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CITY OF WEST MONROE, LOUISIANA

*Financial Report  
For the Year Ended June 30, 2004*

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Release Date 1-26-05

CITY OF WEST MONROE, LOUISIANA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2004

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic primary government financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of West Monroe, Louisiana (which is "the City" as well as "the primary government"), as of and for the year ended June 30, 2004, which collectively comprise the basic primary government financial statements of the City's primary government as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The financial statements referred to above include only the primary government of the City, which consists of all funds, organizations, institutions, agencies, departments and offices that comprise the City's legal entity. The financial statements do not include financial data for the City's legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City as of June 30, 2004, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information for the primary government of the City as of June 30, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2004, on our consideration of the City of West Monroe's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic primary government financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic primary government financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic primary government financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic primary government financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic primary government financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic primary government financial statements and, accordingly, we express no opinion on it.

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana  
September 30, 2004

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

# CITY OF WEST MONROE, LOUISIANA

## Management's Discussion and Analysis Year Ended June 30, 2004

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As management of the City of West Monroe, we offer readers of the Financial Statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter and the accompanying basic financial statements. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

### FINANCIAL HIGHLIGHTS

- The assets of the City of West Monroe, on a government-wide basis, exceeded its liabilities of the close of the fiscal year by \$45.4 million (net assets). Of this amount, \$6.3 million is unrestricted.
- The City's total net assets increased by \$1.3 million for the current fiscal year. This increase is a result of a \$690,085 increase in net assets of business-type activities and a \$592,314 increase in Governmental activities.
- At the end of the current fiscal year, the City of West Monroe's governmental funds reported combined ending fund balances of \$9.4 million.
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$4.5 million, or 33% of the total general fund expenditures.
- The general fund reported a surplus of \$427,806 before transfers, and a surplus of \$328,794 after transfers.
- The City's bonded debt had a net increase of \$3.6 million. Total bonded debt at 6-30-04 was \$7,895,000.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



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

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

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

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

## **GOVERNMENT-WIDE STATEMENTS**

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

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

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

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

## **FUND FINANCIAL STATEMENTS**

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

The City has three kinds of funds:

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

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

obligations (bond and others) into the Governmental Activities column (in the government-wide statements).

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's combined net assets for the 2003-2004 fiscal year increased by \$1.3 million dollars. Table 1 shows the statement of net assets for the year ending 2003 and the year ending 2004. The table also shows the net assets for governmental activities, business type activities and combines them into the total primary government.

### Statement of Net Assets

The following table reflects the condensed statement of net assets:

TABLE 1  
NET ASSETS OF GOVERNMENTAL AND BUSINESS TYPE ACTIVITIES

	(in Millions)					
	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2003	2004	2003	2004	2003	2004
<b>ASSETS:</b>						
Current and other assets	\$ 8.34	\$ 9.90	\$ 0.51	\$ 0.50	\$ 8.85	\$ 10.40
Capital Assets	40.66	41.40	4.78	5.47	45.44	46.87
Total Assets	<u>\$ 49.00</u>	<u>\$ 51.30</u>	<u>\$ 5.29</u>	<u>\$ 5.97</u>	<u>\$ 54.29</u>	<u>\$ 57.27</u>
<b>LIABILITIES:</b>						
Long-term debt outstanding	\$ 7.49	\$ 10.96	\$ 0.12	\$ 0.10	\$ 7.61	\$ 11.06
Other liabilities	2.41	0.64	0.12	0.12	2.53	0.76
Total Liabilities	<u>\$ 9.90</u>	<u>\$ 11.60</u>	<u>\$ 0.24</u>	<u>\$ 0.22</u>	<u>\$ 10.14</u>	<u>\$ 11.82</u>
<b>NET ASSETS:</b>						
Invested in Capital Assets						
Net of debt	\$ 36.32	\$ 33.50	\$ 4.78	\$ 5.47	\$ 41.10	\$ 38.97
Restricted	0.54	0.14	-	-	0.54	0.14
Unrestricted	2.25	6.06	0.27	0.27	2.52	6.33
Total Net Assets	<u>\$ 39.11</u>	<u>\$ 39.70</u>	<u>\$ 5.05</u>	<u>\$ 5.74</u>	<u>\$ 44.16</u>	<u>\$ 45.44</u>

Net assets (assets less liabilities) may serve over time as a useful indicator of a government's financial position. The City of West Monroe's assets exceeded liabilities by \$45.44 million at the close of the fiscal year. The largest portion of the City's net assets (86%) reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure, less accumulated depreciation and less any related outstanding debt used to acquire those assets). The city uses these assets to provide services to its citizens and these assets are not available for spending. The resources needed to repay any debt related to these capital assets will be provided from other sources.

Less than one percent of the City's net assets are subject to restrictions. The remaining balance of unrestricted net assets \$6.33 million may be used to meet the City's ongoing obligations.

### Governmental Activities

Net assets of the City's governmental activities increased from \$39.11 million to \$39.70 million. This increase is mainly due to a reduction in the City's accounts payable at year end of \$1.7 million from last year.

### Business-type Activities

Net assets of the City's business-type activities increased from \$5.05 million to \$5.74 million, primarily because of capital assets increasing by \$680,000.

