh, Baton Rouge, LA 70806 or by calling (504) 925-4810.

*Firefighters' Retirement System (SFRS)*

Effective May 7, 1981, the members of the Firemen's Pension and Relief Fund agreed to merge with the SFRS, a multiple-employer, cost-sharing PERS. Effective June 1, 1986, the retirees and dependents receiving benefits under the City plan as of May 7, 1981, were transferred to the SFRS. As further discussed below, the liability to the SFRS was advance refunded by the City during fiscal 1998.

The plan covers substantially all members of the City's Fire Department. All new employees of the department must join this plan with the exception of employees performing duties unrelated to fire fighting. Employees with 20 years or more of service who have attained age 50 or employees with 12 years of service who have attained age 55 or 25 years of service at any age are entitled to annual pension benefits equal to 3-1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to employer contributions. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions

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may retire at the ages specified above and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.

*Funding Policy.* State statute requires covered employees to contribute a percentage of their salaries to the system; however, the City is authorized by state statute to pay to the system from its own funds the employee contributions. 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 SFRS for the years ended April 30, 2004, 2003, and 2002 were \$1,002,542; \$702,293; and 534,652, respectively, equal to the required contributions for each year.

The SFRS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Firefighters' Retirement System, 2051 Silverside Drive, Suite 10, Baton Rouge, LA 70808-4136 or by calling (504) 925-4060.

*Municipal Police Employees' Retirement System (MPERS)*

Effective September 1, 1983, the members of the City's Policemen's Pension and Relief Fund agreed to merge with the MPERS, a multiple-employer, cost-sharing PERS. The liability to the MPERS associated with the merger was advance refunded by the City during fiscal 1998 as further discussed below.

All full-time police officers engaged in law enforcement and earning at least \$375 per month excluding state supplemental pay, the elected chief of police whose salary is at least \$100 per month, and secretaries to the chief of police are eligible to participate in the system. 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% of the member's average final compensation multiplied by his years of creditable service, not to exceed 100 per cent of his average final compensation. The system also provides death and disability benefits. Benefits are established by state statute.

*Funding Policy.* State statutes require covered employees to contribute a percentage 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 City's contributions to the MPERS for the years ended April 30, 2004, 2003, and 2002 were \$863,596; \$558,640; and \$526,680, respectively, equal to the statutorily required contributions for each year.

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The MPERS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Municipal Police Employees' Retirement System, 8401 United Plaza Blvd., Room 305, Baton Rouge, LA 70808 or by calling (504) 929-7411.

**8. OTHER HEALTH CARE BENEFITS**

During the year ended April 30, 2004, the City incurred a total of approximately \$5,054,878 in expenses in connection with providing benefits to a total of 1,240 participants. The cost is broken down as follows:

Active Employees	\$ 3,661,238
Retired Employees	1,365,476
COBRA	<u>28,164</u>
TOTAL	<u>\$ 5,054,878</u>

Of the total amount, approximately \$1,393,640 was reimbursed by the 218 retirees and 8 COBRA participants.

**9. LEASES**

At April 30, 2004, the City was obligated under operating lease agreements covering computer equipment and various other items of equipment. The original lives of the leases range up to five years with options to renew some leases for one to five years. The City made lease payments of approximately \$120,000 during the year ended April 30, 2004. The following is a schedule of future minimum lease payments under operating leases as of April 30, 2004.

	<u>Minimum Lease Payments</u>
Years Ended April 30:	
2005	69,122
2006	42,307
2007	<u>2,814</u>
Total	<u>\$ 114,243</u>

In fiscal 1999, the City entered into a capital lease obligation for the purchase of fire fighting equipment. The original amount of the obligation was \$699,800 and bears interest at 8%. In fiscal 2001, the City entered into a capital lease obligation for the purchase of public works equipment. The original amount of the obligation was \$2.3 million and bears interest at 5.7%. Future minimum lease payments until maturity (April, 2005) are as follows:



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Fiscal Year Ending	Future Minimum Lease Payments
April 30, 2005	536,217
Less: Amounts representing Interest Present Value of Future Minimum Lease Payments	(28,892)
	\$ 507,325

**10. LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligation transactions of the City of Monroe for the year ended April 30, 2004:

	General Long-Term Obligations	Proprietary Funds	Total
Long-term obligations, May 1, 2003	\$ 146,139,738	\$ 5,915,679	\$ 152,055,417
Additions	24,046,505	989,468	25,035,973
Retirement	(17,506,420)	(1,697,229)	(19,203,649)
Long-term obligations, April 30, 2004	\$ 152,679,823	\$ 5,207,918	\$ 157,887,741

Long-term obligations outstanding at April 30, 2004, are comprised of the following:

	Issue	Maturity Date	Interest Rate	Balance Outstanding
<b><i>General Long-Term Obligations</i></b>				
<b><u>General Obligation Bonds</u></b>				
Public improvements:				
City Court and Jail	2003	3/1/10	1.35 – 3.10	\$ <u>930,000</u>
<b><u>Tax Increment Bonds</u></b>				
Tower Drive	1997	3/1/12	5.21	1,750,000
Tower Drive	1999	3/1/09	5.00	500,000
Tower Drive	2000	3/1/20	6.95	2,675,000
Tower Drive	2002	3/1/20	5.85	955,000
I-20 Development	2003	3/1/21	2.50 – 4.25	15,270,000
Total tax increment bonds				21,150,000

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<u>Sales Tax Bonds</u>				
Series 2001 (DEQ) (Sewer)	2001	6/30/23	3.95	23,669,508
Series 2001 (Streets)	2001	7/1/21	4.00-5.75	23,450,000
Series 2002 (Streets/Sewer)	2002	7/1/26	4.00-7.00	25,405,000
Series 2002A (Fire/Drainage)	2002A	7/1/27	3.00-4.80	14,900,000
Series 2003 (Sewer)	2003	6/1/23	3.45	5,094,638
Series 2003 (Streets)	2003	7/1/27	3.25-6.00	<u>22,400,000</u>
Total sales tax bonds				<u>114,919,146</u>
<u>Certificates of Indebtedness</u>				
Swimming Pools Renovations	2004A	4/1/09	3.45	<u>635,532</u>
<u>Special assessments certificates</u>				
Sewerage certificates:				
Huntington Park	1995	9/1/04	7.00 – 8.00	<u>60,366</u>
<u>Other</u>				
Refunding Bonds Series 1998A	1998	3/1/13	4.00-5.05	5,210,000
Claims and Judgments Payable	None	None	None	5,111,842
Capital Lease (See Note 9)	2000	4/27/03	5.70	507,325
Accrued vacation and sick pay	None	None	None	<u>4,155,612</u>
Total other				<u>14,984,779</u>
Total general long-term obligations				<u>\$152,679,823</u>
 <i><b>Proprietary Funds</b></i>				
<u>Certificates of Indebtedness -</u>				
Refunding Certificates				
(Central warehouse and shop)	2004A	4/01/09	3.45	\$ 816,468
Taxable Refunding Certificates				
(Ice Rink)	2004B	4/01/09	6.00	173,000
<u>Sales Tax Bonds-</u>				
Series 2001(DEQ) (Sewer)	2001	6/01/22	3.95	2,486,403
<u>Revenue bonds-</u>				
Sewer Refunding	1995	6/01/06	4.30-5.40	885,000
<u>Other</u>				
Accrued vacation and sick pay	None	None	None	<u>847,047</u>
Total proprietary funds				<u>\$ 5,207,918</u>

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<u>Long-Term Obligation</u>	<u>Paying Fund</u>
<b>General obligation bonds:</b>	
Refunding Bonds, 2003	City Court and Jail Improvements Debt Service Fund
<b>Tax increment bonds:</b>	
Tower Drive	Tower Drive Debt Service Fund
I-20 Development	I-20 Debt Service Fund
<b>Certificates of indebtedness:</b>	
Refunding Cert of Indebt	Renovation General Fund
Refunding Certificates	Central Shop Internal Service Fund
Taxable Refunding Certificates	Monroe Civic Center Fund
<b>Sales tax bonds:</b>	
2001 Series	Sales Tax Bond Debt Service Fund
2002 Series	Sales Tax Bond Debt Service Fund
2002A Series	Sales Tax Bond Debt Service Fund
2003 Series	Sales Tax Bond Debt Service Fund
<b>Special assessments certificates:</b>	
<b>New street certificates:</b>	
Urban Systems	
Ordinance 9432	Urban Systems Ordinance 9432 Debt Service Fund
<b>Sewer certificates:</b>	
Huntington Park	Huntington Park Debt Service Fund
<b>Revenue bonds:</b>	
Sewer Refunding	Sewer Enterprise Fund
<b>Refunding Bonds:</b>	
Series 1998A	General Fund
<b>Capital Lease Obligations:</b>	
Equipment	General Fund
<b>Bond Anticipation Notes:</b>	
Series 2001	Sewer Enterprise Fund

The amount recorded as claims and judgments payable in the General Long-Term Obligations Account Group is the City's liability for claims that are not expected to be paid with available resources at year-end. Expenditures for claims and judgments payable are recognized in the General Fund when paid. Only those expenditures which are included in the City's legally adopted budget will be paid. The debt service requirements to amortize all bonds, certificates and other long-term obligations (other than accrued vacation and sick pay, claims and judgments and capital lease obligations) outstanding at April 30, 2004, including interest payments of \$82,131,351 are as follows:

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Year Ended April 30,	G.O. Bonds Cert. of Indebt.	Revenue Bonds	Tax Increment	DEQ Revolving Loan	Other	Total
2005	\$ 523,744	\$ 6,483,160	\$ 2,315,182	\$ 2,650,176	\$ 889,627	\$ 12,861,889
2006	530,645	6,476,703	2,302,045	2,643,431	824,448	12,777,271
2007	528,440	6,466,038	2,302,145	2,644,613	827,148	12,768,382
2008	531,245	6,160,465	2,299,747	2,643,621	823,168	12,458,245
2009	537,877	6,159,309	1,864,905	2,640,458	825,418	12,027,966
2010-2014	175,270	30,724,538	8,313,466	13,146,783	2,281,843	54,641,899
2015-2019	-	30,816,599	8,326,610	11,422,495	-	50,565,703
2020-2024	-	30,279,164	1,676,731	8,891,027	-	40,846,922
2025-2028	-	20,448,986	-	-	-	20,448,986
<b>Total</b>	<b>\$ 2,827,220</b>	<b>\$ 144,014,961</b>	<b>\$ 29,400,830</b>	<b>\$ 46,682,604</b>	<b>\$ 6,471,650</b>	<b>\$ 229,397,263</b>

General obligation bonds are direct obligations and are secured by the full faith and credit of the City. These bonds generally mature in 2010. Revenue bonds are secured by pledged income derived from the assets acquired or constructed with bond funds. Special assessment certificates and certificates of indebtedness are secured by a pledge of the general credit of the City.

The general credit of the City is obligated only to the extent that liens foreclosed against properties involved in the special assessment districts are insufficient to retire outstanding bonds. The Tax Increment bonds are secured solely from the incremental tax revenues from the respective economic development districts.

During fiscal year 2004, the City embarked on a number of refinancing activities, thereby lowering future debt service or extending the repayment schedule. A summary of these activities is as follows:

*Current Refunding-General Obligation Bonds*

During fiscal year 2004, the City issued \$1,060,000 in general obligation bonds with an interest rate of 1.35% to 3.10%. The net proceeds from the issuance of the general obligation bonds were used to retire the 1990 Series general obligation bonds. The City paid \$19,000 in underwriting fees and other issuance costs which will be amortized over the life of the bond using the sum-of-the-years'-digits methods.

As a result of the current refunding of the 1990 Series, the City reduced its total debt service by approximately \$161,000, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and the new debt) of approximately \$141,000.

*Current Refunding-Tax Increment Bonds*

Three tax increment bonds, Series 1996, Series 2001 and Series 2001A, with remaining principal balances of \$1,705,000, \$970,000 and \$8,725,000 respectively, were retired through the issuance of \$16,000,000 in tax increment bonds with interest rates ranging over the life of the bonds from 2.50%

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to 4.00%. An additional \$127,907 in interest charges were also paid to retire the three bonds. The net proceeds of \$2,186,242 (after payment of a \$138,295 discount on the bond, \$797,930 in underwriting fees and other issuance costs and a \$1,349,625 deposit into the debt reserve fund) are being used to provide additional funds for certain transportation infrastructure improvement projects located within the I-20 Economic Development District. The underwriting fees and other issuance costs as well as the bond discount totaling \$936,225 will be amortized over the life of the bond using the sum-of-the-years'-digits methods.

As a result of the current refunding of the 1990 Series, the City reduced its total debt service by \$2,475,867, which has resulted in an economic gain (difference between the present value of the debt service payments of the old debt and the new debt) of \$969,449.

*Refunding Certificate of Indebtedness-Swimming Pool and Central Warehouse & Shop*

Two certificates of indebtedness, Series 1996 (swimming pool) and Series 2000(Central Warehouse and Shop), with remaining principal balances of \$600,000 and \$800,000 respectively, were retired through the issuance of \$1,452,000 refunding certificate of indebtedness. The City paid \$28,604 in underwriting fees and other issuance costs which will be amortized over the life of the bond using the sum-of-the-years'-digits methods.

*State Retirement System Refunding Bonds*

The City issued in the aggregate \$7,565,000 of Series 1998A Refunding Bonds bearing interest at rates ranging from 4.00% to 5.05%. These bonds were issued to refund the City's obligations to the MPERS and the SFRS resulting from the merger between the City's retirement plans and the state retirement systems.

*Prior Year Defeasance of Debt*

In prior years, certain outstanding bonds were defeased by placing proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the financial statements. At fiscal year-end, the defeased balance of \$1,070,000 remained for the 1986A Sewer Revenue Bonds.

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**11. INTERFUND RECEIVABLES AND PAYABLES**

Individual fund balances due from/to other funds at April 30, 2004, are as follows:

	Due From								Total
	General	Digester Upstream	Other Governmental Funds	Water Fund	Sewer Fund	Other Enterprise Funds	Internal Service Fund	Agency Funds	
Due to:									
General	\$ -	\$ -	\$ 4,202,791	\$ 1,036,009	\$ 1,001,123	\$ 62,734	\$ 392	\$ 6,755	\$ 6,309,804
I-20 Corridor Improvements	134,814	-	146,070	-	-	-	-	-	280,884
Digester Upstream	-	-	3,211,339	-	-	-	-	-	3,211,339
Other Governmental Funds	475,727	4,118,936	10,950,258	-	-	-	-	-	15,544,921
Water Fund	288,785	-	-	-	1,418	-	-	-	290,203
Sewer Fund	945,877	-	-	1,142,173	-	-	-	-	2,088,050
Other Enterprise Funds	9,000	-	-	-	-	-	-	-	9,000
Agency Funds	165,470	-	-	-	-	-	-	-	165,470
<b>Total</b>	<b>\$ 2,019,673</b>	<b>\$ 4,118,936</b>	<b>\$ 18,510,458</b>	<b>\$ 2,178,182</b>	<b>\$ 1,002,541</b>	<b>\$ 62,734</b>	<b>\$ 392</b>	<b>\$ 6,755</b>	<b>\$ 27,899,671</b>

These balances result from interfund transactions for goods and services which result in reimbursable expenditures or cash transfers between funds made to cover negative cash balances.

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**12. INTERFUND TRANSFERS**

The following transfers were made between the various funds of the City during the year ended April 30, 2004:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>MAJOR FUNDS</b>		
<b>General Fund</b>	\$ 2,092,671	\$ 19,461,615
<b>Capital Projects</b>		
I-20 Corridor Improvements	214,054	13,090,266
Digester Upstream	5,642,983	3,727,632
<b>Enterprise Funds</b>		
Water Fund	-	1,000,000
Sewer Fund	-	83,331
<b>NONMAJOR FUNDS</b>		
<b>Special Revenues</b>		
Folklife Festival	83,304	-
Capital Infrastructure	17,443,789	26,333,702
Prisoner Housing	765,101	-
Brownfield Study Program	25,000	-
Christmas Display	8,189	-
Law Enforcement Block Grant	13,317	-
<b>Debt Service</b>		
Urban Systems Ordinance 9432	10,870	-
I-20 Corridor Debt Service	12,878,312	-
Tower Drive Debt Service	9,340	-
Police and Fire Pension	825,215	-
Sales Tax Bond	6,989,418	-

(Continued)

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	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Capital Projects</b>		
Benoit Recreation Center	100,611	-
Phase III - Air Industrial Park	572,835	-
Airport Drainage Canal	18,705	-
Calypso Street Repairs	467,084	-
ADA Requirements	31,190	96,042
Airport Industrial Park	40,700	-
Neighborhood Drainage Project	96,042	-
Southeast Monroe Drainage	22,455	-
Swimming Pools Renovation	-	100,611
Street Construction	-	534,858
WPCC Improvements	1,286,539	1,306,256
Pump Station Improvement	9,483,174	71,015
Collection System Improvement	488,013	41,097
Water System Improvement	2,939,209	-
Asset Management System	718,137	-
Fire/Drainage Improvement	-	95,315
Riverfront Project	352,685	-
PFC Capital Projects	-	40,700
Zoo Interactive Exhibit	34,450	-
<b>Enterprise Funds</b>		
Monroe Regional Airport	-	444,641
Monroe Transit System	1,211,942	-
Monroe Civic Center	689,138	-
LA Purchase Gardens and Zoo	265,595	-
Twin City Queen	7,006	91,158
Monroe Livestock Arena	13,706	-
<b>Internal Service</b>		
Central Shop	677,460	-
<b>TOTAL:</b>	<u>\$ 66,518,239</u>	<u>\$ 66,518,239</u>

**13. LITIGATION AND CLAIMS**

Various lawsuits are pending against the City of Monroe. Except as noted below, attorneys of the City are of the opinion that any judgment rendered in favor of the plaintiff will not materially affect the financial position of the City at April 30, 2003.

The City is involved in two suits involving jail conditions. The claims are for \$2,000,000. Estimated



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exposure, if any, is unknown.

The City is involved in a suit for false arrest. The claim amount is \$395,000. Estimated exposure, if any, is unknown.

On August 6, 2002 twenty-two current and former employees of the Monroe, Louisiana Police Department filed suit against the City in the United States District Court asking for a declaratory judgment, overtime pay, liquidated damages and other relief under the Fair Labor Standards Act of 1938 (FLSA) since August 1, 1999. The plaintiffs claim that the City failed to pay plaintiffs and other similarly situated employees all compensation due them under the FLSA and failed to pay plaintiffs for all hours worked and operates a compensatory time system in violation of the FLSA and its implementing regulations. The City is unable to make an estimate of the possible liability, if any, of this matter at the current time.

In addition, the City is a party to various suits involving wrongful death, use of excessive force by police officers, accidents involving City vehicles and/or property and workman's compensation. The City is unable to make an estimate of the possible liability, if any, of these matters at the current time.

**14. DEFERRED COMPENSATION PLANS**

The City of Monroe offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457, as amended. The plans, available to all employees, permit them to defer a portion of their salaries until future years. Participation in the plans is optional. The City does not make any contributions to the plans. The deferred compensation is not available to employees until termination, retirement or unforeseeable emergency. Deferred compensation is available to employees' beneficiaries in case of death. In accordance with the amended provisions of Code Section 457, all amounts deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants and their beneficiaries. As required by the amended Code Section 457, the City established custodial accounts with a third party administrator who will hold the assets and income of the plans.

Since the assets of the plans are held in a custodial account with a third-party administrator, the assets and liabilities are not presented in the City's financial statements in accordance with GASB 32.

Assets with a fair market value of \$1,199,715 are held by Public Employees Benefit Services Corporation, a deferred compensation center, and assets with a fair market value of \$191,327 are held by ICMA under agreement with the City.

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**15. ON-BEHALF PAYMENTS**

Certain City employees in the City Marshal's office, the Monroe Police Department and the Monroe Fire Department receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No.24, the City has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$1,369,200 and the related expenditures are as follows:

Marshal/Deputy Marshal	\$ 19,500
Monroe Police Department	657,750
Monroe Fire Department	691,950

**16. RISK FINANCING ACTIVITIES**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. There were no major changes in insurance coverage for the year ended April 30, 2004. Certain risks of loss, such as surety bonding, transit and excursion boat liability and indemnity, and activities relating to the operations of Chennault Park, Selman Field Golf Course, the Monroe Civic Center, Louisiana Purchase Gardens and Zoo and Monroe Regional Airport are insured through purchase of commercial insurance with deductibles from \$0 to \$5,000 and coverage limits from \$1,000 (surety bonds) to \$42,900,000 (buildings and contents). Other risks of loss, including fleet comprehensive and liability, long-term disability and comprehensive general liability, are entirely self-insured. Workers compensation losses are self insured up to \$250,000 per occurrence, with excess loss policies in force for claims in excess of the self insured retention. There were no settlements that exceeded insurance coverage for the past three years. All of the foregoing risk financing activities are accounted for in the governmental and proprietary fund types. Long-term liabilities that are covered by structured settlements which are not expected to be liquidated with expendable available financial resources in the governmental funds have been recorded in the General Long-term Obligations Account Group at estimated present value. Other long-term claims and judgments payable recorded in the General Long-term Obligations Account Group, primarily disability and workers' compensation claims, are recorded using actuarial methods. Changes in the claims liability for the year ended April 30, 2004, are as follows:

Balance, April 30, 2003	\$ 5,201,031
Current year claims and changes in estimates	234,272
Claims paid	<u>(323,461)</u>
Balance, April 30, 2004	<u>\$ 5,111,842</u>

**CITY OF MONROE  
Monroe, Louisiana**

**Notes To The Financial Statements  
As of And For The Year Ended April 30, 2004**

Included in current year claims and changes in estimates are amounts related to workers' compensation claims for incurred but not reported claims (IBNR). IBNR claims include known loss events which are expected to be presented as claims, unknown loss events that are expected to become claims and expected future developments on claims already reported. Actuarial methods were employed to determine the IBNR reserve at April 30, 2004, which was calculated to be approximately \$1.3 million and covers claim years since April 30, 1979.

**17. PRIOR PERIOD ADJUSTMENTS**

Beginning fund balances in the General Fund and Capital Infrastructure fund have been increased by \$2,159,890 and \$882,143, respectively, to reflect the accrual of sales taxes receivable in the prior year. The bank account for the MPD Informant Fund was closed in a prior year. However, this transaction was not recorded. Beginning fund balance has been decreased by \$2,491 in order to close out this fund.

**REQUIRED SUPPLEMENTAL INFORMATION  
(PART B)**

**CITY OF MONROE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FOR THE YEAR ENDED APRIL 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
General property taxes	\$ 3,875,000	\$ 3,875,000	\$ 3,598,981	\$ (276,019)
1974 Recreational maintenance taxes	600,000	600,000	607,977	7,977
1974 Public safety taxes	338,000	338,000	344,408	6,408
1974 Drainage taxes	417,000	417,000	425,232	8,232
Capital improvement tax	1,100,000	1,100,000	1,128,089	28,089
Police department tax	510,000	510,000	520,114	10,114
Fire department tax	510,000	510,000	520,114	10,114
Beer tax	66,000	66,000	71,302	5,302
General sales taxes	30,000,000	29,000,000	28,719,427	(280,573)
Sales tax collections - Capital infrastructure	12,300,000	11,700,000	11,869,819	169,819
Liquor Licenses	74,000	74,000	83,751	9,751
Occupational Licenses	2,200,000	2,200,000	2,309,809	109,809
Sound Permits	-	-	150	150
Building permits	50,000	50,000	73,093	23,093
Sewer permits	46,000	46,000	31,845	(14,155)
Plumbing permits	30,000	30,000	38,631	8,631
Electrical permits	34,000	34,000	35,642	1,642
Gas permits	7,500	7,500	9,677	2,177
Heat and air conditioning permits	7,000	7,000	12,400	5,400
Mobile sign permits	3,000	3,000	8,535	5,535
Franchise fees	700,000	700,000	784,510	84,510
Direct Federal grants	248,913	248,913	253,291	4,378
Indirect Federal grants	-	-	77,351	77,351
State grants	1,426,600	1,426,600	1,404,694	(21,906)
Local grants	-	-	776	776
Sales tax commission - School Board	375,000	375,000	362,857	(12,143)
Sales tax commission - West Monroe	51,000	51,000	51,000	-
Sales tax commission - Police Jury	37,800	37,800	42,896	5,096
Sales tax commission - Sterlington	1,200	1,200	844	(356)
Sales tax commission - Richwood	180	180	180	-
Sales tax commission - Street Improvement Fund	85,200	85,200	82,513	(2,687)
Sales tax commission - Hotel/Motel	4,000	4,000	4,000	-
Parking meters	38,000	38,000	29,404	(8,596)
City sanitation service	2,200,000	2,300,000	2,268,119	(31,881)
Recreation department revenue	59,200	59,200	62,146	2,946
Grass cutting fees	33,000	33,000	16,451	(16,549)
City Court civil fees	160,000	160,000	125,775	(34,225)
Community policing fee	165,011	165,011	198,291	33,280
Appearance & surrender fee	76,000	76,000	79,015	3,015
Zoning income	55,000	55,000	48,361	(6,639)
Security service	130,886	250,886	205,808	(45,078)
Entergy franchise fees	1,900,000	1,900,000	1,124,415	(775,585)
Cemetery lots	14,000	14,000	12,245	(1,755)
Golf course fees	637,300	606,835	597,071	(9,764)
BellSouth commissions	60,000	60,000	39,848	(20,152)
False alarms fines	25,000	25,000	14,190	(10,810)
Equipment fund from court fines	2,500	2,500	6,002	3,502
City Court fines	600,000	360,000	376,805	16,805
Parking fines	13,000	13,000	16,801	3,801
Rental income	9,000	69,000	64,814	(4,186)
Interest income	275,000	75,000	81,997	6,997
Municipal golf course rent	-	-	7,500	7,500
Boat dock rentals	25,000	25,000	13,227	(11,773)
Miscellaneous revenue	251,010	251,010	89,320	(161,690)
Penalty and interest	32,000	32,000	22,092	(9,908)
Police miscellaneous	54,000	54,000	69,646	15,646
<b>Total revenues</b>	<b>61,912,300</b>	<b>60,121,835</b>	<b>59,043,251</b>	<b>(1,078,584)</b>

**CITY OF MONROE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FOR THE YEAR ENDED APRIL 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Legislative division - council and staff	250,550	230,550	214,541	16,009
Executive division - chief executive and staff	452,454	411,454	394,928	16,526
Administration division	5,965,514	5,854,514	6,235,041	(380,527)
Judicial division	1,855,371	1,825,371	1,842,881	(17,510)
Legal division	732,129	732,129	691,751	40,378
Planning and Urban development division	937,820	907,820	844,118	63,702
Engineering division	1,196,062	1,148,062	1,088,869	59,193
Police division	10,238,310	10,358,310	10,745,649	(387,339)
Fire division	10,958,338	10,368,575	10,557,272	(188,697)
Public works division	8,056,256	8,056,256	8,434,422	(378,166)
Community affairs division	4,194,167	4,254,709	4,318,704	(63,995)
<b>Debt Service:</b>				
General interest expense	107,138	70,000	88,953	(18,953)
Capital leases	521,771	521,771	550,263	(28,492)
Swimming pool renovations	340,125	340,125	300,000	40,125
Claims and judgments	400,000	400,000	297,002	102,998
Total debt service	<u>1,369,034</u>	<u>1,331,896</u>	<u>1,236,218</u>	<u>95,678</u>
<b>Capital Expenditures</b>	<u>1,157,500</u>	<u>462,500</u>	<u>557,859</u>	<u>(95,359)</u>
Total expenditures	<u>47,363,505</u>	<u>45,942,146</u>	<u>47,162,253</u>	<u>(1,220,107)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>14,548,795</b>	<b>14,179,689</b>	<b>11,880,998</b>	<b>(2,298,691)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	25,000	25,000	42,650	17,650
Proceeds from issuance of bonds	-	-	635,532	635,532
Operating transfers in:				
Monroe Regional Airport	375,000	327,432	444,641	117,209
Twin City Queen	-	-	99,970	99,970
Utility Fund	1,000,000	1,000,000	1,083,331	83,331
Payment to refund certificates of indebtedness	-	-	(600,000)	(600,000)
Operating transfers out:				
Prisoner housing	(665,000)	(665,000)	(765,100)	(100,100)
Police and Fire pension	(821,810)	(821,810)	(825,215)	(3,405)
Law Enforcement Block grant	-	-	(13,317)	(13,317)
Louisiana Purchase Gardens and Zoo	(300,000)	(300,000)	(265,595)	34,405
Monroe Transit System	(1,400,000)	(1,717,694)	(1,211,942)	505,752
Civic Center	(350,000)	(350,000)	(689,138)	(339,138)
Twin City Queen	(40,450)	(40,450)	(15,818)	24,632
Livestock Arena	(15,900)	(15,900)	(13,706)	2,194
Central Shop and Warehouse	(800,000)	(800,000)	(677,460)	122,540
Louisiana Folklife Festival	(60,000)	(60,000)	(83,304)	(23,304)
Capital Infrastructure	(12,300,000)	(11,767,735)	(11,881,386)	(113,651)
Brownfield Study	-	-	(25,000)	(25,000)
Christmas Display	-	-	(8,189)	(8,189)
Urban Systems Ordinance 9732	-	-	(10,869)	(10,869)
Zoo Interactive Exhibit	-	-	(34,450)	(34,450)
Airport Drainage Canal	-	-	(18,705)	(18,705)
Calypso Street Repairs	-	-	(467,084)	(467,084)
Southeast Monroe Drainage	-	-	(22,455)	(22,455)
WPCC Improvements	-	-	(1,000,000)	(1,000,000)
Riverfront Project	-	-	(352,685)	(352,685)
Phase III AIP	-	-	(572,835)	(572,835)
ADA Requirements Capital Projects	-	-	(42,630)	(42,630)
Total other financing sources (uses)	<u>(15,353,160)</u>	<u>(15,186,157)</u>	<u>(17,290,759)</u>	<u>(2,104,602)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(804,365)</b>	<b>(1,006,468)</b>	<b>(5,409,761)</b>	<b>(4,403,293)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>5,884,866</u>	<u>5,884,866</u>	<u>5,884,866</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 5,080,501</u>	<u>\$ 4,878,398</u>	<u>\$ 475,105</u>	<u>\$ (4,403,293)</u>

**OTHER SUPPLEMENTAL INFORMATION**

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

	<u>SPECIAL REVENUES FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 6,932,234	\$ 9,168,705	\$ 14,068,183	\$ 30,169,122
Investments, at cost	-	-	26,575,604	26,575,604
Accounts receivable, net				
Trade	540,213	-	1,930,737	2,470,950
Ad valorem taxes	-	8,518	-	8,518
Special assessments	-	5,134	-	5,134
Other	-	3,354	-	3,354
Sales tax	-	562,829	-	562,829
Due from other funds	3,239,340	1,237,356	14,033,764	18,510,460
Advances to other funds	-	-	220,000	220,000
Other assets	678,812	-	-	678,812
<b>TOTAL ASSETS</b>	<b>\$ 11,390,599</b>	<b>\$ 10,985,896</b>	<b>\$ 56,828,288</b>	<b>\$ 79,204,783</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts and retainage payable	\$ 159,909	\$ 596,525	\$ 5,408,067	\$ 6,164,501
Due to other funds	8,830,667	13,872	6,700,384	15,544,923
Deferred revenue	798,458	26,912	-	825,370
Other current liabilities	33,755	-	-	33,755
<b>Total liabilities</b>	<b>9,822,789</b>	<b>637,309</b>	<b>12,108,451</b>	<b>22,568,549</b>
<b>Fund equity:</b>				
Reserved for:				
Capital improvement	226,845	-	42,392,388	42,619,233
Debt service	-	10,348,587	-	10,348,587
Advances to other funds	-	-	220,000	220,000
Unreserved/undesignated	1,340,965	-	2,107,449	3,448,414
<b>Total fund equity</b>	<b>1,567,810</b>	<b>10,348,587</b>	<b>44,719,837</b>	<b>56,636,234</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 11,390,599</b>	<b>\$ 10,985,896</b>	<b>\$ 56,828,288</b>	<b>\$ 79,204,783</b>



**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS (DEFICIT)**  
**FOR THE YEAR ENDED APRIL 30, 2004**

	<b>SPECIAL REVENUES FUNDS</b>	<b>DEBT SERVICE FUNDS</b>	<b>CAPITAL PROJECTS FUNDS</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
<b>Revenues</b>				
Taxes:				
Ad valorem	\$ -	\$ 210,964	\$ -	\$ 210,964
Sales	-	2,994,775	-	2,994,775
Licenses, permits, and assessments	-	2,532	-	2,532
Intergovernmental:				
Federal	3,047,527	-	4,067,980	7,115,507
State	453,205	-	765,531	1,218,736
Charges for services	161,578	-	404,803	566,381
Fines and forfeitures	19,163	-	-	19,163
Use of money and property	70,659	61,504	626,552	758,715
Other revenues	168,021	-	32,385	200,406
Total revenues	<u>3,920,153</u>	<u>3,269,775</u>	<u>5,897,251</u>	<u>13,087,179</u>
<b>Expenditures</b>				
Public safety	1,329,483	-	-	1,329,483
Public works	929,524	-	-	929,524
Health and welfare	2,302,413	-	-	2,302,413
Culture and recreation	262,091	-	-	262,091
Economic development	393,193	-	-	393,193
Debt service	-	21,302,268	-	21,302,268
Capital expenditures	529,053	-	33,750,302	34,279,355
Total operating expenses	<u>5,745,757</u>	<u>21,302,268</u>	<u>33,750,302</u>	<u>60,798,327</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,825,604)	(18,032,493)	(27,853,051)	(47,711,148)
<b>Other Financing Sources/(Uses)</b>				
Sale of assets	-	-	87,000	87,000
Proceeds from issuance of bonds	-	-	1,759,207	1,759,207
Transfers in	18,338,699	20,713,154	16,651,829	55,703,682
Transfers out	(26,333,703)	-	(2,285,894)	(28,619,597)
Total other financing sources/(uses)	<u>(7,995,004)</u>	<u>20,713,154</u>	<u>16,212,142</u>	<u>28,930,292</u>
<b>Excess (Deficiency) of Revenues and Sources Over Expenditures and Uses</b>	(9,820,608)	2,680,661	(11,640,909)	(18,780,856)
<b>Fund Balances at Beginning of Year</b>	10,508,766	7,667,926	56,360,762	74,537,454
<b>Prior period adjustment</b>	879,652	-	(16)	879,636
<b>Fund Balances at Beginning of Year (as restated)</b>	<u>11,388,418</u>	<u>7,667,926</u>	<u>56,360,746</u>	<u>75,417,090</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 1,567,810</u>	<u>\$ 10,348,587</u>	<u>\$ 44,719,837</u>	<u>\$ 56,636,234</u>

**NONMAJOR SPECIAL REVENUE FUNDS**

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

	FIRE DEPARTMENT INSURANCE	COMMUNITY DEVELOPMENT BLOCK GRANT	COMMUNITY REVITALIZATION PROGRAM	URBAN DEVELOPMENT ACTION GRANT	RENTAL REHAB	WATER CERTIFICATION
<b>ASSETS</b>						
Cash and cash equivalents	\$ 197,438	\$ -	\$ 2,090	\$ 53,811	\$ -	\$ 13,648
Accounts receivable	-	192,831	-	-	-	-
Due from other funds	53,115	5,235	-	-	298,294	-
Other assets	-	-	-	-	211,370	-
<b>TOTAL ASSETS</b>	<b>\$ 250,553</b>	<b>\$ 198,066</b>	<b>\$ 2,090</b>	<b>\$ 53,811</b>	<b>\$ 509,664</b>	<b>\$ 13,648</b>

<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities</b>						
Accounts and retainage payable	\$ -	\$ 11,887	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	211,911	-
Other liabilities	-	-	-	-	2,821	-
Due to other funds	-	186,179	-	-	-	-
Total liabilities	-	198,066	-	-	214,732	-
<b>Fund balance</b>						
Reserved for:						
Street improvements & infrastructure	-	-	-	-	-	-
Unreserved/undesignated	250,553	-	2,090	53,811	294,932	13,648
Total fund balance	250,553	-	2,090	53,811	294,932	13,648
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 250,553</b>	<b>\$ 198,066</b>	<b>\$ 2,090</b>	<b>\$ 53,811</b>	<b>\$ 509,664</b>	<b>\$ 13,648</b>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

	JR TENNIS	ECONOMIC DEVELOPMENT	LAW ENFORCEMENT BLOCK GRANT 2002	LAW ENFORCEMENT BLOCK GRANT 2003	LAW ENFORCEMENT BLOCK GRANT 2001	MARTIN LUTHER KING
Cash and cash equivalents	\$ 6,309	\$ 90,415	\$ 76,702	\$ 52,412	\$ -	109
Accounts receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 6,309</b>	<b>\$ 90,415</b>	<b>\$ 76,702</b>	<b>\$ 52,412</b>	<b>\$ -</b>	<b>109</b>

	JR TENNIS	ECONOMIC DEVELOPMENT	LAW ENFORCEMENT BLOCK GRANT 2002	LAW ENFORCEMENT BLOCK GRANT 2003	LAW ENFORCEMENT BLOCK GRANT 2001	MARTIN LUTHER KING
Accounts and retainage payable	\$ -	\$ -	\$ 150	\$ 21,505	\$ -	-
Deferred revenue	-	-	74,553	30,907	-	-
Other liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	74,703	52,412	-	-
<b>Fund balance</b>	<b>-</b>	<b>-</b>	<b>74,703</b>	<b>52,412</b>	<b>-</b>	<b>-</b>
Reserved for:						
Street improvements & infrastructure	-	-	-	-	-	-
Unreserved/undesignated	6,309	90,415	1,999	-	-	109
Total fund balance	6,309	90,415	1,999	-	-	109
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 6,309</b>	<b>\$ 90,415</b>	<b>\$ 76,702</b>	<b>\$ 52,412</b>	<b>\$ -</b>	<b>109</b>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