### Statement of Activities

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

TABLE 2  
CHANGES IN NET ASSETS  
(in Millions)

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2003	2004	2003	2004	2003	2004
<b>REVENUES:</b>						
Program Revenues						
Charges for services	\$ 3.11	\$ 3.63	\$ 1.82	\$ .95	\$ 4.93	\$ 5.58
Operating grants and contributions	2.97	3.04			2.97	3.04
Capital grants and contributions	0.11	1.26			0.11	1.26
General Revenues						
Property Taxes	0.77	0.82			0.77	0.82
Other taxes	12.44	12.21			12.44	12.21
Intergovernmental	0.22	0.18			0.22	0.18
Franchise	0.60	0.89			0.60	0.89
Miscellaneous	0.57	0.45			0.57	0.45
Sale of Assets	0.58	0.16			0.58	0.16
Interest earned	0.09	0.08			0.09	0.08
Capital contributions	-	-	0.21	1.05	0.21	1.05
<b>Total Revenues</b>	<b>\$ 21.46</b>	<b>\$ 22.72</b>	<b>\$ .03</b>	<b>\$ .00</b>	<b>\$ 3.49</b>	<b>\$ 5.72</b>
<b>EXPENSES:</b>						
General government	\$ 6.46	\$ .02			\$ .46	\$ .02
Public safety	6.10	6.82			6.10	6.82
Public works	2.51	3.45			2.51	3.45
Culture and recreations	3.25	3.10			3.25	3.10
Urban Development	0.94	0.52			0.94	0.52
Health and welfare	1.84	2.89			1.84	2.89
Interest on long-term debt	0.30	0.31			0.30	0.31
Utilities	-	-	2.35	2.32	2.35	2.32
<b>Total Expenses</b>	<b>\$ 21.40</b>	<b>\$ 22.11</b>	<b>\$ .35</b>	<b>\$ .32</b>	<b>\$ 3.75</b>	<b>\$ 4.43</b>
<b>Increase in net assets before</b>						
transfers	\$ 0.06	\$ 0.61	\$ (0.31)	\$ 0.68	\$ (0.26)	\$ 1.29
Transfers	(0.18)	(0.02)	0.18	0.02	-	-
<b>Increase/decrease in assets</b>	<b>\$ (0.12)</b>	<b>\$ 0.59</b>	<b>\$ (0.13)</b>	<b>\$ 0.70</b>	<b>\$ (0.26)</b>	<b>\$ 1.29</b>

### **Governmental Activities**

The City's total revenues from governmental activities increased from \$21.46 million (year end 2003) to \$22.72 million (year end 2004). This \$1.26 million increase is mainly due from a \$1.15 million increase in capital grants for the 2004 year. West Monroe's largest source of general revenue (\$13.0 million) is taxes, composed of property tax, sales tax, insurance premium taxes, and beer tax. Fifty-eight percent of the City's revenue from governmental activities comes from these taxes. Charges for services (\$3.63 million) were the second largest revenue source for governmental activities.

The City's expenses for the fiscal year end June 30, 2004 were \$22.11 million, an increase of \$.71 million from year end 2003. These expenses cover a wide range of services with the largest being public safety \$6.82 million or 31%, general government \$5.02 million or 23% and public works \$3.45 million or 16%.

### **Business-Type Activities**

The total revenues from business-type activities were \$3.0 million for the fiscal year ended June 30, 2004. This is an increase of almost \$1.0 million over last year. This increase is a result of a small rate increase for utilities and a \$840,000 increase in capital contributions. Expenses for the City's business-type activities were \$2.32 million. The business-type activities had a net profit of \$690,000 for the fiscal year ended June 30, 2004.

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

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

### **Government Funds**

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9.4 million, compared to \$6.0 million from the for the 2003 year. Approximately \$8.9 million constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved and is not available for spending because it has already been committed to inventories and to pay debt service

The general fund is the chief operating fund of the City. At the end of the fiscal year, unreserved fund balance of the general fund was \$4.5 million, an increase of \$400,000 from year end June 30, 2003. As a measure of the general fund liquidity, it may be useful to compare unreserved fund balance to total expenditures. Unreserved fund balance represents 32% of the total general fund expenditures. Due to the uncertain economic conditions, expenditures were closely monitored and correlated to revenues received.

The City spent a total of \$2.8 million out of the 86 Sales Tax Capital Fund to fund major capital projects and purchases. This amount is virtually unchanged from last year. The fund transferred out \$840,000 to pay for debt service. The capital fund ended the year with a \$467,180 unreserved fund balance up almost \$400,000.

**Proprietary Funds**

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

Net assets of the Utilities Enterprise Fund at the end of the year were \$5.7 million, an increase of approximately \$700,000. The fund had an operating profit for the year of \$690,000 after depreciation and transfers.

Net assets of the Internal Service Fund (Employees Health Insurance Fund) ended the fiscal year with a negative \$122,581. The year ended June 30, 2004 had a \$45,000 operating loss.

**General Fund Budgetary Highlights**

Over the course of the year, the City Council revised the City budget twice. Differences between the original expenditure budget and the fund actual amounts were relatively minor and represent an increase of \$32,396 or less than 1%. Actual total revenues exceed the original budget by \$482,000 and the final amended budget by \$212,000 or 1.5%.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

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

TABLE 3  
CAPITAL ASSETS  
(NET OF DEPRECIATION in millions)

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL	
	2003	2004	2003	2004	2003	2004
Land	\$ 4.56	\$ 5.92	\$ 0.04	\$ 0.04	\$ 4.60	\$ 5.96
Construction in progress	0.25	0.81	-	-	0.250	0.810
Buildings	19.42	18.80	0.003	0.001	19.423	18.800
Improvements	0.65	0.67	-	-	0.650	0.670
Equipment	0.78	0.68	0.350	0.440	1.130	1.120
Vehicles	0.55	0.62	-	-	0.550	0.620
Infrastructure	14.44	13.90	-	-	14.440	13.900
Water Plant			0.790	1.240	0.790	1.240
Treatment Plant			3.610	3.750	3.610	3.750
Total	\$ 40.65	\$ 41.40	\$ 4.793	\$ 5.471	\$ 45.443	\$ 46.870

The City of West Monroe's investment in Capital assets for its governmental and business-type activities as of June 30, 2004, amounts to \$46.87 million (net of depreciation). This is up \$1.43 million from last year. This investment includes land, construction in progress, buildings and improvements, equipment, vehicles, infrastructure, water and sewer treatment plant.