	BICYCLE TRAIL	MPD LAW ENFORCEMENT TRAINING	CDBG LOAN	CDBG HOME	PROBLEM SOLVING GRANT	CITY PROSECUTING ATTORNEY
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,666	\$ 177	\$ 103,327	\$ -	\$ 27,846	\$ 29,211
Accounts receivable	-	-	-	310,121	-	-
Due from other funds	-	-	50,025	-	-	-
Other assets	-	-	106,690	360,752	-	-
<b>TOTAL ASSETS</b>	<b>\$ 4,666</b>	<b>\$ 177</b>	<b>\$ 260,042</b>	<b>\$ 670,873</b>	<b>\$ 27,846</b>	<b>\$ 29,211</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities</b>						
Accounts and retainage payable	\$ -	\$ -	\$ -	1,277	\$ -	\$ -
Deferred revenue	-	-	112,485	360,962	-	-
Other liabilities	-	-	28,704	-	-	-
Due to other funds	-	-	-	250,294	-	-
Total liabilities	-	-	141,189	612,533	-	-
<b>Fund balance</b>						
Reserved for:						
Street improvements & infrastructure	-	-	-	-	-	-
Unreserved/undesignated	4,666	177	118,853	58,340	27,846	29,211
Total fund balance	4,666	177	118,853	58,340	27,846	29,211
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 4,666</b>	<b>\$ 177</b>	<b>\$ 260,042</b>	<b>\$ 670,873</b>	<b>\$ 27,846</b>	<b>\$ 29,211</b>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

	MPD INFORMANT FUND	MPD YOUTH	D.A.R.E. PROGRAM	FOLKLIFE FESTIVAL	CAPITAL INFRASTRUCTURE	DIVERSION PROGRAM
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	3,147	28,238	-	5,802,849	395,069
Accounts receivable	-	-	-	21,857	-	1,900
Due from other funds	-	-	-	-	2,738,306	46
Other assets	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>3,147</b>	<b>28,238</b>	<b>21,857</b>	<b>8,541,155</b>	<b>397,015</b>

<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities						
Accounts and retainage payable	\$ -	-	-	2,600	1,469	13,620
Deferred revenue	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Due to other funds	-	-	28,238	19,257	8,312,841	-
Total liabilities	-	-	28,238	21,857	8,314,310	13,620
Fund balance						
Reserved for:						
Street improvements & infrastructure	-	-	-	-	226,845	-
Unreserved/undesignated	-	3,147	-	-	-	383,395
Total fund balance	-	3,147	-	-	226,845	383,395
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ -</b>	<b>3,147</b>	<b>28,238</b>	<b>21,857</b>	<b>8,541,155</b>	<b>397,015</b>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

	PRISONER HOUSING	LOUISIANA INCIDENT BASED REPORTING FUND	DRUG SEIZURE FORFEITURE	FRIENDS OF CITY EMPLOYEES	LITTER ABATEMENT PROGRAM	EMERGENCY SHELTER
	\$ -	\$ 6,949	\$ -	\$ 399	\$ 1,911	\$ 691
Cash and cash equivalents	6,330	-	-	-	-	-
Accounts receivable	61,130	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 67,460</b>	<b>\$ 6,949</b>	<b>\$ -</b>	<b>\$ 399</b>	<b>\$ 1,911</b>	<b>\$ 691</b>

	PRISONER HOUSING	LOUISIANA INCIDENT BASED REPORTING FUND	DRUG SEIZURE FORFEITURE	FRIENDS OF CITY EMPLOYEES	LITTER ABATEMENT PROGRAM	EMERGENCY SHELTER
	\$ 67,460	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and retainage payable	-	6,949	-	-	-	691
Deferred revenue	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Due to other funds	-	-	2,284	-	-	-
Total liabilities	67,460	6,949	2,284	-	-	691
<b>Fund balance</b>						
Reserved for:						
Street improvements & infrastructure	-	-	-	-	-	-
Unreserved/undesignated	-	-	(2,284)	399	1,911	-
Total fund balance	-	-	(2,284)	399	1,911	-
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 67,460</b>	<b>\$ 6,949</b>	<b>\$ -</b>	<b>\$ 399</b>	<b>\$ 1,911</b>	<b>\$ 691</b>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

	SOUTHSIDE ECONOMIC DEVELOPMENT DISTRICT	BROWNFIELD STUDY PROGRAM	CHINA DELEGATION TRIP	CHRISTMAS DISPLAY	MAYPOP SCULPTURE	PEER MEDIATION
ASSETS						
Cash and cash equivalents	\$ -	\$ -	1,817	\$ 31,152	\$ -	\$ -
Accounts receivable	-	5,227	-	-	-	1,947
Due from other funds	-	25,000	-	8,189	-	-
Other assets	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 30,227</b>	<b>\$ 1,817</b>	<b>\$ 39,341</b>	<b>\$ -</b>	<b>\$ 1,947</b>

LIABILITIES AND FUND BALANCE						
Accounts and retainage payable	\$ -	\$ -	\$ -	\$ 39,341	\$ -	\$ 600
Deferred revenue	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Due to other funds	-	30,227	-	-	-	1,347
Total liabilities	-	30,227	-	39,341	-	1,947
Fund balance						
Reserved for:						
Street improvements & infrastructure	-	-	-	-	-	-
Unreserved/undesignated	-	-	1,817	-	-	-
Total fund balance	-	-	1,817	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 30,227</b>	<b>\$ 1,817</b>	<b>\$ 39,341</b>	<b>\$ -</b>	<b>\$ 1,947</b>

(Continued)



**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET (CONCLUDED)**  
**AS OF APRIL 30, 2004**

	<b>METRO SHARE GRANT PROGRAM</b>	<b>TOTAL</b>
	1,851	6,932,234
	-	540,213
	-	3,239,340
	-	678,812
	<u>1,851</u>	<u>11,390,599</u>

**ASSETS**

Cash and cash equivalents  
Accounts receivable  
Due from other funds  
Other assets

**TOTAL ASSETS**

**LIABILITIES AND FUND BALANCE**

Liabilities  
Accounts and retainage payable  
Deferred revenue  
Other liabilities  
Due to other funds  
Total liabilities  
Fund balance

Reserved for:  
Street improvements & infrastructure  
Unreserved/undesignated  
Total fund balance

**TOTAL LIABILITIES AND  
FUND BALANCE**

	-	159,909
	-	798,458
	2,230	33,755
	-	8,830,667
	<u>2,230</u>	<u>9,822,789</u>
	-	226,845
	(379)	1,340,965
	<u>(379)</u>	<u>1,567,810</u>
	<u>1,851</u>	<u>11,390,599</u>

CITY OF MONROE  
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED APRIL 30, 2004

	FIRE DEPARTMENT INSURANCE	COMMUNITY DEVELOPMENT BLOCK GRANT	COMMUNITY REVITALIZATION PROGRAM	URBAN DEVELOPMENT ACTION GRANT	RENTAL REHAB	WATER CERTIFICATION
REVENUES						
Intergovernmental:						
Federal funds	\$ 145,880	\$ 1,436,195	\$ -	\$ -	\$ -	\$ -
State funds	143,550	-	-	-	-	-
Fees, charges and commissions for services	-	-	-	-	-	3,300
Fines and forfeitures	-	-	-	-	-	-
Rent and interest income	-	-	-	-	540	-
Other revenues	10,886	10,566	-	-	4,372	-
Total revenues	300,316	1,446,761	-	-	4,912	3,300
EXPENDITURES						
Current:						
Public safety	61,223	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	1,222,643	-	-	-	3,700
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital Outlay	211,201	224,118	-	-	-	-
Total expenditures	272,424	1,446,761	-	-	-	3,700
CESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	27,892	-	-	-	4,912	(400)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
CESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	27,892	-	-	-	4,912	(400)
ND BALANCE, beginning of year	222,661	-	2,090	53,811	290,020	14,048
or period adjustment	-	-	-	-	-	-
ND BALANCE, beginning of year (as restated)	222,661	-	2,090	53,811	290,020	14,048
ND BALANCE, END OF YEAR	\$ 250,553	\$ -	\$ 2,090	\$ 53,811	\$ 294,932	\$ 13,648

(Continued)

CITY OF MONROE  
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED APRIL 30, 2004

	JR TENNIS	ECONOMIC DEVELOPMENT	LAW ENFORCEMENT BLOCK GRANT 2002	LAW ENFORCEMENT BLOCK GRANT 2003	LAW ENFORCEMENT BLOCK GRANT 2001	MARTIN LUTHER KING
REVENUES						
Intergovernmental						
Federal funds			86,738 \$	88,947 \$	132,110 \$	-
State funds			-	-	-	-
Fees, charges and commissions for services			-	-	-	-
Fines and forfeitures			-	-	-	-
Rent and interest income			719	440	1,244	-
Other revenues			-	-	-	526
Total revenues			87,457	89,387	133,354	526
EXPENDITURES						
Current:						
Public safety			104,659	30,020	116,229	-
Public works			-	-	-	-
Health and welfare			-	-	-	-
Culture and recreation			-	-	-	1,370
Economic development			-	-	-	-
Capital Outlay			-	72,684	17,125	-
Total expenditures			104,659	102,704	133,354	1,370
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			(17,202)	(13,317)	-	(844)
OTHER FINANCING SOURCES (USES)						
Operating transfers in			-	13,317	-	-
Operating transfers out			-	-	-	-
Total other financing sources (uses)			-	13,317	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES			(17,202)	-	-	(844)
FUND BALANCE, beginning of year	6,309	90,415	19,201	-	-	953
for period adjustment			-	-	-	-
FUND BALANCE, beginning of year (as restated)	6,309	90,415	19,201	-	-	953
FUND BALANCE, END OF YEAR	6,309 \$	90,415 \$	1,999 \$	- \$	- \$	109

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED APRIL 30, 2004**

	BICYCLE TRAIL	MPD LAW ENFORCEMENT TRAINING	CDBG LOAN	CDBG HOME	PROBLEM SOLVING GRANT	CITY PROSECUTING ATTORNEY
\$	-	-	-	949,326	-	-
Intergovernmental						
Federal funds						
State funds						
Fees, charges and commissions for services						
Fines and forfeitures						
Rent and interest income			3,376	10,081		17,702
Other revenues			8,438	27,770		
Total revenues			11,814	987,177		17,702
<b>EXPENDITURES</b>						
Current:						
Public safety						
Public works						
Health and welfare						
Culture and recreation				955,293		
Economic development						
Capital Outlay						
Total expenditures				955,293		1,473
<b>XCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			11,814	31,884		16,229
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in						
Operating transfers out						
Total other financing sources (uses)						
<b>XCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>			11,814	31,884		16,229
<b>UND BALANCE, beginning of year</b>	4,666	177	107,039	26,456	27,846	12,982
<b>for period adjustment</b>						
<b>UND BALANCE, beginning of year (as restated)</b>	4,666	177	107,039	26,456	27,846	12,982
<b>UND BALANCE, END OF YEAR</b>	4,666	177	118,853	58,340	27,846	29,211

(Continued)

CITY OF MONROE  
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED APRIL 30, 2004

	MPD INFORMANT FUND	MPD YOUTH	D.A.R.E. PROGRAM	FOLKLIFE FESTIVAL	CAPITAL INFRASTRUCTURE	DIVERSION PROGRAM
<b>REVENUES</b>						
Intergovernmental						
Federal funds	\$ -	\$ -	\$ 31,328	\$ 36,068	\$ -	\$ -
State funds	-	-	-	9,655	-	-
Fees, charges and commissions for services	-	-	-	39,464	-	95,200
Fines and forfeitures	-	-	-	-	-	-
Rent and interest income	-	-	-	1,150	53,109	-
Other revenues	-	1,204	-	21,200	-	-
Total revenues	-	1,204	31,328	107,537	53,109	95,200
<b>EXPENDITURES</b>						
Current:						
Public safety	-	1,911	31,328	-	-	111,040
Public works	-	-	-	-	893,654	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	190,842	-	-
Economic development	-	-	-	-	-	-
Capital Outlay	-	-	-	-	1,868	584
Total expenditures	-	1,911	31,328	190,842	895,522	111,624
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(707)	-	(83,305)	(842,413)	(16,424)
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	-	83,305	17,443,788	-
Operating transfers out	-	-	-	-	(26,333,703)	-
Total other financing sources (uses)	-	-	-	83,305	(8,889,915)	-
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	-	(707)	-	-	(9,732,328)	(16,424)
<b>UND BALANCE, beginning of year prior period adjustment</b>	2,491 (2,491)	3,854	-	-	9,077,030	399,819
<b>UND BALANCE, beginning of year (as restated)</b>	-	3,854	-	-	882,143	-
<b>UND BALANCE, END OF YEAR</b>	\$ -	\$ 3,147	\$ -	\$ -	\$ 226,845	\$ 383,395

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED APRIL 30, 2004**

	PRISONER HOUSING	LOUISIANA INCIDENT BASED REPORTING	DRUG SEIZURE FORFEITURE	FRIENDS OF CITY EMPLOYEES	LITTER ABATEMENT PROGRAM	EMERGENCY SHELTER
<b>REVENUES</b>						
Intergovernmental						
Federal funds	- \$	- \$	- \$	- \$	- \$	120,777
State funds	-	-	-	-	-	-
Fees, charges and commissions for services	-	-	-	-	-	-
Fines and forfeitures	-	-	1,461	-	-	-
Rent and interest income	-	-	-	-	-	-
Other revenues	77,305	-	-	1,254	-	-
Total revenues	77,305	-	1,461	1,254	-	120,777
<b>EXPENDITURES</b>						
Current:						
Public safety	853,729	-	10,056	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	120,777
Culture and recreation	-	-	-	1,208	-	-
Economic development	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total expenditures	853,729	-	10,056	1,208	-	120,777
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(776,424)	-	(8,595)	46	-	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	765,100	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	765,100	-	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	(11,324)	-	(8,595)	46	-	-
<b>UND BALANCE, beginning of year</b>	11,324	-	6,311	353	1,911	-
<b>UND BALANCE, beginning of year (as restated)</b>	11,324	-	6,311	353	1,911	-
<b>UND BALANCE, END OF YEAR</b>	- \$	- \$	(2,284) \$	399 \$	1,911 \$	-

(Continued)

CITY OF MONROE  
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED APRIL 30, 2004

	SOUTHSIDE ECONOMIC DEVELOPMENT DISTRICT	BROWNFIELD STUDY PROGRAM	CHINA DELEGATION TRIP	CHRISTMAS DISPLAY	MAYPOPE SCULPTURE	PEER MEDIATION
REVENUES						
Intergovernmental						
Federal funds		10,870				
State funds						9,288
Fees, charges and commissions for services						
Fines and forfeitures				23,614		
Rent and interest income						
Other revenues				3,500	1,000	
Total revenues		10,870		27,114	1,000	9,288
EXPENDITURES						
Current:						
Public safety						
Public works		35,870				9,288
Health and welfare						
Culture and recreation						
Economic development	92,814			63,488	5,183	
Capital Outlay						
Total expenditures	92,814	35,870		63,488	5,183	9,288
XCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(92,814)	(25,000)		(36,374)	(4,183)	
OTHER FINANCING SOURCES (USES)						
Operating transfers in		25,000				
Operating transfers out				8,189		
Total other financing sources (uses)		25,000		8,189		
XCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(92,814)			(28,185)	(4,183)	
UND BALANCE, beginning of year prior period adjustment	92,814		1,817	28,185	4,183	
UND BALANCE, beginning of year (as restated)	92,814		1,817	28,185	4,183	
UND BALANCE, END OF YEAR			1,817			

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE (CONCLUDED)**  
**FOR THE YEAR ENDED APRIL 30, 2004**

	METRO SHARE GRANT PROGRAM	TOTAL
\$	-	\$ 3,047,527
Intergovernmental	300,000	453,205
Federal funds	-	161,578
State funds	-	19,163
Fees, charges and commissions for services	-	70,659
Fines and forfeitures	-	168,021
Rent and interest income	-	-
Other revenues	-	-
Total revenues	300,000	3,920,153

**EXPENDITURES**

Current:		
Public safety	-	1,329,483
Public works	-	929,524
Health and welfare	-	2,302,413
Culture and recreation	-	262,091
Economic development	300,379	393,193
Capital Outlay	-	529,053
Total expenditures	300,379	5,745,757

**EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** (379) (1,825,604)

**OTHER FINANCING SOURCES (USES)**

Operating transfers in	-	18,338,699
Operating transfers out	-	(26,333,703)
Total other financing sources (uses)	-	(7,995,004)

**EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES**

	(379)	(9,820,608)
END BALANCE, beginning of year	-	10,508,766
for period adjustment	-	879,652
END BALANCE, beginning of year (as restated)	-	11,388,418

**END BALANCE, END OF YEAR** \$ (379) \$ 1,567,810



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**NONMAJOR DEBT SERVICE FUNDS**



**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR DEBT SERVICE FUNDS**

**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

	<b>ASSETS</b>			<b>Total Assets</b>
	<b>Cash</b>	<b>Assessments, Taxes and Other Receivables</b>	<b>Due from Other Funds</b>	
<b>CITY COURT AND JAIL IMPROVEMENTS</b>	\$ 90,521	\$ 8,518	\$ -	\$ 99,039
<b>STREET ASSESSMENTS</b>	1,480	-	-	1,480
<b>URBAN SYSTEMS ASSESSMENT</b>	2,136	-	-	2,136
<b>1988 STREET OVERLAY - PHASE I</b>	2,841	-	8,822	11,663
<b>1988 STREET OVERLAY - PHASE II</b>	334	-	3,251	3,585
<b>URBAN SYSTEMS ORDINANCE 9432</b>	-	8,488	10,869	19,357
<b>HUNTINGTON PARK SEWER ASSESSMENTS</b>	10,419	-	-	10,419
<b>TOWER DRIVE DEVELOPMENT DISTRICT</b>	506,455	-	1,068,344	1,574,799
<b>I-20 ECONOMIC DEVELOPMENT DISTRICT</b>	2,835,742	562,829	146,070	3,544,641
<b>SALES TAX BOND DEBT SERVICE</b>	5,615,303	-	-	5,615,303
<b>POLICE &amp; FIRE PENSION MERGER</b>	103,474	-	-	103,474
<b>TOTALS APRIL 30, 2004</b>	<u>\$ 9,168,705</u>	<u>\$ 579,835</u>	<u>\$ 1,237,356</u>	<u>\$ 10,985,896</u>

**LIABILITIES**

<u>Accrued Expenses</u>	<u>Deferred Revenue</u>	<u>Due to Other Funds</u>	<u>Total Liabilities</u>	<u>Fund Balance Reserved for Debt Service</u>	<u>Total Liabilities and Fund Equity</u>
\$ -	\$ 8,518	-	\$ 8,518	\$ 90,521	\$ 99,039
-	-	-	-	1,480	1,480
-	836	-	836	1,300	2,136
-	8,822	-	8,822	2,841	11,663
-	3,251	-	3,251	334	3,585
-	5,485	13,872	19,357	-	19,357
-	-	-	-	10,419	10,419
-	-	-	-	1,574,799	1,574,799
-	-	-	-	3,544,641	3,544,641
596,525	-	-	596,525	5,018,778	5,615,303
-	-	-	-	103,474	103,474
<u>\$ 596,525</u>	<u>\$ 26,912</u>	<u>13,872</u>	<u>\$ 637,309</u>	<u>\$ 10,348,587</u>	<u>\$ 10,985,896</u>

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR DEBT SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED APRIL 30, 2004**

	Revenues		Expenditures	
	Assessments and Taxes Collected	Interest Income	Certificates and Bonds Retired	Interest and Fiscal Charges
CITY COURT AND JAIL IMPROVEMENTS	\$ 210,964	\$ -	\$ 130,000	\$ 60,854
STREET ASSESSMENTS	28	8	-	-
URBAN SYSTEMS ASSESSMENT	464	836	-	-
1988 STREET OVERLAY - PHASE I	1,348	1,493	-	-
1988 STREET OVERLAY - PHASE II	-	-	-	-
URBAN SYSTEMS ORDINANCE 9432	692	214	13,586	1,192
HUNTINGTON PARK SEWER ASSESSMENTS	-	-	60,366	8,804
TOWER DRIVE DEVELOPMENT DISTRICT	392,531	5,037	590,000	368,572
I-20 ECONOMIC DEVELOPMENT DISTRICT	2,602,244	5,379	12,130,000	653,783
SALES TAX BOND DEBT SERVICE	-	45,562	1,490,000	4,963,847
POLICE & FIRE PENSION MERGER	-	2,975	550,000	281,265
<b>TOTALS APRIL 30, 2004</b>	<b>\$ 3,208,271</b>	<b>\$ 61,504</b>	<b>\$ 14,963,952</b>	<b>\$ 6,338,316</b>

**Assessments and Taxes Collected**

Ad Valorem taxes	\$ 210,964
Sales taxes	2,994,775
Assessments	2,532
<b>Total Assessments and Taxes Collected</b>	<b>\$ 3,208,271</b>

	Operating Transfers In (Out)	Excess (Deficiency) of Revenues Over Expenditures	Fund Balance	
			Beginning of Year	End of Year
\$	-	\$ 20,110	\$ 70,411	\$ 90,521
	-	36	1,444	1,480
	-	1,300	-	1,300
	-	2,841	-	2,841
	-	-	334	334
	10,869	(3,003)	3,003	-
	-	(69,170)	79,589	10,419
	9,340	(551,664)	2,126,463	1,574,799
	12,878,312	2,702,152	842,489	3,544,641
	6,989,418	581,133	4,437,644	5,018,777
	<u>825,215</u>	<u>(3,075)</u>	<u>106,549</u>	<u>103,474</u>
\$	<u>20,713,154</u>	\$ <u>2,680,661</u>	\$ <u>7,667,926</u>	\$ <u>10,348,587</u>

**NONMAJOR CAPITAL PROJECTS FUNDS**

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

	PFC CAPITAL PROJECTS FUND	UMTA CAPITAL GRANTS	BENOIT RECREATION RENOVATIONS	N. 18TH STREET EXTENSION	KANSAS LANE IMPROVEMENTS	ZOO INTERACTIVE EXHIBIT
<b>ASSETS</b>						
Cash and cash equivalents	\$ 221,831	-	-	-	-	-
Investments, at cost	-	-	-	-	-	-
Accounts receivable	-	-	144,901	-	-	34,450
Due from other funds	-	19,702	39,781	241,860	218,245	34,450
Advances to other funds	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	\$ 221,831	19,702	184,682	241,860	218,245	68,900
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts and retainage payable	\$ -	-	-	-	-	68,900
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	184,682	-	-	-
Total liabilities	-	-	184,682	-	-	68,900
Fund balance (Deficit)	221,831	19,702	-	-	-	-
Reserved for:						
Capital improvement	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Unreserved/undesignated	-	19,702	-	241,860	218,245	-
Total fund balance (Deficit)	221,831	19,702	-	241,860	218,245	-
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	\$ 221,831	19,702	184,682	241,860	218,245	68,900

(Continued)



**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

	AIRPORT TAXIWAY C RECONSTRUCTION	AIRPORT PARKING APRON RENOVATIONS	AIRPORT DRAINAGE RENOVATIONS	PHASE III AIR INDUSTRIAL PARK	AIRPORT DRAINAGE CANAL
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments, at cost	-	-	-	-	-
Accounts receivable	53,766	318,674	435,278	150,000	-
Due from other funds	-	-	-	572,835	18,705
Advances to other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 53,766</b>	<b>\$ 318,674</b>	<b>\$ 435,278</b>	<b>\$ 722,835</b>	<b>\$ 18,705</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities					
Accounts and retainage payable	\$ 68,411	\$ 59,142	\$ 63,870	\$ 420,400	\$ -
Deferred revenue	-	-	-	-	-
Due to other funds	7,282	294,273	371,408	302,435	18,705
Total liabilities	75,693	353,415	435,278	722,835	18,705
Fund balance (Deficit)					
Reserved for:					
Capital improvement	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Unreserved/undesignated	(21,927)	(34,741)	-	-	-
Total fund balance (Deficit)	(21,927)	(34,741)	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 53,766</b>	<b>\$ 318,674</b>	<b>\$ 435,278</b>	<b>\$ 722,835</b>	<b>\$ 18,705</b>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

	EVANGELINE STREET OUTFALL	DEMOLITION OF PROPERTY	TOWER DRIVE	CALYPSO ST. REPAIRS	EAST PARKVIEW FLOOD CONTROL
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	174,704	\$ -	\$ -
Investments, at cost	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other funds	9,976	16,608	-	467,084	291,171
Advances to other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 9,976</b>	<b>\$ 16,608</b>	<b>\$ 174,704</b>	<b>\$ 467,084</b>	<b>\$ 291,171</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities					
Accounts and retainage payable	\$ -	\$ -	28,397	\$ -	\$ -
Deferred revenue	-	-	-	-	-
Due to other funds	9,976	4,752	1,068,344	467,084	-
Total liabilities	9,976	4,752	1,096,741	467,084	-
Fund balance (Deficit)					
Reserved for:					
Capital improvement	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Unreserved/undesignated	-	11,856	(922,037)	-	291,171
Total fund balance (Deficit)	-	11,856	(922,037)	-	291,171
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 9,976</b>	<b>\$ 16,608</b>	<b>\$ 174,704</b>	<b>\$ 467,084</b>	<b>\$ 291,171</b>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

	FORSYTHE/ CHAUVIN FLOOD	RIVER OAKS COMMUNITY PARK	BELOIT/ SPENCER STORM DRAIN	AMERICANS W/ DISABILITIES ACT REQUIREMENTS	AIRPORT INDUSTRIAL PARK	NEIGHBORHOOD DRAINAGE
	- \$	- \$	- \$	- \$	27,619 \$	-
	11,897	141,119	31,363	-	-	-
	241,919	-	59,222	31,190	-	-
	-	-	-	-	220,000	-
<b>TOTAL ASSETS</b>	<b>253,816 \$</b>	<b>141,119 \$</b>	<b>90,585 \$</b>	<b>31,190 \$</b>	<b>247,619 \$</b>	<b>-</b>

**ASSETS**  
 Cash and cash equivalents  
 Investments, at cost  
 Accounts receivable  
 Due from other funds  
 Advance to other funds

**LIABILITIES AND FUND BALANCE**

Accounts and retainage payable	- \$	141,119 \$	- \$	- \$	- \$	-
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	141,119	-	31,190	-	-
<b>and balance (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,190</b>	<b>-</b>	<b>-</b>
Reserved for:						
Capital improvement	-	-	-	-	-	-
Advances to other funds	-	-	-	-	220,000	-
Unreserved/undesignated	253,816	-	90,585	-	27,619	-
Total fund balance (Deficit)	253,816	-	90,585	-	247,619	-
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>253,816 \$</b>	<b>141,119 \$</b>	<b>90,585 \$</b>	<b>31,190 \$</b>	<b>247,619 \$</b>	<b>-</b>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

ASSETS	CHASE RECORD STORAGE FACILITY	DOWNTOWN ECONOMIC DEVELOPMENT	KANSAS LANE SERVICE ROAD	INFRASTRUCTURE	REHABILITATION SOUTH RAMP
Cash and cash equivalents	-	-	-	-	-
Investments, at cost	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other funds	165,302	68,585	453,903	99,984	560
Advances to other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 165,302</b>	<b>\$ 68,585</b>	<b>\$ 453,903</b>	<b>\$ 99,984</b>	<b>\$ 560</b>

  

LIABILITIES AND FUND BALANCE	\$
Accounts and retainage payable	-
Deferred revenue	-
Due to other funds	588
<b>Total liabilities</b>	<b>588</b>
<b>fund balance (Deficit)</b>	<b>560</b>
Reserved for:	-
Capital improvement	-
Advances to other funds	-
Unreserved/undesignated	-
<b>Total fund balance (Deficit)</b>	<b>560</b>

  

TOTAL LIABILITIES AND FUND BALANCE	\$
<b>FUND BALANCE</b>	<b>\$ 560</b>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

	RECREATIONAL				
	STREET IMP. AIRPORT IND PARK	CENTER CAPITAL PROJECT	SOUTHEAST MONROE DRAINAGE	SWIMMING POOLS RENOVATIONS	STREET CONSTRUCTION
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 160,793	\$ 7,417,417
Investments, at cost	-	-	-	-	10,228,202
Accounts receivable	-	483,003	-	-	7,370
Due from other funds	481,638	-	22,455	234,618	-
Advances to other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 481,638</b>	<b>\$ 483,003</b>	<b>\$ 22,455</b>	<b>\$ 395,411</b>	<b>\$ 17,652,989</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities					
Accounts and retainage payable	\$ -	\$ 199,250	\$ -	\$ 1,743	\$ 1,018,882
Deferred revenue	-	-	-	-	-
Due to other funds	-	285,753	22,455	39,781	-
Total liabilities	-	485,003	22,455	41,524	1,018,882
Fund balance (Deficit)					
Reserved for:					
Capital improvement	-	-	-	-	16,634,107
Advances to other funds	-	-	-	-	-
Unreserved/undesignated	481,638	(2,000)	-	353,887	-
Total fund balance (Deficit)	481,638	(2,000)	-	353,887	16,634,107
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 481,638</b>	<b>\$ 483,003</b>	<b>\$ 22,455</b>	<b>\$ 395,411</b>	<b>\$ 17,652,989</b>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

	WPCC IMPROVEMENTS	PUMP STATION IMPROVEMENT	COLLECTION SYSTEM IMPROVEMENTS	WATER SYSTEM IMPROVEMENTS PHASE I	ASSET MANAGEMENT SYSTEM
<b>ASSETS</b>					
Cash and cash equivalents	\$ 323,606	\$ 1,500	\$ 3,735,841	\$ -	\$ 627
Investments, at cost	-	-	12,353,804	-	-
Accounts receivable	-	93,648	21,507	-	-
Due from other funds	1,000,000	4,059,150	4,697,941	50,920	83,835
Advances to other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,323,606</b>	<b>\$ 4,154,298</b>	<b>\$ 20,809,093</b>	<b>\$ 50,920</b>	<b>\$ 84,462</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Accounts and retainage payable	\$ 12,968	\$ 1,922,196	\$ 417,385	\$ 50,920	\$ 84,462
Deferred revenue	-	-	-	-	-
Due to other funds	1,000,049	2,232,102	6,280	-	-
Total liabilities	1,013,017	4,154,298	423,665	50,920	84,462
<b>fund balance (Deficit)</b>					
Reserved for:					
Capital improvement	-	-	20,385,428	-	-
Advances to other funds	-	-	-	-	-
Unreserved/undesignated	310,589	-	-	-	-
Total fund balance (Deficit)	310,589	-	20,385,428	-	-
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,323,606</b>	<b>\$ 4,154,298</b>	<b>\$ 20,809,093</b>	<b>\$ 50,920</b>	<b>\$ 84,462</b>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**COMBINING BALANCE SHEET (CONCLUDED)**  
**AS OF APRIL 30, 2004**

	FIRE/ DRAINAGE IMPROVEMENTS	RIVERFRONT PROJECT	TOTAL
	\$ 2,004,245	-	\$ 14,068,183
	3,993,598	-	26,575,604
	3,201	-	1,930,737
	-	352,685	14,033,764
	-	-	220,000
	<u>\$ 6,001,044</u>	<u>\$ 352,685</u>	<u>\$ 56,828,288</u>

**ASSETS**

Cash and cash equivalents  
Investments, at cost  
Accounts receivable  
Due from other funds  
Advances to other funds

**TOTAL ASSETS**

**LIABILITIES AND FUND BALANCE**

Liabilities  
Accounts and retainage payable  
Deferred revenue  
Due to other funds  
Total liabilities  
Fund balance (Deficit)  
Reserved for:  
Capital improvement  
Advances to other funds  
Unreserved/undesignated  
Total fund balance (Deficit)

**TOTAL LIABILITIES AND  
FUND BALANCE**

	\$ 850,022	-	\$ 5,408,067
	-	-	-
	-	352,685	6,700,384
	<u>850,022</u>	<u>352,685</u>	<u>12,108,451</u>
	5,151,022	-	42,392,388
	-	-	220,000
	-	-	2,107,449
	<u>5,151,022</u>	<u>-</u>	<u>44,719,837</u>
	<u>\$ 6,001,044</u>	<u>\$ 352,685</u>	<u>\$ 56,828,288</u>

**CITY OF MONROE**  
Monroe, Louisiana

**NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED APRIL 30, 2004**

	PFC CAPITAL PROJECTS FUND	UMTA CAPITAL GRANTS	BENOIT RECREATION RENOVATIONS	N. 18TH STREET EXTENSION	KANSAS LANE	ZOO INTERACTIVE EXHIBIT
<b>REVENUES</b>						
Intergovernmental:						
Federal funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	69,894	-	34,450
Local funds	-	-	-	-	-	-
Fees, charges, and commissions	404,803	-	-	-	-	-
Rent and interest income	998	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	405,801	-	-	69,894	-	34,450
<b>EXPENDITURES</b>						
Capital Outlay	143,270	-	125,050	101,302	9,833	68,900
Total expenditures	143,270	-	125,050	101,302	9,833	68,900
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	262,531	-	(125,050)	(31,408)	(9,833)	(34,450)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of long-term debt	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-
Operating transfers in	-	-	100,611	-	-	34,450
Operating transfers out	(40,700)	-	-	-	-	-
Total other financing sources (uses)	(40,700)	-	100,611	-	-	34,450
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	221,831	-	(24,439)	(31,408)	(9,833)	-
<b>FUND BALANCE (DEFICIT), beginning of year</b>	-	19,702	24,439	273,284	228,078	-
Prior period adjustments	-	-	-	(16)	-	-
<b>FUND BALANCE (DEFICIT), as restated</b>	-	19,702	24,439	273,268	228,078	-
<b>FUND BALANCE (DEFICIT) END OF YEAR</b>	\$ 221,831	\$ 19,702	\$ -	\$ 241,860	\$ 218,245	\$ -

(Continued)



CITY OF MONROE  
Monroe, Louisiana

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED APRIL 30, 2004

	AIRPORT TAXIWAY C RECONSTRUCTION	AIRPORT PARKING APRON RENOVATIONS	AIRPORT DRAINAGE RENOVATIONS	PHASE III AIR INDUSTRIAL PARK	AIRPORT DRAINAGE CANAL
REVENUES					
Intergovernmental:					
Federal funds	\$ 453,624	\$ 539,891	\$ 847,962	\$ 740,763	\$ -
State funds	3,441	41,268	27,828	-	-
Local funds	-	-	-	-	-
Fees, charges, and commissions	-	-	-	-	-
Rent and interest income	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	457,065	581,159	875,790	740,763	-
EXPENDITURES					
Capital Outlay	414,600	541,104	859,582	511,511	-
Total expenditures	414,600	541,104	859,582	511,511	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	42,465	40,055	16,208	229,252	-
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of long-term debt	-	-	-	-	-
Sale of assets	-	-	-	-	-
Operating transfers in	-	-	-	572,835	18,705
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	572,835	18,705
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	42,465	40,055	16,208	802,087	18,705
FUND BALANCE (DEFICIT), beginning of year	(64,392)	(74,796)	(16,208)	(802,087)	(18,705)
Prior period adjustment	-	-	-	-	-
FUND BALANCE (DEFICIT), as restated	(64,392)	(74,796)	(16,208)	(802,087)	(18,705)
FUND BALANCE (DEFICIT) END OF YEAR	\$ (21,927)	\$ (34,741)	\$ -	\$ -	\$ -

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED APRIL 30, 2004**

	EVANGELINE STREET OUTFALL	DEMOLITION OF PROPERTY	TOWER DRIVE	CALYPSO ST. REPAIRS	EAST PARKVIEW FLOOD CONTROL
<b>REVENUES</b>					
Intergovernmental:					
Federal funds	-	-	-	-	-
State funds	-	-	-	-	-
Local funds	-	-	-	-	-
Fees, charges, and commissions	-	-	3,949	-	-
Rent and interest income	-	22,385	-	-	-
Other revenues	-	22,385	3,949	-	-
Total revenues	-	44,770	3,949	-	-
<b>EXPENDITURES</b>					
Capital Outlay	-	62,556	197,473	-	3,076
Total expenditures	-	62,556	197,473	-	3,076
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(40,171)	(193,524)	-	(3,076)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from long-term debt	-	-	-	-	-
Sale of assets	-	-	-	-	-
Operating transfers in	-	-	-	467,084	-
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	467,084	-
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	-	(40,171)	(193,524)	467,084	(3,076)
<b>FUND BALANCE (DEFICIT), beginning of year</b>	-	52,027	(728,513)	(467,084)	294,247
Prior period adjustments	-	-	-	-	-
<b>FUND BALANCE (DEFICIT), as restated</b>	-	52,027	(728,513)	(467,084)	294,247
<b>FUND BALANCE (DEFICIT) END OF YEAR</b>	-	11,856	(922,037)	-	291,171

(Continued)

CITY OF MONROE  
Monroe, Louisiana

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED APRIL 30, 2004

	FORSYTHE/ CHAUVIN FLOOD	RIVER OAKS COMMUNITY PARK	BELOIT/ SPENCER STORM DRAIN	AMERICANS W/DISABILITIES ACT REQUIREMENTS	AIRPORT INDUSTRIAL PARK	NEIGHBORHOOD DRAINAGE
<b>REVENUES</b>						
Intergovernmental:						
Federal funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State funds	-	141,119	-	-	-	-
Local funds	-	-	-	-	-	-
Fees, charges, and commissions	-	-	-	-	-	-
Rent and interest income	-	-	-	-	247	-
Other revenues	-	-	-	-	10,000	-
Total revenues	-	141,119	-	-	10,247	-
<b>EXPENDITURES</b>						
Capital Outlay	-	141,119	-	-	139,225	-
Total expenditures	-	141,119	-	-	139,225	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>						
	-	-	-	-	(128,978)	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from long-term debt	-	-	-	-	-	-
Sale of assets	-	-	-	-	87,000	-
Operating transfers in	-	-	-	31,190	40,700	96,042
Operating transfers out	-	-	-	(96,042)	-	-
Total other financing sources (uses)	-	-	-	(64,852)	127,700	96,042
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>						
	-	-	-	(64,852)	(1,278)	96,042
<b>FUND BALANCE (DEFICIT), beginning of year</b>	253,816	-	90,385	64,852	248,897	(96,042)
Prior period adjustment	-	-	-	-	-	-
<b>FUND BALANCE (DEFICIT), as restated</b>	253,816	-	90,385	64,852	248,897	(96,042)
<b>FUND BALANCE (DEFICIT) END OF YEAR</b>	\$ 253,816	\$ -	\$ 90,385	\$ -	\$ 247,619	\$ -