The City had additions to governmental and business-type capital assets of \$3.9 million.

The City has a major capital project planned for the fiscal year 2004 and the year 2005. The construction of the I-20 Downing Pines Interchange will begin. The total cost of construction and right-of-way acquisition will be approximately \$7.2 million.

**Long-term Debt**

The following table shows the City's outstanding debt:

TABLE 4  
OUTSTANDING DEBT AT YEAR END

	YR END 6/30/03	YR END 6/30/04
Bonds payable series 1999 and 1998	\$ 4,335,000	\$ 0
Bond Payable Series 2003	0	7,895,000
Firefighters Retirement System	1,360,897	1,284,820
Heart and Lung Disability	1,120,512	1,074,897
Vacation, Sick and Comp. Time	669,676	702,292
<b>Total</b>	<b>\$ 7,486,085</b>	<b>\$ 10,957,009</b>

At the end of the fiscal year, the City of West Monroe had total bonded debt outstanding of \$7.89 million. During the 2003-2004 fiscal year, the City refinanced its old debt and borrowed an additional \$3.5 million to fund the I-20 interchange project. This is the reason the total bonded debt increased. All of this amount is backed by the full faith and credit of the City and is being repaid from the Sales Tax Capital Fund.

The City of West Monroe's total long-term debt obligations at year end were \$10.95 million.

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The City's management and elected officials considered many factors when preparing the 2004-2005 budget. The major factor in preparing the budget is to determine the revenue that will be generated from sales tax. Sales tax accounts for 60% of the total General Fund revenue. With current economic conditions, sales tax revenue is projected to remain flat for the 2004-2005 fiscal year. All other General Fund revenues should remain fairly consistent with prior year collections with the exception of sanitation revenue which will be up due to a rate increase. The total General Fund revenue budget for the 2004-2005 fiscal year is \$13.7 million compared to \$13.5 million last year.

Beginning in early 2005, the construction of Trenton Meadows Retail Development should start. This development should substantially increase the City's sales tax base. These extra sales tax revenues should be sufficient to cover the City's expenditures for many years into the future.

The budgeted expenses for the 2004-2005 fiscal year were \$14.7 million, an increase of \$800,000 over the prior year. This increase is caused by an increase in pension contributions and the City giving all employees a 4% pay raise effective July 1, 2004. The largest expense for the City is personnel cost. The City's administration has taken steps to reduce all overtime to minimal levels in the current years budget.

Beginning in July of 2003 and continuing into this budget year the Police, Firefighters and the Municipal Employees pensions passed substantial increases in the employer contributions. However, at year end a lawsuit challenging the increase in the employer contribution to the Firefighters Retirement Systems was pending in the Louisiana Supreme Court. The City will continue to reserve the entire amount of the increase until the suit is settled. The City's administration will closely monitor all revenues and expenses to ensure the City ends the 2004-2005 fiscal year with a surplus.

#### REQUEST FOR INFORMATION

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



PRIMARY GOVERNMENT FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2004

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 8,490,405	\$ 117,014	\$ 8,607,419
Investments	726,405	-	726,405
Accounts Receivable	333,926	252,526	586,452
Due From Other Governments	441,797	-	441,797
Internal Balances	(127,410)	127,410	-
Inventories	31,726	-	31,726
Capital Assets:			
Non-Depreciable	6,728,766	37,750	6,766,516
Depreciable	<u>34,672,896</u>	<u>5,435,676</u>	<u>40,108,572</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 51,298,511</u></b>	<b><u>\$ 5,970,376</u></b>	<b><u>\$ 57,268,887</u></b>
<b><u>LIABILITIES</u></b>			
Bank Overdraft	\$ 9,808	\$ -	\$ 9,808
Accounts Payable	585,462	3,754	589,216
Deposits Payable	47,759	117,014	164,773
Non-Current Liabilities			
Due Within One Year			
Bonds and Notes Payable	786,402	-	786,402
Compensated Absences	769,736	105,205	874,941
Due in More Than One Year			
Bonds Payable	7,190,000	-	7,190,000
Notes Payable	1,203,418	-	1,203,418
Compensated Absences	<u>1,007,453</u>	<u>-</u>	<u>1,007,453</u>
<b><u>TOTAL LIABILITIES</u></b>	<b>11,600,038</b>	<b>225,973</b>	<b>11,826,011</b>
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets, Net of Related Debt	33,506,662	5,473,426	38,980,088
Restricted For:			
Capital Projects (Deficit)	(320,346)	-	(320,346)
Debt Service	456,265	-	456,265
Unrestricted	<u>6,055,892</u>	<u>270,977</u>	<u>6,326,869</u>
<b>Total Net Assets</b>	<b><u>39,698,473</u></b>	<b><u>5,744,403</u></b>	<b><u>45,442,876</u></b>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 51,298,511</u></b>	<b><u>\$ 5,970,376</u></b>	<b><u>\$ 57,268,887</u></b>

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

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

<u>Function/Program Activities</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b><u>Primary Government:</u></b>				
<b>Government Activities:</b>				
General Government	\$ 5,018,953	\$ 1,278,920	\$ -	\$ 1,175,003
Public Safety	6,829,912	318,107	312,522	87,664
Public Works	3,448,965	806,635	-	-
Culture and Recreation	3,114,704	1,169,067	247,358	-
Urban Redevelopment	516,204	42,736	12,104	-
Health and Welfare	2,894,837	14,789	2,467,023	-
Interest on Long-Term Debt	313,538	-	-	-
<b>Total Governmental Activities</b>	<b>22,137,113</b>	<b>3,630,254</b>	<b>3,039,007</b>	<b>1,262,667</b>
 <b>Business-Type Activities:</b>				
Utilities	2,306,215	1,958,507	-	-
<b><u>Total Primary Government</u></b>	<b>\$ 24,443,328</b>	<b>\$ 5,588,761</b>	<b>\$ 3,039,007</b>	<b>\$ 1,262,667</b>