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED APRIL 30, 2004**

	CHASE RECORD STORAGE FACILITY	DOWNTOWN ECONOMIC DEVELOPMENT	KANSAS LANE SERVICE ROAD	INFRASTRUCTURE	REHABILITATION SOUTH RAMP
<b>REVENUES</b>					
Intergovernmental:					
Federal funds	\$ -	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-	-
Local funds	-	-	-	-	-
Fees, charges, and commissions	-	-	-	-	-
Rent and interest income	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	-	-	-	-	-
<b>EXPENDITURES</b>					
Capital Outlay	-	2,500	-	-	-
Total expenditures	-	2,500	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(2,500)	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from long-term debt	-	-	-	-	-
Sale of assets	-	-	-	-	-
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	-	(2,500)	-	-	-
<b>FUND BALANCE (DEFICIT), beginning of year</b>	164,714	71,085	453,903	99,984	-
Prior period adjustment	-	-	-	-	-
<b>FUND BALANCE (DEFICIT), as restated</b>	164,714	71,085	453,903	99,984	-
<b>FUND BALANCE (DEFICIT) END OF YEAR</b>	\$ 164,714	\$ 68,585	\$ 453,903	\$ 99,984	\$ -

(Continued)

CITY OF MONROE  
Monroe, Louisiana

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED APRIL 30, 2004

	STREET IMP. AIRPORT IND PARK	RECREATIONAL CENTER CAPITAL PROJECT	SOUTHEAST MONROE DRAINAGE	SWIMMING POOLS RENOVATIONS	STREET CONSTRUCTION
<b>REVENUES</b>					
Intergovernmental:					
Federal funds	\$ -	\$ 483,003	\$ -	\$ -	\$ -
State funds	-	-	-	-	-
Local funds	-	-	-	-	-
Fees, charges, and commissions	-	-	-	-	-
Rent and interest income	-	-	-	-	319,607
Other revenues	-	-	-	-	-
Total revenues	-	483,003	-	-	319,607
<b>EXPENDITURES</b>					
Capital Outlay	-	485,003	-	30,443	7,391,702
Total expenditures	-	485,003	-	30,443	7,391,702
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(2,000)	-	(30,443)	(7,072,095)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from long-term debt	-	-	-	-	-
Sale of assets	-	-	-	-	-
Operating transfers in	-	-	22,455	-	-
Operating transfers out	-	-	-	(100,611)	(534,858)
Total other financing sources (uses)	-	-	22,455	(100,611)	(534,858)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	-	(2,000)	22,455	(131,054)	(7,606,953)
<b>FUND BALANCE (DEFICIT), beginning of year</b>	481,638	-	(22,455)	484,941	24,241,060
Prior period adjustment	-	-	-	-	-
<b>FUND BALANCE (DEFICIT), as restated</b>	481,638	-	(22,455)	484,941	24,241,060
<b>FUND BALANCE (DEFICIT) END OF YEAR</b>	\$ 481,638	\$ (2,000)	\$ -	\$ 353,887	\$ 16,634,107

(Continued)

CITY OF MONROE  
Monroe, Louisiana

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED APRIL 30, 2004

	WFCC IMPROVEMENTS	PUMP STATION IMPROVEMENT	COLLECTION SYSTEM IMPROVEMENTS	WATER SYSTEM IMPROVEMENTS PHASE I	ASSET MANAGEMENT SYSTEM
<b>REVENUES</b>					
Intergovernmental:					
Federal funds	\$ -	\$ 881,543	\$ 121,194	\$ -	\$ -
State funds	-	-	-	-	-
Local funds	-	-	-	-	-
Fees, charges, and commissions	-	-	-	-	-
Rent and interest income	7,246	-	177,861	-	-
Other revenues	-	-	-	-	-
Total revenues	7,246	881,543	299,055	-	-
<b>EXPENDITURES</b>					
Capital Outlay	539,487	6,951,921	3,708,283	1,384,463	543,827
Total expenditures	539,487	6,951,921	3,708,283	1,384,463	543,827
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(532,241)</u>	<u>(6,070,378)</u>	<u>(3,409,228)</u>	<u>(1,384,463)</u>	<u>(543,827)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from long-term debt	1,332,988	389,717	34,173	-	2,329
Sale of assets	-	-	-	-	-
Operating transfers in	1,286,539	9,483,174	488,013	2,939,209	718,137
Operating transfers out	(1,306,255)	(71,015)	(41,098)	-	-
Total other financing sources (uses)	1,313,272	9,801,876	481,088	2,939,209	720,466
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	781,031	3,731,498	(2,928,140)	1,554,746	176,639
<b>FUND BALANCE (DEFICIT), beginning of year</b>	(470,442)	(3,731,498)	23,313,568	(1,554,746)	(176,639)
Prior period adjustment	-	-	-	-	-
<b>FUND BALANCE (DEFICIT), as restated</b>	<u>(470,442)</u>	<u>(3,731,498)</u>	<u>23,313,568</u>	<u>(1,554,746)</u>	<u>(176,639)</u>
<b>FUND BALANCE (DEFICIT) END OF YEAR</b>	\$ 310,589	\$ -	\$ 20,385,428	\$ -	\$ -

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR CAPITAL PROJECT FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE (CONCLUDED)**  
**FOR THE YEAR ENDED APRIL 30, 2004**

	<u>FIRE/ DRAINAGE IMPROVEMENTS</u>	<u>RIVERFRONT PROJECT</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Intergovernmental			
Federal funds	-	-	\$ 4,067,980
State funds	342,266	105,265	765,531
Local funds	-	-	-
Fees, charges, and commissions	-	-	404,803
Rent and interest income	116,644	-	626,552
Other revenues	-	-	32,385
Total revenues	<u>458,910</u>	<u>105,265</u>	<u>5,897,251</u>
<b>EXPENDITURES</b>			
Capital Outlay	9,210,111	183,961	33,750,302
Total expenditures	<u>9,210,111</u>	<u>183,961</u>	<u>33,750,302</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(8,751,201)</u>	<u>(78,696)</u>	<u>(27,853,051)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from long-term debt	-	-	1,759,207
Sale of assets	-	-	87,000
Operating transfers in	-	352,685	16,651,829
Operating transfers out	<u>(95,315)</u>	<u>-</u>	<u>(2,285,894)</u>
Total other financing sources (uses)	<u>(95,315)</u>	<u>352,685</u>	<u>16,212,142</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>(8,846,516)</u>	<u>273,989</u>	<u>(11,640,909)</u>
<b>FUND BALANCE (DEFICIT), beginning of year</b>	13,997,538	(273,989)	56,360,762
Prior period adjustment	-	-	(16)
<b>FUND BALANCE (DEFICIT), as restated</b>	<u>13,997,538</u>	<u>(273,989)</u>	<u>56,360,746</u>
<b>FUND BALANCE (DEFICIT) END OF YEAR</b>	<u>\$ 5,151,022</u>	<u>\$ -</u>	<u>\$ 44,719,837</u>

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**NONMAJOR ENTERPRISE FUNDS**



**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**AS OF APRIL 30, 2004**

	MONROE			LOUISIANA			LIVESTOCK ARENA	EXCURSION BOAT	TOTAL NONMAJOR ENTERPRISE FUNDS
	MUNICIPAL AIRPORT	TRANSIT SYSTEM	CIVIC CENTER	PURCHASE GARDENS AND ZOO	EXCURSION BOAT	LIVESTOCK ARENA			
<b>ASSETS</b>									
<b>Current Assets:</b>									
Cash and cash equivalents	\$ 700	\$ 800	\$ 12,445	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ 16,445
Accounts receivable, net	28,287	19,860	9,003	200	-	-	-	-	57,350
Due from other funds	59,706	1,312	1,230	486	-	-	-	-	62,734
Ad valorem taxes receivable	-	-	35,065	35,065	-	-	-	-	70,130
Inventories	-	164,212	-	-	-	-	-	-	164,212
Prepaid expenses	26,192	-	128,080	7,371	-	-	-	-	161,643
Total current assets	<u>114,885</u>	<u>186,184</u>	<u>185,823</u>	<u>45,622</u>	-	-	-	-	<u>532,514</u>
<b>Property, plant and equipment, net of accumulated depreciation</b>	11,362,218	2,794,265	7,157,314	1,090,413	-	-	111,796	-	22,516,006
<b>Zoo animals</b>	-	-	-	139,050	-	-	-	-	139,050
<b>TOTAL ASSETS</b>	<u>\$ 11,477,103</u>	<u>\$ 2,980,449</u>	<u>\$ 7,343,137</u>	<u>\$ 1,275,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,796</u>	<u>\$ -</u>	<u>\$ 23,187,570</u>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET (CONCLUDED)**  
**AS OF APRIL 30, 2004**

	MUNICIPAL AIRPORT	MONROE TRANSIT SYSTEM	CIVIC CENTER	LOUISIANA PURCHASE GARDENS AND ZOO	EXCURSION BOAT	LIVESTOCK ARENA	TOTAL NONMAJOR ENTERPRISE FUNDS
<b>LIABILITIES AND FUND EQUITY</b>							
<b>Liabilities:</b>							
Current liabilities:							
Accounts and retainage payable	\$ 10,565	\$ 8,817	\$ 40,376	\$ 44,378	\$ -	\$ 812	\$ 104,948
Due to other funds	-	-	-	9,000	-	-	9,000
Deferred revenue	-	-	29,535	35,287	-	-	64,822
Current portion of long-term debt	-	-	31,000	-	-	-	31,000
Other current liabilities	11,000	-	-	-	-	575	11,575
Total current liabilities	21,565	8,817	100,911	88,665	-	1,387	221,345
Long-term liabilities:							
Bonds payable	-	-	142,000	-	-	-	142,000
Compensated absences	52,994	213,318	81,175	81,318	-	-	428,805
Total liabilities	74,559	222,135	324,086	169,983	-	1,387	792,150
<b>Fund equity:</b>							
Invested in capital assets, net of related debt	11,362,218	2,794,265	6,984,314	1,229,463	-	111,796	22,482,056
Retained earnings (deficit):							
Unreserved	40,326	(35,951)	34,737	(124,361)	-	(1,387)	(86,636)
Total fund equity	11,402,544	2,758,314	7,019,051	1,105,102	-	110,409	22,395,420
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	\$ 11,477,103	\$ 2,980,449	\$ 7,343,137	\$ 1,275,085	\$ -	\$ 111,796	\$ 23,187,570

**CITY OF MONROE**  
Monroe, Louisiana

**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS (DEFICIT)**  
**FOR THE YEAR ENDED APRIL 30, 2004**

	MUNICIPAL AIRPORT	MONROE TRANSIT SYSTEM	CIVIC CENTER	LOUISIANA PURCHASE GARDENS AND ZOO	EXCURSION BOAT	LIVESTOCK ARENA	TOTAL
<b>OPERATING REVENUES</b>							
Charges for services:							
Airport	\$ 1,108,435	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,108,435
Industrial park	361,031	-	-	-	-	-	361,031
Fares	-	370,503	-	-	-	-	370,503
Advertising	-	5,837	5,000	-	-	-	10,837
Ticket sales and other	-	-	1,210,792	-	-	-	1,210,792
Admissions	-	-	-	191,595	-	-	191,595
Concessions and rides	-	-	183,959	130,160	-	-	314,119
Rentals	-	-	151,307	8,671	-	6,445	166,423
Total charges for services	1,469,466	376,340	1,551,058	330,426	-	6,445	3,733,735
Other operating revenue	-	-	6,662	15,368	-	-	22,030
Total operating revenue	1,469,466	376,340	1,557,720	345,794	-	6,445	3,755,765
<b>OPERATING EXPENSES</b>							
Salaries, wages and benefits	473,585	1,593,954	1,039,736	938,186	1,974	-	4,047,435
Materials, repairs and supplies	124,709	541,859	206,894	207,242	3,192	5,528	1,089,424
Utilities and communications	141,139	62,077	502,545	99,903	330	13,590	819,584
Depreciation and amortization	467,060	544,733	492,053	145,801	-	29,850	1,679,497
Insurance	2,438	257,142	210,635	29,142	11,200	-	510,557
Promoter's expenses	-	-	804,464	18,881	-	-	823,345
Professional fees	-	157,747	-	-	-	-	157,747
Other operating expenses	202,504	-	290,916	150,965	-	441	644,826
Total operating expenses	1,411,435	3,157,512	3,547,243	1,590,120	16,696	49,409	9,772,415
<b>OPERATING INCOME (LOSS)</b>	58,031	(2,781,172)	(1,989,523)	(1,244,326)	(16,696)	(42,964)	(6,016,650)

**CITY OF MONROE**  
Monroe, Louisiana

**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS (DEFICIT) (CONCLUDED)**  
**FOR THE YEAR ENDED APRIL 30, 2004**

	MUNICIPAL AIRPORT	MONROE TRANSIT SYSTEM	CIVIC CENTER	LOUISIANA PURCHASE GARDENS AND ZOO	EXCURSION BOAT	LIVESTOCK ARENA	TOTAL
<b>NONOPERATING REVENUE (EXPENSE)</b>							
Operating grants	\$ -	\$ 1,153,457	\$ -	\$ -	\$ -	\$ -	\$ 1,153,457
Gain (loss) on sale of assets	-	500	-	30,119	(21,998)	-	8,621
Interest expense	-	-	(16,725)	-	-	-	(16,725)
Property taxes	-	-	868,029	868,029	-	-	1,736,058
Total nonoperating revenue (expense)	-	1,153,957	851,304	898,148	(21,998)	-	2,881,411
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	58,031	(1,627,215)	(1,138,219)	(346,178)	(38,694)	(42,964)	(3,135,239)
<b>OPERATING TRANSFERS IN (OUT)</b>							
Capital contributions	2,061,627	-	-	-	-	-	2,061,627
Operating transfers in	-	1,211,942	689,138	265,595	7,006	13,706	2,187,387
Operating transfers (out)	(444,641)	-	-	-	(91,158)	-	(535,799)
Total operating transfers	1,616,986	1,211,942	689,138	265,595	(84,152)	13,706	3,713,215
<b>NET INCOME (LOSS)</b>	1,675,017	(415,273)	(449,081)	(80,583)	(122,846)	(29,258)	577,976
<b>RETAINED EARNINGS (DEFICIT),</b> Beginning of year (as previously stated)	(12,983,210)	(7,270,820)	(5,597,523)	(2,663,215)	(126,569)	(124,813)	(28,766,150)
<b>CHANGE IN ACCOUNTING PRINCIPAL</b>							
Capital Contributions	22,710,737	10,444,407	13,065,655	3,848,900	249,415	264,480	50,583,594
<b>RETAINED EARNINGS (DEFICIT),</b> Beginning of year (as Restated)	9,727,527	3,173,587	7,468,132	1,185,685	122,846	139,667	21,817,444
<b>RETAINED EARNINGS (DEFICIT),</b> <b>END OF YEAR</b>	\$ 11,402,544	\$ 2,758,314	\$ 7,019,051	\$ 1,105,102	\$ -	\$ 110,409	\$ 22,395,420

CITY OF MONROE  
Monroe, Louisiana

NONMAJOR ENTERPRISE FUNDS  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED APRIL 30, 2004

	Municipal Airport	Monroe Transit System	Civic Center	Louisiana Purchase Gardens and Zoo	Excursion Boat	Livestock Arena	TOTAL
<b>Cash flows from operating activities</b>							
Cash received from (returned to) customers	\$ 1,482,590	\$ 383,506	\$ 1,572,428	\$ 359,707	\$ (16,285)	\$ 8,020	\$ 3,789,966
Cash payments to suppliers for goods and services	(535,485)	(986,365)	(2,026,752)	(462,815)	(1,959)	(18,855)	(4,032,231)
Cash payments to employees for services and benefits	(470,008)	(1,573,435)	(1,042,043)	(926,574)	(1,974)	-	(4,014,034)
Net cash provided by (used for) operating activities	477,097	(2,176,294)	(1,496,367)	(1,029,682)	(20,218)	(10,835)	(4,256,299)
<b>Cash flows from noncapital financing activities</b>							
Operating grants	-	1,153,457	-	-	-	-	1,153,457
Ad valorem taxes	-	-	853,658	853,658	-	-	1,707,316
Transfers in	-	1,211,942	689,139	265,595	7,006	13,707	2,187,389
Transfers out	(444,641)	-	-	-	(91,158)	-	(535,799)
Net cash provided by noncapital financing activities	(444,641)	2,365,399	1,542,797	1,119,253	(84,152)	13,707	4,512,363
<b>Cash flows from capital and related financing activities</b>							
Acquisition of capital assets	(2,094,083)	(189,605)	-	(119,690)	-	(2,872)	(2,406,250)
Cash contributed by City of Monroe	2,061,627	-	-	-	-	-	2,061,627
Proceeds from sale of assets	-	500	-	30,119	-	-	30,619
Insurance proceeds	-	-	-	-	100,000	-	100,000
Gain on disposal of segment	-	-	-	-	4,370	-	4,370
Principal paid on bonds	-	-	(80,658)	-	-	-	(80,658)
Interest paid on bonds	-	-	(16,725)	-	-	-	(16,725)
Net cash provided by (used for) financing activities	(32,456)	(189,105)	(97,383)	(89,571)	104,370	(2,872)	(307,017)
<b>Net increase (decrease) in cash and cash equivalents</b>	-	-	(50,953)	-	-	-	(50,953)
<b>Cash and cash equivalents, May 1, 2003</b>	700	800	63,398	2,500	-	-	67,398
<b>Cash and cash equivalents, April 30, 2004</b>	\$ 700	\$ 800	\$ 12,445	\$ 2,500	\$ -	\$ -	\$ 16,445

CITY OF MONROE  
Monroe, Louisiana

NONMAJOR ENTERPRISE FUNDS  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED APRIL 30, 2004

	Municipal Airport	Monroe Transit System	Civic Center	Louisiana Purchase Gardens and Zoo	Excursion Boat	Livestock Arena	TOTAL
Operating Income (loss)	\$ 58,031	\$ (2,781,172)	\$ (1,989,523)	\$ (1,244,326)	\$ (16,696)	\$ (42,964)	\$ (6,016,650)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities							
Depreciation	467,060	544,733	492,053	145,801	-	29,850	1,679,497
Change in assets and liabilities							
Accounts receivable	54,466	7,948	11,452	27	-	1,575	75,468
Due from other funds	(41,342)	(782)	(1,115)	(485)	-	-	(43,724)
Inventories	-	35,077	-	-	-	-	35,077
Prepaid expenses	(26,192)	-	(18,788)	(4,946)	12,763	-	(37,163)
Accounts payable	(37,894)	(1,979)	7,811	39,593	-	704	8,235
Due to other funds	(11,609)	(638)	(321)	8,671	-	-	(3,897)
Deferred revenue	-	-	4,371	14,371	-	-	18,742
Customer deposits	-	-	-	-	(16,285)	-	(16,285)
Other current liabilities	11,000	-	-	-	-	-	11,000
Compensated absences	3,577	20,519	(2,307)	11,612	-	-	33,401
Net cash provided by (used for) operating activities	\$ 477,097	\$ (2,176,294)	\$ (1,496,367)	\$ (1,029,682)	\$ (20,218)	\$ (10,835)	\$ (4,256,299)

Reconciliation of operating income to net cash provided by (used for) operating activities

Operating Income (loss)

Adjustments to reconcile operating income (loss) to net cash provided by operating activities

Depreciation

Change in assets and liabilities

Accounts receivable

Due from other funds

Inventories

Prepaid expenses

Accounts payable

Due to other funds

Deferred revenue

Customer deposits

Other current liabilities

Compensated absences

Net cash provided by (used for) operating activities

**CITY OF MONROE**  
**Monroe, Louisiana**

**SCHEDULE OF ASSESSED VALUATION  
AND AD VALOREM PROPERTY TAX LEVY  
FOR THE 2003 TAX ROLL**

Assessed Valuation		<u>\$ 351,092,769</u>
Tax Rate per thousand dollars (Mills)		<u>25.87</u>
Gross Tax Levy		\$ 9,082,770
Less: Adjustments		(27,305)
Adjusted Tax Levy		<u>\$ 9,055,465</u>
Tax Collected		
2002 Tax Roll		\$ 8,628,070
Prior Years Tax Rolls		472,837
Total		<u>\$ 9,100,907</u>

<b>ALLOCATION OF TAXES COLLECTED</b>	<u><b>MILLS</b></u>	
General Fund	10.24	\$ 3,598,981
Recreation Center Maintenance	1.73	607,977
Public Safety	0.98	344,408
Drainage Maintenance	1.21	425,232
City Court Bonds	0.60	210,964
Civic Center Complex	2.47	868,029
Louisiana Purchase Gardens & Zoo	2.47	868,029
Capital Improvements	3.21	1,128,088
Police Department	1.48	520,114
Fire Department	1.48	520,114
Grasscutting Collections	-	7,712
Demolition Collections	-	1,259
Total	<u>25.87</u>	<u>\$ 9,100,907</u>

<b>GENERAL BONDED DEBT SUPPORTED BY TAX LEVY</b>	
City Court and Jail	<u>\$ 1,060,000</u>

**PERCENT OF BONDED DEBT TO ASSESSED VALUATION** 0.30%

**CITY OF MONROE**  
**Monroe, Louisiana**  
**SCHEDULE OF TAXES RECEIVABLE**  
**FOR THE YEAR ENDED APRIL 30, 2004**

Tax Year	Balance at April 30, 2003	2003 Tax Roll	Supplemental Assessments	Cancellations And Other Adjustments	Collections	Balance at 4/30/04	Allowance For Uncollectible Taxes	Estimated Collectible Taxes at 4/30/04
1990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1991	-	-	-	-	-	-	-	-
1992	-	-	-	-	-	-	-	-
1993	-	-	-	-	-	-	-	-
1994	-	-	-	-	-	-	-	-
1995	-	-	-	-	-	-	-	-
1996	-	-	-	45	(45)	-	-	-
1997	-	-	-	45	(45)	-	-	-
1998	\$ -	-	-	447	(447)	-	-	-
1999	-	-	-	12,586	(12,586)	-	-	-
2000	14,969	-	-	(8,858)	(6,111)	-	-	-
2001	196,285	-	-	-	(9,438)	186,847	(140,135)	46,712
2002	221,565	-	136	222,464	(444,165)	-	-	-
2003	-	\$ 9,082,770	161,502	(188,807)	(8,628,070)	427,395	(106,849)	320,546
Totals	\$ 432,819	\$ 9,082,770	\$ 161,638	\$ 37,922	\$ (9,100,907)	\$ 614,242	\$ (246,984)	\$ 367,258

**ALLOCATION OF FUNDS**

	Balance at April 30, 2003	Balance at April 30, 2004	Applicable Millages at 4/30/04	Millages as % of Total Millages
General Fund	\$ 170,327	\$ 288,611	20.33	78.59%
Debt Service Funds:				
Pub. Imp. Bonds - Court	5,027	8,518	0.60	2.32%
Enterprise Funds:				
Civic Center	20,694	35,065	2.47	9.55%
La. Purchase Gardens & Zoo	20,694	35,065	2.47	9.55%
Totals	\$ 216,742	\$ 367,258	25.87	100.00%



**CITY OF MONROE**  
**Monroe, Louisiana**

**Schedule of Insurance**  
**April 30, 2004**

INSURER	ASSETS COVERED	RISK COVERED	LIMITS OF COVERAGE	DEDUCTIBLE	EXPIRATION DATE
Global Aerospace, Inc.	Monroe Municipal Airport	General Aggregate	\$ 15,000,000	N/A	4/7/2005
		Property damage liability	10,000,000	N/A	
		Single limit bodily injury	10,000,000	N/A	
		Personal & advertising injury	5,000,000	N/A	
		Medical expense limit (any one person)	5,000	N/A	
		Fire damage	100,000	N/A	
		Hangarkeeper's liability			
		Each aircraft	1000		
		Each occurrence	1000		
American Empire Surplus Lines	Black Bayou	General Aggregate	2,000,000	5000	10/13/2004
		Products	included		
		Personal Injury	1,000,000		
		Each Occurrence	1,000,000		
		Fire Damage	50,000		
		Med Exp	5,000		
Continental Casualty	Communication Tower	Fire, Vandalism, Explosion, & Collapse	111,526	1000	10/28/2004
				5000/lighting	
Scottsdale Insurance Company	Chenault Park & Golf Course	General liability	4,000,000	500	5/23/2004
		Personal & advertising injury	1,000,000	500	
		Each occurrence	1,100,000	500	
		Medical Expense-Each	5,000		
Scottsdale Insurance Company	Selman Field Golf Course	General liability	4,000,000	500	5/23/2004
		Personal & advertising injury	1,000,000		
		Each occurrence	1,000,000		
		Fire Damage-Each	100,000		
		Medical Expense-Each	5,000		
Great Amer. Insurance Co.	Golf Carts	General liability	318,179	500	6/12/2004
Fidelity & Deposit Company	Employees @various locations	Dishonesty Bond	100,000		2/17/2005
Travelers Property Casualty	Billy Pearson	Surety bond coverage as secretary-treasurer and tax collector of the City of Monroe & Ouachita Parish Police Jury, respectively	50,000	N/A	1/10/2005

**CITY OF MONROE**  
**Monroe, Louisiana**

**Schedule of Insurance**  
**April 30, 2004**

INSURER	ASSETS COVERED	RISK COVERED	LIMITS OF COVERAGE	DEDUCTIBLE	EXPIRATION DATE
Travelers Property Casualty	Billy Pearson	Surety bond as collector of sales and use tax of the city school board of Monroe & Ouachita Parish School Board	50,000	N/A	1/10/2005
Travelers Property Casualty	Billy Pearson	Surety bond as collector for the City of West Monroe	50,000	N/A	1/10/2005
Travelers Property Casualty	Billy Pearson	Surety bond as secretary-treasurer of City of Monroe	100,000	N/A	1/10/2005
St. Paul Surety	Billy Pearson	Surety bond as tax collector for Town of Richwood	50,000	N/A	1/30/2005
St. Paul Surety	Billy Pearson	Surety bond as tax collector for Town of Sterlington	50,000	N/A	3/15/2005
St. Paul Surety	Sales Tax Supervisor	Surety Bond as sales tax supervisor	50,000	N/A	10/1/2004
Scottsdale Insurance Company	Workers Comp & Employers Liability	Bell South Payment Drop-off Liability	1,100,000	N/A	7/9/2004
		Each Accident	1,000,000		
		Aggregate Limit	4,000,000		
Omaha Property & Casualty	Monroe Municipal Airport	Flood-General Property	33,700	1000	8/7/2004
Ohio Casualty Group	Various Bldgs.	Blanket Bldg & Contents	51,377,537	3000	1/15/2005
State Farm Insurance	Monroe Civic Center	Blanket Building Coverage	36,275,200		8/16/2004
Lexington Ins. Company	Monroe Civic Center	General Liability:		5000	3/1/2005
		General-aggregate	2,000,000		
		Products-completed operations aggregate	2,000,000		
		Personal and advertising injury limit	1,000,000		
		Each occurrence	1,000,000		
		Fire/Damage Limit	300,000		
		Medical Expense Limit			
Lexington Ins. Company	Monroe Civic Center	Special Event Liability:			3/1/2005
		Business Liability	1,000,000		
		Medical Payments			
		Fire Legal Liability	300,000		

**CITY OF MONROE**  
**Monroe, Louisiana**

**Schedule of Insurance**  
**April 30, 2004**

INSURER	ASSETS COVERED	RISK COVERED	LIMITS OF COVERAGE	DEDUCTIBLE	EXPIRATION DATE
Great American Insurance	Marquee Sign		156,000		6/3/2004
Scottsdale Insurance Company	La Purchase Gardens & Zoo	Liability General Aggregate Operations Aggregate Property Damage Personal Injury	1,000,000 1,000,000 1,050,000 100,000	500 500 500 500	8/20/2004
Travelers Property Casual	Data processing property	Comprehensive	1,244,709	1000	1/15/2005
Hartford Steam Boiler	Boiler & Machinery @ pump stations	Comprehensive	10,000,000	2500	4/1/2005
Hartford Steam Boiler Inspection Ins.Co.	Boilers & machinery @ various locations	Comprehensive	9,050,000	5000	4/1/2005
Fidelity & Deposit Company of Maryland	City Hall-tax collector's office sales (2), police dept., judges offices, zoo, civic center manager's office and arena	Employee Crime Policy	100,000		2/17/2005
National Interstate Insurance	Monroe Transit System	General liability Personal & advertising injury Each Occurrence Limit	5,000,000 5,000,000 5,000,000	2500	10/1/2004
Midwest Employers Casualty Co.	Workers Comp & Employers Liability	Each Accident Disease-Policy Limit Disease-Each Employee	1,000,000 1,000,000 1,000,000		5/1/2004
Republic Vanquard Insurance Co.	Fire Department Mobile Unit	Combined Liability	1,000,000		8/21/2004
Essex Ins Co.	Fire Dept. Mobile Unit	General Aggregate Fire Damage Each Occurrence Personal Injury	1,000,000 50,000 1,000,000 1,000,000		8/21/2004
Great American Insurance	Fire Department Mobile Unit	Liability	33,574	500	8/21/2004

CITY OF MONROE  
Monroe, Louisiana

SCHEDULE OF LONG-TERM OBLIGATIONS  
FOR THE YEAR ENDED APRIL 30, 2004

Issue Date	Interest Rates	Original Amount	Balance April 30, 2003	Issued	Retired	Balance April 30, 2004	Principal Maturity Schedule For Future Years
<b>GOVERNMENTAL ACTIVITIES</b>							
<b>General Obligation Bonds:</b>							
Public Improvements:							
1990	6.65% - 10.00%	\$ 2,000,000	\$ 1,060,000	\$ -	\$ 1,060,000	-	\$140,000 - \$170,000 to March 1, 2010
2003	1.35% - 3.10%	1,060,000	-	1,060,000	130,000	930,000	
		<u>3,060,000</u>	<u>1,060,000</u>	<u>1,060,000</u>	<u>1,190,000</u>	<u>930,000</u>	
Total General Obligation Bonds							
<b>Tax Increment Bonds:</b>							
1997	5.21%	6,000,000	2,115,000	-	365,000	1,750,000	\$390,000 - \$575,000 to March 1, 2012
1999	5.00%	1,000,000	600,000	-	100,000	500,000	\$100,000 to March 1, 2009
2000	6.95%	3,000,000	2,765,000	-	90,000	2,675,000	\$95,000 - \$270,000 to March 1, 2020
2002	5.85%	1,000,000	990,000	-	35,000	955,000	\$40,000 - \$90,000 to March 1, 2020
1996	5.63%	4,950,000	1,705,000	-	1,705,000	-	
2001	6.625%	1,050,000	970,000	-	970,000	-	
2001A	5.49%	9,250,000	8,725,000	-	8,725,000	-	
2003	2.50% - 4.00%	16,000,000	-	16,000,000	730,000	15,270,000	\$755,000 - \$1,240,000 to March 1, 2021
		<u>42,250,000</u>	<u>17,870,000</u>	<u>16,000,000</u>	<u>12,720,000</u>	<u>21,150,000</u>	
Total Tax Increment Bonds							
<b>Certificates of Indebtedness:</b>							
Swimming Pools Renovation							
2000	5.35%	1,500,000	900,000	-	900,000	-	
2004A	3.45%	635,532	-	635,532	-	635,532	B \$271,000 - \$311,000 to April 1, 2009
		<u>2,135,532</u>	<u>900,000</u>	<u>635,532</u>	<u>900,000</u>	<u>635,532</u>	
Total Certificates of Indebtedness							
<b>Sales Tax Bonds:</b>							
Series 2001 - DEQ (Sewer)							
2001	3.95%	24,500,000	22,184,153	1,485,355	-	23,669,508	A \$910,000 - \$1,905,000 to June 1, 2023
2001	4.00% - 5.75%	25,000,000	24,245,000	-	795,000	23,450,000	\$835,000 - \$1,910,000 to July 1, 2021
2002	4.00% - 7.00%	26,000,000	26,000,000	-	595,000	25,405,000	\$625,000 - \$1,775,000 to July 1, 2026
2002A	3.00% - 4.80%	15,000,000	15,000,000	-	100,000	14,900,000	\$105,000 - \$1,835,000 to July 1, 2027
2003	3.45%	10,000,000	340,794	4,753,844	-	5,094,638	\$340,000 - \$710,000 to June 1, 2023
2003	3.25% - 6.00%	22,400,000	22,400,000	-	-	22,400,000	\$200,000 - \$1,725,000 to July 1, 2027
		<u>122,900,000</u>	<u>110,169,947</u>	<u>6,239,199</u>	<u>1,490,000</u>	<u>114,919,146</u>	
Total Sales Tax Bonds							
<b>Refunding Bonds:</b>							
Series 1998A (Fire and Police Pension)							
1998	4.00% - 5.05%	7,565,000	5,760,000	-	550,000	5,210,000	\$575,000 - \$725,000 to March 1, 2013
<b>Special Assessment Certificates:</b>							
New Street Certificates:							
1994	6.20% - 10.00%	135,860	13,586	-	13,586	-	
Sewerage Certificates:							
1995	7.00% - 8.00%	603,660	120,732	-	60,366	60,366	\$60,366 to September 1, 2004
		<u>739,520</u>	<u>134,318</u>	<u>-</u>	<u>73,952</u>	<u>60,366</u>	
Total special assessment certificates							

CITY OF MONROE  
Monroe, Louisiana

SCHEDULE OF LONG-TERM OBLIGATIONS  
FOR THE YEAR ENDED APRIL 30, 2004

Issue Date	Interest Rates	Original Amount	Balance April 30, 2003	Issued	Retired	Balance April 30, 2004	Principal Maturity Schedule For Future Years
<b>Other:</b>							
Claims and judgments			5,201,031	-	89,189	5,111,842	
Capital Lease (Public works equipment)	5.70%		1,000,604	-	493,279	507,325	
Accrued Vacation and Sick Pay			4,043,838	111,774	-	4,155,612	
Total Other			10,245,473	111,774	582,468	9,774,779	
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>							
<b>BEFORE INTERNAL SERVICE FUND DEBT</b>							
		178,650,052	146,139,738	24,046,505	17,506,420	152,679,823	
<b>INTERNAL SERVICE FUND</b>							
1996 Central Warehouse and Shop	6.05% - 6.20%	3,000,000	1,165,000	-	1,165,000	-	
2004A Refunding Col (Central Warehouse and Shop)	3.45%	816,468	-	816,468	-	816,468	B See Amortization above 2004A
Total internal service fund debt		3,816,468	1,165,000	816,468	1,165,000	816,468	
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>							
		182,466,520	147,304,738	24,862,973	18,671,420	153,496,291	
<b>BUSINESS TYPE ACTIVITIES</b>							
<b>CIVIC CENTER</b>							
1998 Taxable Series 1998	8.00%	600,000	253,657	-	253,657	-	
2004B Taxable Refunding Certificates of Indebtedness	6.00%	173,000	-	173,000	-	173,000	\$31,000 - \$39,000 to April 2009
Total Civic Center		773,000	253,657	173,000	253,657	173,000	
<b>SEWER DEPARTMENT</b>							
<b>Sales Tax Bonds:</b>							
2001 Series 2001 - DEQ	3.95%	2,500,000	2,486,403	-	-	2,486,403	A See Amortization above 2001 - DEQ
Total Sales Tax Bonds		2,500,000	2,486,403	-	-	2,486,403	
<b>Refunding Bonds:</b>							
1995 Sewer	4.30% - 5.40%	2,695,000	1,155,000	-	270,000	885,000	\$280,000 - \$310,000 to June 1, 2006
<b>ALL DEPARTMENTS</b>							
<b>Other:</b>							
Accrued Vacation and Sick Pay		-	855,619	-	8,572	847,047	
<b>TOTAL BUSINESS TYPE ACTIVITIES</b>							
		\$ 5,968,000	\$ 4,750,679	\$ 173,000	\$ 532,229	\$ 4,391,450	

( A ) These two are the same \$27,000,000 issue. The \$2,500,000 is recorded directly on the Sewer Department's books and the \$24,500,000 is recorded as general government debt. All are payable from Sales Tax.

( B ) These two are the same \$1,452,000 issue. The \$816,468 is recorded directly on the Internal Service Fund's books and the \$635,532 is recorded as general government debt. All are payable from general revenues.

**CITY OF MONROE  
Monroe, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES**

**As of and For the Year Ended April 30, 2004**

**COMPENSATION PAID TO COUNCIL MEMBERS**

The schedule of compensation paid to council members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the council members is included in the legislative expenditures of the General Fund. In accordance with Section 2-05 of the Home Rule Charter of the City of Monroe, the council, through Ordinance 7868, has set compensation of council members at \$750 per month. In addition to the compensation paid all council members, the chairperson of the council receives an additional \$375 per month to perform the duties of that office.

**CITY OF MONROE**  
**Monroe, Louisiana**

**SCHEDULE OF COMPENSATION PAID COUNCIL MEMBERS**  
**FOR THE YEAR ENDED APRIL 30, 2004**

Ann Raines	District 1	\$ 9,000	May 1, 2003 - April 30, 2004
Ben Katz	District 2	9,000	May 1, 2003 - April 30, 2004
Arthur Gilmore	* District 3	12,650	May 1, 2003 - April 30, 2004
Robert Stevens	** District 4	9,850	May 1, 2003 - April 30, 2004
Robert Johnson	District 5	9,000	May 1, 2003 - April 30, 2004
Total		<u>\$ 49,500</u>	

\* Chairperson from May 1, 2003 through July 7, 2003

\*\* Chairperson from July 8, 2003 through April 30, 2004

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*  
AND OMB CIRCULAR A-133**



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

**City of Monroe  
Monroe, Louisiana**

We have audited the financial statements of the City of Monroe, Louisiana (the City) as of and for the year ended April 30, 2004, and have issued our report thereon dated October 29, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings and Questioned Costs as item 04-08

**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 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

**City of Monroe  
Monroe, Louisiana**

record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 04-01, 04-02, 04-03, 04-04, 04-05, 04-06, 04-07, 04-08, 04-09 and 04-10.

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 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 over financial reporting that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable conditions, 04-01, 04-02, 04-03, 04-08 and 04-10 described above to be material weaknesses. We also noted other matters involving the internal control over financial reporting which we have reported to management of the City in a separate letter dated October 29, 2004.