**General Revenues:**

    Taxes:

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

    Intergovernmental Revenues

    Insurance Proceeds

    Franchise Revenue

    Miscellaneous

    Special Item - Sale of Assets

    Interest Earned

    Capital Contributions

    Transfers

        Total General Revenues, Special Items and Transfers

        Changes in Net Assets

**Net Assets - Beginning**

**Net Assets - Ending**

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

Governmental Activities	Business-Type Activities	Total
\$ (2,565,030)	\$ -	\$ (2,565,030)
(6,111,619)	-	(6,111,619)
(2,642,330)	-	(2,642,330)
(1,698,279)	-	(1,698,279)
(461,364)	-	(461,364)
(413,025)	-	(413,025)
(313,538)	-	(313,538)
<u>(14,205,185)</u>	<u>-</u>	<u>(14,205,185)</u>
<u>-</u>	<u>(347,708)</u>	<u>(347,708)</u>
<u>\$ (14,205,185)</u>	<u>\$ (347,708)</u>	<u>\$ (14,552,893)</u>
666,949	-	666,949
156,752	-	156,752
11,795,609	-	11,795,609
411,863	-	411,863
178,419	-	178,419
32,333	-	32,333
893,075	-	893,075
416,823	-	416,823
160,139	-	160,139
79,978	-	79,978
-	1,053,999	1,053,999
16,206	(16,206)	-
<u>14,808,146</u>	<u>1,037,793</u>	<u>15,845,939</u>
602,961	690,085	1,293,046
<u>39,095,512</u>	<u>5,054,318</u>	<u>44,149,830</u>
<u>\$ 39,698,473</u>	<u>\$ 5,744,403</u>	<u>\$ 45,442,876</u>

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

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

CITY OF WEST MONROE, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2004

	<u>General Fund</u>	<u>86 Sales Tax 75% Capital Fund</u>	<u>I-20/Downing Pines Interchange Project</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 4,455,023	\$ -	\$ 3,088,914
Investments	-	-	-
Accounts Receivable	310,509	-	-
Due From Other Governments	39,140	-	-
Due From Other Funds	-	540,161	168,589
Inventories	31,726	-	-
	<hr/>	<hr/>	<hr/>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 4,836,398</u></b>	<b><u>\$ 540,161</u></b>	<b><u>\$ 3,257,503</u></b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>Liabilities</b>			
Accounts Payable	\$ 304,718	\$ 63,173	\$ 116,378
Bank Overdraft	-	9,808	-
Due To Other Funds	-	-	-
Deposits Payable	47,759	-	-
<b>Total Liabilities</b>	<hr/> <b>352,477</b>	<hr/> <b>72,981</b>	<hr/> <b>116,378</b>
 <b>Fund Balances:</b>			
Reserved for:			
Inventories	31,726	-	-
Debt Service	-	-	-
Unreserved, Reported In:			
General Fund	4,452,195	-	-
Special Revenue Funds	-	467,180	-
Expendable Trust Funds	-	-	-
Capital Project Funds	-	-	3,141,125
<b>Total Fund Balances</b>	<hr/> <b>4,483,921</b>	<hr/> <b>467,180</b>	<hr/> <b>3,141,125</b>
 <b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	 <b><u>\$ 4,836,398</u></b>	 <b><u>\$ 540,161</u></b>	 <b><u>\$ 3,257,503</u></b>

CDBG - Street Paving Project	Total Nonmajor Governmental Funds	Total Governmental Funds
\$ 406,957	\$ 539,511	\$ 8,490,405
-	726,405	726,405
-	21,209	331,718
-	402,657	441,797
-	769,471	1,478,221
-	-	31,726
<u>\$ 406,957</u>	<u>\$ 2,459,253</u>	<u>\$ 11,500,272</u>
\$ -	\$ 94,400	\$ 578,669
-	-	9,808
406,957	1,080,678	1,487,635
-	-	47,759
<u>406,957</u>	<u>1,175,078</u>	<u>2,123,871</u>
-	-	31,726
-	456,265	456,265
-	-	4,452,195
-	200,431	667,611
-	947,825	947,825
-	(320,346)	2,820,779
<u>-</u>	<u>1,284,175</u>	<u>9,376,401</u>
<u>\$ 406,957</u>	<u>\$ 2,459,253</u>	<u>\$ 11,500,272</u>

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

CITY OF WEST MONROE, LOUISIANA  
RECONCILIATION OF GOVERNMENTAL  
FUNDS BALANCES TO STATEMENT OF NET ASSETS  
JUNE 30, 2004

Total Governmental Fund Balances	\$ 9,376,401
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	41,414,661
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(10,970,008)
The internal service fund is used for the financing of services provided by one fund to other funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets	<u>(122,581)</u>
Net Assets of Governmental Activities	<u>\$ 39,698,473</u>