This report is intended for the information of management of the City, Federal awarding agencies and pass-through entities, other entities granting funds to the City and the Legislative Auditor for the state of Louisiana and is not intended to be used and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 23:513, this report is distributed by the Legislative Auditor as a public document.



(A Professional Accounting Corporation)

**October 29, 2004**



Francis I. Huffman, CPA  
L. Fred Monroe, CPA  
Esther Atteberry, CPA

John L. Luffey, MBA, CPA (1963-2002)

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

**City of Monroe  
Monroe, Louisiana**

**Compliance**

We have audited the compliance of the City of 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 April 30, 2004. The City's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we 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 April 30, 2004.

**City of Monroe  
Monroe, Louisiana**

***Internal Control Over Compliance***

Management of the City is responsible for establishing and maintaining effective internal control over compliance with 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.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. A reportable condition involves matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with the *applicable requirements of laws, regulations, contracts and grants*. A reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 04-10.

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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness.

This report is intended for the information of management of the City, Federal awarding agencies and pass-through entities, other entities granting funds to the City and the Legislative Auditor for the state of Louisiana and is not intended to be used and should not be used by anyone other than these specified parties. However, under provisions of Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



(A Professional Accounting Corporation)

**October 29, 2004**

City of Monroe, Louisiana  
Schedule of Expenditures of Federal Awards  
For the Year Ended April 30, 2004

Federal Grantor / Pass-Through Grantor / Program Title	CFDA No.	Pass-Through Grant Number	Grant Identification Number	Federal Expenditures
<b>U.S. Department of Commerce</b>				
<b>Direct Programs:</b>				
Economic Direct Program	11 300	N/A	08-01-03527	\$ 740,763
<b>Total U.S. Department of Commerce</b>				<u>740,763</u>
<b>U. S. Department of Housing and Urban Development</b>				
<b>Direct Programs:</b>				
Community Development Block Grant	14.218	N/A	B-02-MC-22-0005	1,209,718
Community Development Block Grant	14.218	N/A	B-03-MC-22-0005	226,477
Home Investment Partnership Grant	14.239	N/A	M-00-MC-22-0206	22,644
Home Investment Partnership Grant	14.239	N/A	M-01-MC-22-0206	75,652
Home Investment Partnership Grant	14.239	N/A	M-02-MC-22-0206	621,175
Home Investment Partnership Grant	14.239	N/A	M-03-MC-22-0206	229,856
<b>Pass Through Programs:</b>				
La Dept of Health and Human Svcs/Emergency Shelter Grant	14.231	370-8333	N/A	9,339
La Dept of Health and Human Svcs/Emergency Shelter Grant	14.231	370-8333	N/A	111,438
<b>Total U. S. Department Housing &amp; Urban Development</b>				<u>2,506,299</u>
<b>U. S. Department of Justice</b>				
<b>Direct Programs:</b>				
Local Law Enforcement Block Grant - FY 2001	16.592	N/A	2001-LBBX-2369	132,110
Local Law Enforcement Block Grant - FY 2002	16.592	N/A	2002-LBBX-0569	86,738
Local Law Enforcement Block Grant - FY 2003	16.592	N/A	2003-LBBX-2613	88,947
Bulletproof Vest Partnership Grant-FY 2003	16.607	N/A	N/A	15,110
COPS Univeral Hiring Program	16.710	N/A	01-UM-WX-0093	118,929
COPS in School	16.710	N/A	02-SHMX-00319	67,755
<b>Pass Through Programs:</b>				
La Commission on Law Enforcement/Family Strengthening Program	16.540	J02-2-001E03	J02-2-001E03	7,102
DARE Program Fund	16.579	E03-2-008	N/A	6,288
DARE Program Fund	16.579	E04-2-006	N/A	31,328
Louisiana Commission on Law Enforcement/Project Safe Neighborhoods Peer Mediation	16.609	F03-8-002	N/A	9,287
<b>Total U. S. Department of Justice</b>				<u>563,594</u>
<b>U. S. Department of Transportation</b>				
<b>Direct Programs:</b>				
Airport Improvement Program/Taxiway C Reconstructions	20.106	N/A	3-22-0033-19	453,624
Airport Improvement Program/Airport Commercial Renovations	20.106	N/A	3-22-0033-19	539,891
Airport Improvement Program/Safety Area Drainage Renovations	20.106	N/A	3-22-0033-19	847,962
<b>Urban Mass Transit Program:</b>				
Capital and Operating	20.507	N/A	LA-90-X191-00	80,465
Planning and Operating	20.507	N/A	LA-90-X219-00	32,810
Capital, Operating and Planning	20.507	N/A	LA-90-X225-00	1,243
Capital and Operating	20.507	N/A	LA-90-X238-00	4,549
Capital, Operating and Planning	20.507	N/A	LA-90-X248-00	24,900
Capital and Operating	20.507	N/A	LA-90-X263-00	840,000
Capital (Buses)	20.507	N/A	LA-03-0090-00	3,513
Capital (Buses)	20.507	N/A	LA-03-0095-00	34,104
<b>Total U. S. Department of Transportation</b>				<u>2,863,061</u>
<b>Federal Emergency Management Agency</b>				
<b>Direct Program:</b>				
Louisiana Office of Emergency Preparedness/Firefighters Grant Program for Fire Operations	83.544	N/A	EMW-2002-FG-06882	145,880
<b>Total Federal Emergency Management Agency</b>				<u>145,880</u>
<b>Environmental Protection Agency</b>				
<b>Direct Programs:</b>				
State and Tribal Assistance Grant (STAG)	66.606	XP-986924-01	WW-01-03	881,543
Brownfields Assessment Pilot Program	66.811	N/A	BP-986879-01-0	10,869
<b>Total Environmental Protection Agency</b>				<u>892,412</u>
<b>U. S. Department of Interior</b>				
<b>Direct Program:</b>				
National Parks Service (UPARR)	72.72(a)	22-CTY-1560-0201	N/A	483,003
<b>Pass Through Program:</b>				
Fish and Wildlife Services, La Dept of Wildlife & Fisheries	15.618	14-8050-0-7-303	N/A	121,194
<b>Total U. S. Department of Interior</b>				<u>604,197</u>
<b>National Endowment for the Humanities</b>				
<b>Direct Program:</b>				
National Endowment for the Arts	45.024	N/A	03-5500-5008	20,000
<b>Pass Through Program:</b>				
Folklife Festival	45.129	N/A	02-72-079	16,068
<b>Total National Endowment for the Humanities</b>				<u>36,068</u>
<b>Total Expenditures of Federal Awards</b>				<b>\$ 8,352,274</b>

See Notes to Schedule of Expenditures of Federal Awards

**CITY OF MONROE, LOUISIANA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED APRIL 30, 2004**

**Note 1 - General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance of the City of Monroe (the City) for the year ended April 30, 2004. All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed-through other government agencies.

**Note 2 - Basis of Accounting**

The accompanying 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.

**Note 3 - Loans Outstanding**

The City has loans outstanding under Federal loan or loan guarantee award programs of \$671,509 at April 30, 2004.

**Note 4 - Relationship of the Schedule of Expenditures of Federal Awards to the Primary Government Financial Statements**

The following reconciliation is provided to help the reader of the City's financial statements and supplementary information relate such information to the Schedule of Expenditures of Federal Awards for the year ended April 30, 2004:

	Federal Awards	Nonoperating Revenues - Operating Grants	Total
General Fund	\$ 330,642	\$ -	\$ 330,642
Special Revenue Funds	3,047,527	-	3,047,527
Capital Projects Funds	4,067,980	-	4,067,980
Enterprise Funds	-	1,021,583	1,021,583
Total per Financial Statements	7,446,149	1,021,583	8,467,732
Less Expense Reimbursements	(38,107)	-	(38,107)
Less Reimbursement of a Prior Year Expenditure	(77,351)	-	(77,351)
Total per Schedule	<u>\$ 7,330,691</u>	<u>\$ 1,021,583</u>	<u>\$ 8,352,274</u>

**CITY OF MONROE, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED APRIL 30, 2004**

**Note 5 - Funds Provided to Subrecipients**

The City provided Federal awards reflected on the accompanying Schedule of Expenditures of Federal Awards to subrecipients as follows:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount Provided To Subrecipients</u>
Community Development Block Gra	14.218	\$ 316,689
HOME	14.239	9,851
Total		<u>\$ 326,540</u>





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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED APRIL 30, 2004**

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grant
14.239	HOME Investment Partnership Grant
16.592	Local Law Enforcement Block Grant
20.106	Airport Improvement Program
66.606	State and Tribal Assistance Grant

Dollar threshold used to distinguish between Type A and Type B programs was \$300,000

Auditee qualified as low-risk auditee?                       Yes                       No

**Section II. Findings related to the financial statements that are required to be reported under *Government Auditing Standards*:**

**04-01 Accounting Department**

***Finding:***

During our test of journal entries made by the accounting department throughout the year we noted that 7 or 12% of the 60 entries tested were to correct posting of a previously recorded entry. During the course of our audit we had cause to examine numerous entries and noted that an inordinate number of the entries were to "reclassify" transactions or correct posting errors. For example, during the audit of fiscal year ended April 30, 2003, we proposed an entry to record a receivable and revenue. This entry was recorded incorrectly, reversed, then made again at April 30, 2003. The following year, the same entry was made, again incorrectly. During the span of two fiscal years 9 journal entries and 2 checks were processed affecting this transaction. These excess transactions make the accounting process inefficient and lead to reporting errors.

In addition, the majority of the approximately 135 journal entries made after the commencement of the audit were to record transactions that should have been made at or near year end or to correct previous errors. An excessive amount of time was expended by city staff in preparing the City's books for audit and by the audit staff in obtaining information needed for conducting the audit. The entries required to correct these matters in the City's accounting records indicates that supervisory review of account balances is inadequate.

**CITY OF MONROE  
MONROE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED APRIL 30, 2004**

For an entity the size of the City of Monroe, the accounting department should be capable of closing the books and producing accurate financial statements within a timely manner after year end.

Some of the items that should be accomplished at each month end include the recording of all receivables and payables, all bank reconciliations, reconciliation of all balance sheet accounts, reconciliation of interfund transactions and accurate trial balances of all funds.

Items that should be completed at year end include such tasks as the computation of compensated absences, details of capital asset transactions, inventory of all expendable supplies and parts and the preparation of annual financial statements.

It should be noted that the Director of Accounting resigned during the year and the accounting department has been operating essentially without any direct supervision or leadership for much of the year. Also, the accounting department appears to be understaffed by at least one accountant.

The conditions stated above illustrate the increased risk that decision making personnel may be provided with inaccurate or incomplete information used to carry out the day to day activities of the City and for making long-term, strategic decisions. In addition, it increases the risk of misappropriation of assets and/or the risk that errors or irregularities in amounts material to the City's financial position or results of operations could occur and go undetected by employees in the normal course of performing their duties.

***Recommendation:***

The City should fill the position of Accounting Director as soon as possible with a highly competent individual well versed in governmental accounting. Also, the City should consider hiring another accountant to ensure the accounting department is adequately staffed to produce reliable and timely financial information.

All journal entries should be reviewed for proper account classification by supervisory personnel within the accounting department before the entries are posted to the accounting records. The persons reviewing the entries should be familiar with the proper accounting principles to be applied to the transaction so that an informed review can be made. In addition, employees responsible for recording receipts and in the accounts payable area should carefully review all transactions to determine that the correct account codes have been entered to record the receipt or disbursement.

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED APRIL 30, 2004**

The City should have the appropriate trained accounting personnel in place to execute timely and accurate month end and annual close outs, including the preparation of the annual financial statements.

***Management's Corrective Action Plan:***

All journal entries are now reviewed by accountant assigned the function of reviewing all journal entries prior to posting for proper accounting principles and correct classification. Journal entries will be sent back to originator for correction if in error. Personnel in the accounts payable and accounts receivable functions of accounting will monitor and verify that all transactions have the correct account codes for recording receipts and disbursements. Any journal entry made for correction of errors by the accountant assigned the function of reviewer, will be forwarded to management with documentation for reason for correction and for approval prior to posting.

Management will endeavor, through training or new personnel, to assure that an appropriately trained staff of accounting personnel are in place to execute timely and accurate month end close outs and the preparation of the annual financial statements for the year ending 2005.

Management will aggressively pursue a qualified candidate for the position of Director of Accounting.

Management will review the staffing of the accounting function for possible addition of another qualified accountant.

**04-02 Collection of Bond Forfeitures**

***Finding:***

It appears that little or no effort has been made by the City's Prosecuting Attorney to collect bonds which have been ordered forfeited by the City Court. At April 30, 2004 approximately \$170,000 of bond forfeitures remain uncollected dating back to September, 2002, the earliest that court docket records were available. The proceeds from forfeited bonds is allocated 25% each to the City of Monroe Prosecuting Attorney, the Monroe City Court, the Monroe City Marshal and the Indigent Defender Board.

As a result of the failure of the Prosecuting Attorney to collect bonds which have been ordered forfeited, the City and the other three agencies entitled to these funds have incurred loss of much needed revenues and has in effect violated the Court's orders to collect the bonds.

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MONROE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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***Recommendation:***

The Prosecuting Attorney should make every effort lawfully available to collect all bonds which have been ordered forfeited. These efforts should include formal demands of the bondsmen and/or insurer, filing civil suit and reporting to the office of the State Insurance Commissioner, those companies failing to pay outstanding bond forfeitures.

In addition, complete and accurate records must be maintained of all bond forfeitures and the collection of these obligations. All collections should be deposited in the City's Bond Judgment Forfeiture Fund and disbursements to the other entities made from this fund.

***Management's Corrective Action Plan:***

The Legal Department is making a concerted effort to collect on the bonds which have been forfeited. Demand letters have been, and are being sent, on those bond forfeiture judgments which are executable. Non-compliance with the demand letters will result in actions either before the Commissioner of Insurance or in the judicial system to collect these judgments.

In addition, procedures are being put in place to insure that complete and accurate records are maintained on bond forfeitures and that collections are promptly pursued and deposited in the City's Bond Judgment Forfeiture Fund with disbursements to the other entities made from this fund. Monthly reports relative to bond forfeitures will be submitted by the Prosecuting Attorney to the City Attorney.

**04-03 Capital Asset Accounting**

***Finding:***

During our test of capital assets we noted the capital asset records were not complete and up to date as of year end. We also noted, as in previous audits, that the coding of capital asset acquisitions is controlled by department heads which results in misclassifications and erroneous financial reporting.

Some of the circumstances resulting in these conditions include the fact that the Property Control Director was ill during much of the audit period and in fact died during the year and that the clerical assistant in the Property Control Department was terminated during the year. This left no one available to devote time to the proper control and accounting of the City's capital asset function. Also it appears that

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED APRIL 30, 2004**

departments continue to make posting errors or incorrectly charge capital expenditure accounts in order to maintain favorable line item budget variances.

The lack of complete, accurate records of the City's property not only results in misleading reporting but increases the risk of loss of assets through errors or misappropriations.

The position of Property Control Director has now been filled, however, the new director is in the process of learning to use the City's fixed asset accounting system. Also an accountant within the accounting department has been given the additional duties of maintaining records of capital asset transactions. An additional person may be needed in the Property Control Department to fulfill the responsibilities in that area.

***Recommendation:***

The Management Information Systems and Property Control Departments should work together to ensure that the Property Control Director and capital asset accountant receives specific training in the system to effectively perform their duties. Also periodic comparisons and reconciliations of Property Control records and general ledger balances should be made to ensure proper recording of capital asset transactions. As recommended in the prior year's audit, if the department heads are to be given the authority to assign general ledger accounts, then the purchase order and posting of the transaction should be reviewed by the Purchasing Department and/or the Accounting Department to determine proper coding. In addition, all persons responsible for assigning account numbers should be instructed to post to the proper accounts when recording purchases. The City should determine if any additional person is needed in the Property Control Department.

***Management's Corrective Action Plan:***

Management has transferred new personnel to replace the previous personnel within the capital asset accounting function. The personnel transferred are scheduled to receive extensive training in the utilization of the New World for Capital Asset Accounting. An accountant will be assigned the primary function of verifying that proper accounting controls are maintained, purchase order coding is accurate, and postings of the transactions are monitored. Management has instructed the new personnel that priority will be to verify that all records are accurate and complete documentation is maintained on all assets. The Purchasing Department and Accounting Department will work closely with the new personnel to insure periodic comparisons and reconciliations of records with the general ledger balances and purchase orders are maintained.

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED APRIL 30, 2004**

**04-04 Excessive free tickets issued for Bayou Black Rodeos in 2002 and 2003**

***Finding:***

“Complimentary tickets” were issued for these events that totaled 1,008 in 2002 and 715 in 2003 for which there is no adequate documentation and accountability which creates a potential for abuse. Inasmuch as the producer of these events was paid a fixed fee for these events rather than a percentage of the gate, excessive free tickets could be a violation of Article VII, Section 14 of the Louisiana Constitution and result in a significant reduction of revenue to cover the cost associated with these events.

***Recommendation:***

The report of comp tickets issued by the Box Office Manager should be expanded so that a determination can be made as to which tickets issued are really “complimentary tickets” and which ones are considered to be paid for by sponsor fees received for the event. The report should also show to whom additional tickets were issued, why they were issued, who the ultimate recipients were, and justification for the issuance based on criteria for issuance, expected benefits to be received, and a comparison to actual benefits to the City.

***Management’s Corrective Action Plan:***

The Box Office Manager will be required to maintain a detailed accounting log of “complimentary tickets” issued for the Bayou Black Rodeo. The Bayou Black Rodeo is a different concept from all other rodeos held at the Civic Center in that the participants in the rodeo are primarily cowboys of color and that its potential audience would consist primarily of people of color. However, for the most part, this group would have to be introduced to the idea of a rodeo. Therefore, it was deemed necessary to conduct substantial marketing and promotional efforts to develop the market. Therefore, an unusually large number of “complimentary tickets” were issued for promotional purposes and have proven to be quite effective in that the attendance is now near capacity for the arena. Furthermore, in 2002 and 2003, the combination of ticket revenues and sponsor fees, along with other revenues from the rodeo, generated enough net profit to allow the Civic Center to receive an adjusted rent amount comparable to or in excess of the amount received as rent income for any other successful one day event at the Civic Center. Therefore, the sponsor fees paid for all of the “complimentary tickets” issued for the rodeo.

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**04-05 The City has paid a significant amount of unauthorized expenditures for electricity for the benefit of private, non-profit organizations**

***Finding:***

Lights have been installed in excess of fifteen (15) years at Tri-District Boys and Girls Club and St. Frederick High School's baseball field. The City has been paying for the electricity associated with these lights for the use and benefit of these private, non-profit organizations. Based on averages provided to us, it appears that such expenditures have been approximately \$11,700 per year for Tri-District Boys and Girls Club and \$1,500 per year for St. Frederick High School. There are no cooperative endeavor agreements or any other documentation that authorizes these arrangements. This unauthorized use of public funds is a violation of Article VII, Section 14 of the Louisiana Constitution.

***Recommendation:***

Immediate notice should be delivered to Tri-District Boys and Girls Club and St. Frederick High School that the City will no longer pay these bills.

***Management's Corrective Action Plan:***

Management has contacted the parties concerned, notifying them that the accounts will no longer be billed to or paid by the City of Monroe. Each party was notified to contact the electrical supplier for arrangements for payment.