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



**CITY OF WEST MONROE, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	<u>General Fund</u>	<u>86 Sales Tax 75% Capital Fund</u>	<u>I-20/Downing Pines Interchange Project</u>
<b><u>Revenues</u></b>			
Taxes	\$ 9,167,592	\$ 4,000,458	\$ -
Intergovernmental	194,852	-	-
Licenses and Permits	760,746	-	-
Charges for Services	1,984,873	-	-
Fines and Forfeitures	490,288	-	-
Interest Earned	67,385	2,395	-
Franchise Revenue	893,075	-	-
Other	385,736	118,873	299,950
<b>Total Revenues</b>	<u>13,944,547</u>	<u>4,121,726</u>	<u>299,950</u>
<b><u>Expenditures</u></b>			
General Government	3,281,382	-	-
Public Safety	5,626,173	-	-
Public Works	2,104,934	-	-
Culture and Recreation	2,064,455	-	-
Urban Redevelopment	439,797	-	-
Health and Welfare	-	-	-
Capital Improvements	-	2,887,954	1,668,069
Claims Paid	-	-	-
Debt Service:			
Principal Payments	-	-	-
Interest and Other	-	-	-
<b>Total Expenditures</b>	<u>13,516,741</u>	<u>2,887,954</u>	<u>1,668,069</u>
<b><u>Excess (Deficiency) of Revenues</u></b>			
<b><u>Over Expenditures</u></b>	427,806	1,233,772	(1,368,119)
<b><u>Other Financing Sources and (Uses)</u></b>			
Proceeds from Bonds	-	-	4,309,244
Transfers In	16,206	-	-
Transfers Out	(115,218)	(840,000)	-
<b>Total Other Financing Sources and Uses</b>	<u>(99,012)</u>	<u>(840,000)</u>	<u>4,309,244</u>
<b><u>Net Change in Fund Balance</u></b>			
	328,794	393,772	2,941,125
<b><u>Fund Balances - Beginning</u></b>			
	<u>4,155,127</u>	<u>73,408</u>	<u>200,000</u>
<b><u>FUND BALANCES - ENDING</u></b>			
	<u>\$ 4,483,921</u>	<u>\$ 467,180</u>	<u>\$ 3,141,125</u>

CDBG - Street Paving Project	Nonmajor Governmental Funds	Total Governmental Funds
\$ 325,939	\$ 426,628	\$ 13,920,617
-	3,118,043	3,312,895
-	-	760,746
-	-	1,984,873
-	-	490,288
-	10,198	79,978
-	-	893,075
-	476,837	1,281,396
<u>325,939</u>	<u>4,031,706</u>	<u>22,723,868</u>
-	-	3,281,382
-	436,613	6,062,786
-	113,022	2,217,956
-	277,080	2,341,535
-	-	439,797
-	2,606,962	2,606,962
325,939	547,440	5,429,402
-	155,055	155,055
-	846,077	846,077
-	292,782	292,782
<u>325,939</u>	<u>5,275,031</u>	<u>23,673,734</u>
-	(1,243,325)	(949,866)
-	-	4,309,244
-	955,218	971,424
-	-	(955,218)
-	955,218	4,325,450
-	(288,107)	3,375,584
-	1,572,282	6,000,817
<u>\$ -</u>	<u>\$ 1,284,175</u>	<u>\$ 9,376,401</u>

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

CITY OF WEST MONROE, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

Net Change in Fund Balances - Total  
Governmental Funds \$ 3,375,584

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

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

Capital asset purchases capitalized	2,914,153
Depreciation expense	<u>(2,157,798)</u>
	756,355

The internal service fund is used for the financing of services provided by one fund to other funds. The net revenue of the internal service fund is reported with governmental activities. (45,055)

Proceeds from issuance of long-term debt provide current financial resources to government funds, but the issuing of debt increases long-term liabilities in the Statement of Net Assets. (4,309,244)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 825,321

Change in Net Assets in Governmental Activities \$ 602,961

**CITY OF WEST MONROE, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2004**

	<u>Business-Type Activities Utility Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Accounts Receivable, Net of Allowance	\$ 252,526	\$ 2,208
Due From Other Funds	127,410	-
<b>Total Current Assets</b>	<b>379,936</b>	<b>2,208</b>
<b><u>Non-Current Assets</u></b>		
Restricted:		
Cash - Customer Deposits	117,014	-
Capital Assets:		
Land	37,750	-
Buildings	74,786	-
Water Plant	3,769,347	-
Wastewater Treatment Plant	9,826,648	-
Machinery, Equipment & Other	1,174,920	-
Less: Accumulated Depreciation	(9,410,025)	-
<b>Total Non-Current Assets</b>	<b>5,473,426</b>	<b>-</b>
<b><u>TOTAL ASSETS</u></b>	<b>\$ 5,970,376</b>	<b>\$ 2,208</b>
<b><u>LIABILITIES</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	\$ 3,754	\$ 6,793
Customer Deposits	117,014	-
Accrued Vacation and Sick Pay	105,205	-
Due to Other Funds	-	117,996
<b>Total Current Liabilities</b>	<b>225,973</b>	<b>124,789</b>
<b><u>NET ASSETS</u></b>		
Invested in Capital Assets, Net of Related Debt	5,473,426	-
Unrestricted	270,977	(122,581)
<b>Total Net Assets</b>	<b>5,744,403</b>	<b>(122,581)</b>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b>\$ 5,970,376</b>	<b>\$ 2,208</b>

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

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Business-Type Activities Utility Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<b><u>Operating Revenues</u></b>		
User Charges	\$ 1,133,940	\$ 1,078,818
Treatment Plant Fees	495,789	-
Water Penalties and Turn-on Fees	112,692	-
Sewer District 5 Contributions	216,086	-
<b>Total Operating Revenues</b>	<u>1,958,507</u>	<u>1,078,818</u>
<b><u>Operating Expenses</u></b>		
Waterworks	551,766	-
Sewerage	259,342	-
Water Treatment Plant	164,245	-
Sewer Treatment Plant	343,152	-
Public Works Construction	284,931	-
Public Works Administrative	227,807	-
Other Administrative	111,060	225,609
Claims Paid	-	898,264
Depreciation	363,912	-
<b>Total Non-Current Assets</b>	<u>2,306,215</u>	<u>1,123,873</u>
<b><u>Operating Loss</u></b>	(347,708)	(45,055)
Contributed Capital	1,053,999	-
Transfers Out	(16,206)	-
<b>Total</b>	<u>1,037,793</u>	<u>-</u>
<b><u>Changes in Net Assets</u></b>	690,085	(45,055)
<b><u>Net Assets - Beginning</u></b>	<u>5,054,318</u>	<u>(77,526)</u>
<b><u>NET ASSETS - ENDING</u></b>	<u>\$ 5,744,403</u>	<u>\$ (122,581)</u>

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

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Business-Type Activities Utility Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<b>Cash Flows From Operations</b>		
Receipts From Customers	\$ 2,083,038	\$ -
Receipts From Group Contributions	-	1,076,610
Payments to Provide Services	(1,941,550)	(303,135)
Payments for General and Administrative	(125,282)	(773,475)
<i>Net Cash Used by Operating Activities</i>	<u>16,206</u>	<u>-</u>
 <b>Cash Flows From Noncapital Financing Activities</b>		
Increase in Customer Deposits	613	-
Operating Transfers Out	(16,206)	-
<i>Net Cash Flows From Noncapital         Financing Activities</i>	<u>(15,593)</u>	<u>-</u>
 <b>Cash Flows From Capital and Related Financing Activities</b>		
Acquisitions of Capital Assets	(1,053,999)	-
Capital Contribution From Other Funds	1,053,999	-
<i>Net Cash Flows From Capital and Related         Financing Activities</i>	<u>-</u>	<u>-</u>
 <b>Net Decrease in Cash and Cash Equivalents</b>	613	-
 <b>Cash and Cash Equivalents at Beginning of Year</b>	<u>116,401</u>	<u>-</u>
 <b><u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u></b>	<u>\$ 117,014</u>	<u>\$ -</u>
 <b>Classified As:</b>		
Cash in Bank	\$ -	\$ -
Restricted Assets	117,014	-
 <b><u>TOTAL CASH AND CASH EQUIVALENTS</u></b>	<u>\$ 117,014</u>	<u>\$ -</u>

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Business-Type Activities Utility Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<b><u>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</u></b>		
Changes in Net Assets	\$ (347,708)	\$ (45,055)
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities		
Depreciation	363,912	-
Increase in Accounts Receivable	(24,237)	(1,683)
Increase in Accounts Payable	1,852	6,793
Decrease in Due From Other Funds	148,768	
Decrease in Due to Other Funds	(112,159)	39,945
Increase in Accrued Vacation and Sick Pay	(14,222)	-
Total Adjustments	<u>363,914</u>	<u>45,055</u>
<b><u>Net Cash Used by Operating Activities</u></b>	<b><u>\$ 16,206</u></b>	<b><u>\$ -</u></b>

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

## INTRODUCTION

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

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

The accompanying financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued *Statement 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and *Statement 35 Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. These Statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that government should have presented in the past. Comparability with reports issued in years prior to 2003 is affected.

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

The accompanying financial statements present the financial position of the City and the various funds and fund types, the results of operations of the City and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2004 and for the year then ended.

#### **A. Financial Reporting Entity**

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



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

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

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

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

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

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

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

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

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

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

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

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

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

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

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

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

***Governmental Fund Financial Statements*** – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities or the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end. Principal revenue sources considered susceptible to accrual include federal grants, interest on investments, sales and income taxes, and lease payments receivable. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the City's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the City.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

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

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

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

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at June 30, 2004 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

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

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

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

**D. Fund Accounting**

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

**1. Major Governmental Funds**

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

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

**D. Fund Accounting (continued)**

**1. Governmental Funds (continued)**

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

*I-20/Downing Pines Interchange Project* – These funds account for the construction of a new interchange project along Interstate 20.

*CDBG Street Paving Project* – These funds account for the Community Development Block Grant funds used for street overlay projects.

**2. Proprietary Funds**

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

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

**3. Fiduciary Funds**

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

**E. Cash and Cash Equivalents**

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

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

**F. Investments**

The Louisiana Asset Management Pool (LAMP) is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. LAMP's investment guidelines authorize investments in various investment products, including United States Treasury bills or notes, Federal Home Loan Bank notes, Federal National Mortgage Association notes and other investments as approved by LAMP's board of directors. The investments are stated at fair value based on quoted market values.

**G. Noncurrent Receivables**

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

**H. Bad Debts**

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

**I. Inventories**

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

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

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

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

**K. Capital Assets**

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

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

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

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

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

**L. Electrical System Operating Agreement**

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

**M. Compensated Absences**

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

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

**N. Long-Term Liabilities**

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

**O. Restricted Net Assets**

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

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

**P. Dedicated Revenues**

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

**Note 2- Cash and Cash Equivalents**

At June 30, 2004, the City has cash and cash equivalents (book balances net of overdrafts) as follows:

Demand Deposits	<u>\$ 8,592,361</u>
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These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable by both parties. Cash and cash equivalents (bank balances) at June 30, 2004, are secured as follows:

Bank Balances	<u>\$ 8,110,248</u>
Federal Deposits Insurance	\$ 200,000
Pledged Securities (Uncollateralized)	<u>9,642,328</u>
<u>TOTAL</u>	<u>\$ 9,842,328</u>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**Note 2- Cash and Cash Equivalents (continued)**

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the City, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent bank has failed to pay deposited funds upon demand.

**Note 3 - Investments**

Investments held ad June 30, 2004 consist of \$380,780 in the Louisiana Asset Management pool (LAMP), a local government investment pool and a certificate of deposit in the amount of 345,268 maintained at a local bank. This certificate of deposit is secured with pledged securities in the amount of \$342,668.

In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2004 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

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

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

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



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**Note 4 – Fund Deficit**

At June 30, 2004, the Detention Basin, Litter Abatement, General Insurance, Juvenile Justice Grant, Self Insurance, Officer Witness Court, Brownfields and Section 8 funds had fund deficits totaling \$720,698.