Based on research of records available, these transactions have been on-going since 1985 and no written documentation has been made available to justify the billing. Legal Department has been instructed to pursue any legal action that may be taken towards recouping any past due payments made on behalf of these parties by the City of Monroe.

**04-06 Budget adopted for the fiscal year ending April 30, 2005 does not include certain items required by the City Charter**

***Finding:***

The position of Budget Director was unfilled during the time of preparing and processing the proposed budget for the year ending April 30, 2005. The budget that was adopted did not include presentations of delinquent taxes for current and preceding years with

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estimated percentages collectible or a statement of indebtedness of the City and condition of the sinking funds in the manner required by the City Charter. Therefore, passage of the budget was not in compliance with the requirements of the City Charter.

***Recommendation:***

In the future, the Director of Administration's office should ensure that all provisions concerning preparation and adoption of the budget comply with the City Charter.

***Management's Corrective Action Plan:***

The budget officer position has been filled by management. The new budget officer will be responsible for preparing and processing the 2005 – 2006 fiscal year budget with support from management and the accounting staff. The inadvertent non inclusion of the pertinent data not presented in the April 30, 2005 budget will be reviewed and the budget will be amended if this action is required and/or appropriate. Management, with the budget officer's leadership, will peruse the final budget document closely for proper budget procedures and compliance issues.

**04-07 Overpayments from Civic Center to Opportunities Industrialization Center (OIC)**

***Finding:***

The Civic Center overpaid OIC \$5,190 for the Bayou Black Rodeo (Event No. 8380) held in August 2003 based on the terms of their contract and no attempt has been made to collect the overpayment. Insufficient effort to collect delinquent accounts is a violation of Article VII, Section 14 of the Louisiana Constitution.

Rent charged for this event in 2002 was \$2,500. However, the settlement sheet for the 2003 event did not include a rental charge which is a violation of the City Code, Chapter 11.5(4) which states that "manager shall not allow use of the facilities without a reasonable charge for use. The City agrees not to waive rent or other use cost for any users."

Based on the facts and circumstances over the last three years (2002, 2003, and 2004) that this event has been held, it appears that the Civic Center may be using its financial resources for the benefit of a private, non-profit organization which is also a violation of Article VII, Section 14 of the Louisiana Constitution.



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***Recommendation:***

The City should review its approval procedures in determining that settlement sheets are complete, accurate, and in agreement with both the terms of the contracts and all applicable provisions of the City Code. Attempts to recover overpayments to OIC should be made and documented.

Additionally, the City should outline the facts and circumstances for each year that this event has been held and obtain an opinion from the Attorney General as to whether or not it constitutes a use of the City's financial resources for the benefit of a private, non-profit organization and, therefore, a violation of Article VII, Section 14 of the Louisiana Constitution.

***Management's Corrective Action Plan:***

The Civic Center has always matched the settlement sheets for events to the agreed upon terms of the contractual agreement (based on the City Code) between the Civic Center and the permittee (renter). However, in the case of the 2003 Bayou Black Rodeo, the Civic Center Director misinterpreted the terms of the contract and apparently did not fully understand the settlement process, both of which resulted in the overpayment to OIC. We will, however, take appropriate action to collect the overpayment from OIC.

We will also request an opinion from the Attorney General as to whether or not the Bayou Black Rodeo is being handled administratively and contractually in a manner consistent with the provisions of Article VII, Section 14 of the Louisiana Constitution as it relates to the use of the City's financial resources for the benefit of a private, non-profit organization.

**04-08 Lack of documentation of actual time spent on the job by Civic Center employees**

***Finding:***

Certain employees of the Civic Center are not required to prepare and submit leave slips when they are not on the job during regular business hours. Additionally, they are not required to prepare timesheets showing actual time spent on the job. Both are a violation of the City's policies and procedures and could be a violation of the Fair Labor Standards Act. Lack of proper documentation could result in a significant misstatement of accrued compensatory, vacation, and/or sick leave.

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***Recommendation:***

All employees of the Civic Center should be required to complete leave slips and time sheets to document actual time spent on the job. All such documentation should be submitted for approval and processed according to the existing policies and procedures adopted by the City.

A review should be made of the City's existing policies and procedures for recording actual time that Civic Center employees spend on the job so that appropriate changes can be considered to address the specialized nature of the time requirements for operations conducted by the Civic Center.

***Management's Corrective Action Plan:***

All employees of the Civic Center will be required to complete leave slips for time spent away from the workplace that is not city business. Employees will also be required to document time spent on city business beyond normal working hours, in which case, the documentation must be signed by the immediate supervisor or department head. This policy will be reiterated in writing, immediately, to all appropriate employees.

It should be noted that a one for one correlation between time spent on city business beyond working hours and the corresponding compensatory time appropriate therewith, will in all probability result in a sizeable increase of eligible compensatory time. Therefore, those employees will have to be allowed to use the additional compensatory time or be paid for it. The policy that was in effect previous to this finding did take into account the specialized nature of the time requirements for operations conducted at the Civic Center. However, a further review will be made to attempt to develop a new policy to address the specialized nature of Civic Center event that will reduce the potentially sizeable increase in eligible compensatory time.

**04-09 Difficulty in keeping track of certain items of equipment, furniture, and fixtures under control of the Civic Center**

***Finding:***

Management has encountered considerable difficulty in verifying the location and existence of certain items of equipment, furniture, and fixtures because it is regularly being loaned out to other departments within the City and frequently transferred from one location to another.

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***Recommendation:***

A physical inventory of all capital assets owned, operated, and under control of the Civic Center should be performed and documented as soon as possible. All such items should be tagged for identification and then reconciled to records maintained by the Property Control department. Thereafter, the inventory should be maintained on a current basis and verified periodically to establish its existence and assign responsibility to protect it from misappropriation.

***Management's Corrective Action Plan:***

The Civic Center has been without an Operations Manager for almost two (2) years. The newly hired manager will conduct and document a physical inventory of all civic center capital assets, operated and under control of the Civic Center within the next thirty (30) days. All items will be tagged for identification and then reconciled to records maintained by Property Control. Thereafter, the inventory will be maintained and verified at least annually and will be the responsibility of the Operations Manager.

**Section III. Findings or Questioned Costs for Federal Awards, Including those specified by OMB Circular A-133:**

**04-10 Grant Activities (Schedule of Expenditures of Federal Awards)**

***A. Finding:***

During our tests of the various federal grant activities, we experienced difficulty in obtaining complete and accurate information regarding the grants. Of the 38 federal programs, 28 (approximately 74%) had a change from the amount originally reported on the Schedule of Expenditures of Federal Awards, including 3 grants that were listed in error (two were state grants and one was a 2003 federal grant listed again in 2004) and 4 grants were omitted when they should have been included.

Total expenditures increased by approximately 13% (net) from the originally reported \$7,383,330 to the revised \$8,352,274. This net increase of \$968,944 is composed of additional expenditures of \$1,477,724 that were not originally listed less reductions of expenditures listed in error totaling \$508,780. Other changes to the schedule included a change in a CFDA number and 2 changes in the departmental source from the federal government. This same type problem has existed for several years.

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***Recommendation:***

As recommended in previous audits, grant activity information should accurately include grant award documentation, summaries of revenues and expenditures and a reconciliation of the reimbursement requests to the expenditures being reimbursed. This accumulation of information should be an ongoing process, not one that is commenced at year-end in anticipation of an impending audit.

When preparing the Schedule of Expenditures of Federal Awards, care should be taken to ensure that the schedule is complete and accurate and it should include the Program Title, CFDA Number, Pass-through Grantor Number, if applicable, Grant Identification Number and the amount of federal expenditures which should reconcile to the expenditures listed in the general ledger. Care should also be exercised in reviewing other accounts especially in relation to accounts receivable, deferred revenue and federal revenue.

***Management's Corrective Action Plan:***

The grant administrator and grant accountant will assure that complete and accurate documentation will be maintained to support the schedules provided in the year end audits. The grant accountant will be required to maintain an ongoing process in reviewing grant accounting for proper transaction codes, reconciliation of expenditures with the general ledger accounts receivables, deferred revenue and federal revenue, and proper reconciliation of reimbursements requests of expenditures made by the City.

***B. Finding:***

Grant activity (grants received, expenditures made and reimbursement requests) are not maintained in a centralized location to facilitate the compiling of expenditures of federal and state grants. The effect of this condition causes excessive amounts of time and funds to be spent in accumulating the required data for preparing the Schedule of Expenditures of Federal Awards and increases the likelihood of inaccurate reporting. Additionally, the Council is not informed of all grants obtained by the various departments of the City. Therefore, the City is engaging in grant activities for which the City Council has not approved.

***Recommendation:***

As recommended in previous audits, grant activity should be centralized in one department. The grants administrator is responsible for formulating the goals and objectives with respect to matching the City's needs with potential grant opportunities,

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assisting in the development of grant applications, obtaining City Council approval, submitting the grant proposal for acceptance and finally in monitoring and supervising, including compliance with the grant provisions of grant implementation and the reporting process. However, it should be noted that some of the work, especially among the larger grants, will be accomplished outside of the grants administrator.

With respect to documentation and record keeping, the grants administrator should compile and integrate information onto a schedule that is updated throughout the year as grants are received, not just at year-end. This schedule should include the information that is reported on the Schedule of Expenditures of Federal Awards as well as the original grant award, grant period and fund numbers.

The grants administrator should maintain a folder on each of these grants which contains the grant application, grant award, contractor information (if applicable), and grant activity reports. These documents will support the Schedule of Expenditures of Federal Awards.

***Management's Corrective Action Plan:***

The position of grant administrator has been centralized and departments notified. The grant administrator will maintain documentation to assist the departments with respect to matching the City's needs with potential grant opportunities. The grant administrator will assist in the departments in developing grant proposals, monitor and supervise compliance with grant provisions, maintain documentation folders, and schedules of all grants activity of the City. The grant administrator will maintain all the required documentation and schedules and assure all grants are approved by the City Council prior to submission. Schedules of grant activity, which will include approval, awards, and denials, will be provided management and the City Council.

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**SUMMARY STATUS OF PRIOR YEAR FINDINGS**

The following is a summary of the status of the prior year findings included in the Luffey, Huffman, & Monroe, CPA's audit report and management letter dated October 7, 2003, covering the examination of the primary government financial statements of the City of Monroe (the City) as of and for the year ended April 30, 2003.

**03-01 Collection of Richwood Sewerage Treatment Charges**

***Finding:***

For several years the Town of Richwood has owed the City of Monroe for sewer services provided to the Town. During 2000 the City negotiated a payment schedule with the Town whereby the City receives \$5,000 per month from the Richwood Correctional Center which is applied to the outstanding debt. The Town of Richwood owed the City approximately \$506,000 for sewer treatment charges.

***Status:***

The outstanding debt owed by the Town of Richwood has been added to the billing cycle for the City of Monroe. The Town negotiated to pay its current month charges and have made monthly \$5,000 payments to reduce its outstanding debt.

**03-02 Payroll Related Matters**

***Finding:***

During the year certain payroll liability accounts in the General Fund had debit balances as opposed to expected credit balances. This appears to be a result of errors occurring when posting the liabilities for employer and employee portions for the deductions such as pensions, insurance, taxes, etc. The primary cause of this is the City's general ledger-level accounting system is a commercially supplied software package (New World System), while the payroll system was developed in-house and data has to be transferred from one system to the other. This results in inaccurate or incomplete postings to the general ledger.

***Status:***

The City is in the process of installing the New World System's human resource payroll system module. The payroll accounts are currently being monitored and reconciled monthly until the new human resource payroll module is active.

**CITY OF MONROE  
MONROE, LOUISIANA**

**SUMMARY STATUS OF PRIOR YEAR FINDINGS**

**03-03 Overpayment of Vacation and Sick Leave**

***Finding:***

There were employees with negative vacation and/or sick time balances.

***Status:***

All negative balances have been eliminated for fiscal year ending 2004. The city is in the process of installing the New World System's human resource payroll system module.

**03-04 Green Acres Sewerage Treatment Billing**

***Finding:***

Green Acres Sewer District had not been billed for the sewer services that they received since January of 2001. The amount owed as of September 9, 2003 is approximately \$48,800. Although meters were being read each month, the city failed to bill them for the services.

***Status:***

The district has been invoiced based on water usage. The agreement established between Legal Departments on outstanding debt was resolved to an agreed monthly minimum billing based on past billings to clear all arrears.

**03-05 Water Billings**

***Finding:***

The number of inactive accounts increased from 1,302 in April, 2001 to 2,714 in March, 2003. There were also 2,415 residential and commercial accounts that are active as of September, 2003 and are reported on the zero consumption report. This resulted because the meter reading department was instructed to read all meters including the inactive or broken ones. From September 17, 2001 to September 17, 2003 the City installed 1,261 meters, mostly for new construction. This indicates the City is not on a current water meter replacement program for broken and old, inefficient meters. There is also lack of control insuring that all new customers are included in the utility billing system.

**CITY OF MONROE  
MONROE, LOUISIANA**

**SUMMARY STATUS OF PRIOR YEAR FINDINGS**

***Status:***

The Water Department is utilizing a plan to identify and replace meters as needed. The city has installed a new software system that provides automated data for the identification of adjustments needed to the billing records and replacement of meters. All final bills and deposits made at the time of the conversion from the old system to the new system have been reviewed and adjustments have been made. The City Council has approved that Requests for Proposal be received for new water meter replacements.

**03-06 Capital Asset Accounting**

***Finding:***

During our test of general fixed assets and Proprietary Fund fixed assets we noted the following conditions: Property Control Department is unable to generate reports in sufficient detail to provide useful information of assets by class and location, and the coding of capital asset acquisitions is controlled by the department heads which results in misclassifications and erroneous financial reporting.

***Status:***

Property Control personnel and Accounting personnel will meet monthly to review fixed assets transactions and purchase orders. Property control and Accounting personnel have participated in Fixed Asset Training by New World. Property Control Personnel are working with MIS personnel to create the necessary reports.

**03-07 Utility Billing**

***Finding:***

The balance in the general ledger for the utility accounts receivable has increased each month during the current fiscal year and was not investigated as to why the increase was taking place. No one has been comparing the balance of Accounts Receivable in the general ledger each month to the subsidiary accounts receivable trial balance at month end to make sure they agree. There appears to be a major problem in the billing, collection and accounting for the utilities operations of the City of Monroe.



**CITY OF MONROE  
MONROE, LOUISIANA**

**SUMMARY STATUS OF PRIOR YEAR FINDINGS**

***Status:***

The new utility billing software installed is completely integrated with the financial software to allow automated real time posting of billings, collections, adjustment, and all other aspects of the billing and collections operations generated daily. The Accounting and Utility billing staff review postings monthly and perform monthly reconciliations on the accounts receivable accounts.

**03-07 Grant Activities**

***Finding:***

While the City has made strides to centralize its grant administration function with the accounting department, all pertinent information is still not readily available. The preliminary Schedule of Expenditures of Federal Awards contained mistakes such as incorrect expenditure amounts, incorrect CFDA numbers, and state funds listed as federal grants. It was also noted that for the Economic Development Administration and for the Airport Improvement Program grants that requests for reimbursement were not made for several months after the funds had been expended.

***Status:***

Procedures are in place to ensure that requests for reimbursements are reconciled to expenditures and are timely submitted. The grant accountant is verifying that the amounts included on The Schedule of Expenditures of Federal Awards are both accurate and classified correctly. The grant accountant will maintain a city wide schedule of grant awards and subsequent obligations.



Francis I. Huffman, CPA  
L. Fred Monroe, CPA  
Esther Atteberry, CPA

John L. Luffey, MBA, CPA (1963-2002)

**Report on Compliance with Requirements Applicable  
to the Passenger Facility Charge Program and on  
Internal Control Over Compliance**

**City of Monroe  
Monroe, Louisiana**

***Compliance***

We have audited the compliance of the City of Monroe (the City) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), for its passenger facility charge program for the year ended April 30, 2004. Compliance with the requirement of laws and regulations applicable to its passenger facility charge program 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 the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge 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 of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended April 30, 2004.

***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 and regulations applicable to the passenger facility charge program. 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 the passenger facility charge program in order

**City of Monroe  
Monroe, Louisiana**

to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control compliance in accordance with the Guide.

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 laws and regulations that would be material in relation to the passenger facility charge 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 operation that we consider to be material weaknesses.

This report is intended for the information and use of the City's management, and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



(A Professional Accounting Corporation)

October 29, 2004

**City of Monroe**  
**PFC Revenue and Disbursement Schedule**  
**Monroe Regional Airport**  
**For the Year Ended April 30, 2004**

	<b>FY-03</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>	<b>FY-04</b>	<b>FY-04</b>
	<b>Program Total</b>	<b>May-July</b>	<b>Aug-Oct</b>	<b>Nov-Jan</b>	<b>Feb-Apr</b>	<b>Total</b>	<b>Program Total</b>
<b>Revenue</b>							
Collections	\$ -	\$ 76,989	\$ 108,703	\$ 112,242	\$ 106,869	\$ 404,803	\$ 404,803
Interest	-	32	204	331	431	998	998
<b>Total Revenue</b>	-	<u>77,021</u>	<u>108,907</u>	<u>112,573</u>	<u>107,300</u>	<u>405,801</u>	<u>405,801</u>
<b>Disbursements</b>							
Application 03-01-C-00-MLU	-	8,685	40,700	-	134,585	183,970	183,970
<b>Total Disbursements</b>	-	<u>8,685</u>	<u>40,700</u>	<u>-</u>	<u>134,585</u>	<u>183,970</u>	<u>183,970</u>
<b>Net PFC Revenue (rev.-disb.)</b>	-	<u>68,336</u>	<u>68,207</u>	<u>112,573</u>	<u>(27,285)</u>	<u>221,831</u>	<u>221,831</u>
<b>PFC Account Balance</b>	\$ -	<u>\$ 68,336</u>	<u>\$ 136,543</u>	<u>\$ 249,116</u>	<u>\$ 221,831</u>	<u>\$ 221,831</u>	<u>\$ 221,831</u>



**City of Monroe  
Monroe, Louisiana  
Management Letter**

**2. Services provided by Civic Center employees in addition to their regularly assigned duties**

***Finding:***

We were unable to determine that any clear understanding is obtained with permittees concerning the use of employees of the Civic Center for services they provide in addition to their regularly assigned duties.

***Recommendation:***

Civic Center personnel should emphasize to all employees and customers of the Civic Center that City employees are assigned to perform certain services for specific events while on the City's payroll and that payments by the producers or promoters for any other services provided by employees of the City should be made by check directly to the Civic Center. Management should emphasize to its employees that they should not accept payments from any producers or promoters for services they perform.

***Management's Corrective Action Plan:***

Civic Center policy is that employees cannot be paid by permittees for services provided while on the City's payroll. This policy will be reiterated in writing and discussed with employees.

**3. Cash receipts for admissions at Chennault Park**

***Finding:***

The City has policies covering internal control over cash receipts for gatekeepers at Chennault Park. However, our observation of the procedures being used indicated they are not in accordance with the policies.

***Recommendation:***

A review of the internal controls over cash receipts for admissions to Chennault Park should be made, properly documented, communicated, and implemented.

***Management's Corrective Action Plan:***

The internal controls over cash receipts for admissions to Chennault Park will be reviewed, documented, communicated, and implemented immediately.



(A Professional Accounting Corporation)

October 29, 2004