**Note 5 – Ad Valorem Taxes**

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

Property Tax Calendar

Assessment Date	January 1, 2003
Levy Date	September 1, 2003
Tax Bills Mailed	December 1, 2003
Total Taxes Are Due	January 31, 2004
Penalties and Interest are Added	February 15 2004
Tax Sales – 2003 Delinquent Property	June 23, 2004

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

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

The ad valorem tax millage is as follows:

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

**Note 6 – Accounts Receivable**

Accounts receivable at June 30, 2004, consisted of the following:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Accounts Receivable	\$ 325,246	\$ 254,734	\$ 579,980
Other Receivables	<u>6,472</u>	<u>-</u>	<u>6,472</u>
<b><u>TOTAL</u></b>	<b><u>\$ 331,718</u></b>	<b><u>\$ 254,734</u></b>	<b><u>\$ 586,452</u></b>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**Note 7 – Due From Other Governments**

The amounts due from other governments at June 30, 2004 are as follows:

Louisiana Department of Transportation and Development	\$ 83,742
Department of Housing and Urban Development	160,292
Federal Emergency Management Assistance	72,522
Louisiana Department of Revenue	9,962
Ouachita Parish Police Jury	4,312
Louisiana Community Development Block Grant	46,793
Louisiana Governor's Office of Elderly Affairs	8,021
Louisiana Commission on Law Enforcement	36,742
Corporation for National and Community Service	10,776
Department of Social Services	1,015
Department of Public Safety and Corrections	4,802
Environmental Protection Agency	<u>2,818</u>
<b>TOTAL</b>	<b><u>\$ 441,797</u></b>

**Note 8 – Capital Assets**

Capital asset activity for the year ended June 30, 2004 is as follows:

	<u>Primary Government</u>			
	<u>June 30, 2003</u>			
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
<b>Government Activities:</b>				
<b>Non-Depreciable Assets:</b>				
Land	\$ 4,561,490	\$ 1,381,635	\$( 25,036)	\$ 5,918,089
Construction In Progress	<u>254,679</u>	<u>555,998</u>	<u>-</u>	<u>810,677</u>
Total	4,816,169	1,937,633	( 25,036)	6,728,766
<b>Depreciable Assets:</b>				
Buildings	24,859,569	-	-	24,859,569
Improvements	752,806	45,644	-	798,450
Equipment	3,431,022	171,373	-	3,602,395
Vehicles	3,830,437	268,406	( 86,751)	4,012,092
<b>Infrastructure</b>	<u>45,970,074</u>	<u>503,134</u>	<u>-</u>	<u>46,473,208</u>
Total at Historical Cost	78,843,908	988,557	( 86,751)	79,745,714
<b>Less Accumulated</b>				
<b>Depreciation for:</b>				
Buildings	( 5,441,921)	( 620,106)	-	( 6,062,027)
Improvements	( 104,392)	( 19,962)	-	( 124,354)
Equipment	( 2,652,643)	( 272,167)	-	( 2,924,810)
Vehicles	( 3,275,774)	( 201,019)	86,751	( 3,390,042)
<b>Infrastructure</b>	<u>( 31,529,041)</u>	<u>( 1,044,544)</u>	<u>-</u>	<u>( 32,571,585)</u>
Total Accumulated Depreciation	<u>( 43,001,771)</u>	<u>( 2,157,798)</u>	<u>86,751</u>	<u>( 45,072,818)</u>
<b>Government Activities Capital</b>				
<b>Assets, Net</b>	<u>\$ 40,658,306</u>	<u>\$ 768,392</u>	<u>\$( 25,036)</u>	<u>\$ 41,401,662</u>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

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

Business-Type Activities:				
Non-Depreciable Assets:				
Land	\$ 37,750	\$ -	\$ -	\$ 37,750
Depreciable Assets:				
Buildings	74,786	-	-	74,786
Water Plant	3,786,333	521,271	-	4,307,604
Treatment Plant	8,914,945	373,447	-	9,288,392
Equipment	<u>1,015,640</u>	<u>159,278</u>	-	<u>1,174,918</u>
Totals at Historical Cost	13,791,704	1,053,996	-	14,845,700
Less Accumulated				
Depreciation for:				
Buildings	( 71,706)	( 1,480)	-	( 73,186)
Water Plant	( 2,998,256)	( 63,124)	-	( 3,061,380)
Treatment Plant	( 5,309,716)	( 229,438)	-	( 5,539,154)
Equipment	<u>( 666,434)</u>	<u>( 29,870)</u>	-	<u>( 736,304)</u>
Total Accumulated				
Depreciation	<u>( 9,046,112)</u>	<u>( 363,912)</u>	-	<u>( 9,410,024)</u>
<u>Business-Type Activities</u>				
Capital Assets, Net	<u>\$ 4,783,342</u>	<u>\$ 690,084</u>	<u>\$ -</u>	<u>\$ 5,473,426</u>

Depreciation expense for the year ended June 30, 2004 was charged to functions of the primary government as follows:

Government Activities:	
General Government	\$ 1,247,877
Public Safety	131,720
Public Works	171,156
Culture and Recreation	38,351
Community Development	75,055
Ike Hamilton Expo Center	443,632
Convention Center	48,998
Health and Welfare	<u>1,009</u>
Total Depreciation Expense -	
Governmental Activities	<u>\$ 2,157,798</u>
Business-Type Activities:	
Utilities	<u>\$ 363,912</u>

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

At June 30, 2004 and 2003, all restricted assets were in the form of demand deposits. These assets represent amounts held for utility customer deposits.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**Note 10 - Pension and Retirement Plans**

CITY OF WEST MONROE-SPONSORED PENSION PLANS

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

Effective January 1, 1986, the City-Sponsored West Monroe Firemen's Pension and Relief System merged with the State Firefighters' Retirement System. As a result of that merger, the City of West Monroe was indebted to the State Firefighters' Retirement System for \$1,284,820 at June 30, 2004 which represents the remaining principle balance of the accrued liability for those employees transferred to the Firefighters' Retirement System. This amount is being paid over 30 years at 7% interest. The City paid principal and interest payments of \$171,340 during fiscal year 2004 from sales tax revenues.

STATE RETIREMENT SYSTEMS

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

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

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

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

Funding Policy – State statute requires covered employees to contribute 9.25 percent of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The current actuarially determined rate is 11.0 percent of annual covered payroll. The City's contributions to the System under Plan A for the years ending June 30, 2004, 2003 and 2002 were \$489,242, \$363,370 and \$296,399, respectively, equal to the required contributions for each year.

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

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

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

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

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

Funding Policy - State statute requires covered employees to contribute 7.50 percent of their salaries to the system. The City is required to contribute 15.25 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the System for the years ending June 30, 2004, 2003 and 2002 were \$332,760, \$204,589 and \$178,528, respectively, equal to the required contributions for the year.

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

FIREFIGHTERS' RETIREMENT SYSTEM

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

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

Funding Policy - State statute requires covered employees to contribute 8.00 percent of their salaries to the system. The City is required to contribute 22.00 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contribution to the System for the years ending June 30, 2004, 2003 and 2002 were \$221,805, \$126,830, and \$90,270, respectively, equal to the required contributions for the year.

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

LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM

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

Funding Policy - State statute requires covered employees to contribute 12.30 percent of their salaries to the system. The City is required to contribute 15.8 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contribution to the plan for the years ending June 30, 2004, 2003 and 2002 were \$5,173, \$4,411 and \$4,127, respectively, equal to the required contributions for the year.

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

**Note 11 - Postemployment Health Care Benefits**

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**Note 12 - Long-Term Debt**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
<b>Bonds and Notes Payable:</b>					
Certificates of Indebtedness, Series 2003	\$ -	\$ 7,895,000	\$ -	\$ 7,895,000	\$ 705,000
Series 1999 and 1998	4,335,000	-	4,335,000	-	-
State Firefighters' Retirement System	<u>1,360,897</u>	<u>-</u>	<u>76,077</u>	<u>1,284,820</u>	<u>81,402</u>
<b><u>Total Bonds and Notes Payable</u></b>	<b>5,695,897</b>	<b>7,895,000</b>	<b>4,411,077</b>	<b>9,179,820</b>	<b>786,402</b>
<b>Other Liabilities:</b>					
Accrued Heart and Lung Disability	\$ 1,120,512	\$ -	\$ 45,615	\$ 1,074,897	\$ 67,444
Accrued Vacation, Sick And Compensatory Time	<u>669,676</u>	<u>32,616</u>	<u>-</u>	<u>702,292</u>	<u>702,292</u>
<b>Total Other Liabilities</b>	<b><u>1,790,188</u></b>	<b><u>32,616</u></b>	<b><u>45,615</u></b>	<b><u>1,777,189</u></b>	<b><u>769,736</u></b>
<b><u>Total Governmental Activities Long-Term Debt</u></b>	<b><u>\$ 7,486,085</u></b>	<b><u>\$ 7,927,616</u></b>	<b><u>\$ 4,456,692</u></b>	<b><u>\$10,957,009</u></b>	<b><u>\$1,556,138</u></b>

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

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

Year Ended <u>June 30,</u>	<u>Certificates of Indebtedness Series 2003</u>		<u>State Firefighters' Retirement System</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 705,000	\$ 283,996	\$ 81,402	\$ 89,938
2006	685,000	259,520	87,100	84,239
2007	715,000	232,990	93,198	78,142
2008	735,000	205,513	99,721	71,618
2009	765,000	177,088	106,702	64,638
2010-2014	4,290,000	418,795	656,567	200,131
2015-2019	<u>-</u>	<u>-</u>	<u>160,130</u>	<u>11,209</u>
<b><u>Total</u></b>	<b><u>\$ 7,895,000</u></b>	<b><u>\$ 1,157,872</u></b>	<b><u>\$ 1,284,820</u></b>	<b><u>\$ 569,915</u></b>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

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

The City of West Monroe is self-insured with respect to workers' compensation claims up to \$250,000 per occurrence. Consequently, the City is responsible for providing Louisiana State Workers Compensation benefits under the Heart and Lung Act. Under this act, special treatment has been accorded firemen who develop any disease or infirmity of the heart and lungs. Louisiana Revised Statute 33.2581 provides a presumption in favor of firemen that the disease is related to employment even if they are not on duty when stricken with the disease, if the disease manifests itself after the first five years of employment. At June 30, 2004, the City is responsible for payment of lifetime benefits to five firemen. The actuarial estimate of the liability is \$1,074,897.

The annual payment requirements outstanding at June 30, 2004 are as follows:

2005	\$ 67,444
2006	67,444
2007	67,444
2008	67,444
2009	67,444
2010-2014	337,220
2015-2019	277,841
2020-2024	81,744
2025-2029	<u>40,872</u>
<u>TOTAL</u>	<u>\$1,074,897</u>

**Note 14 - Northeast Louisiana Arts Council**

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

**Note 15 - Litigation**

There are several pending lawsuits in which the City is involved. The City Attorney is unaware of any pending litigation from which he would reasonably expect the City to incur a liability in excess of its applicable deductible on any insurance policy, and is further unaware of any litigation where the City may not be insured as to any claim where he would reasonably expect the City to incur a liability in excess of \$10,000.

**Note 16 - Self-Insurance Program**

During 1998, the City began a self-insurance program for hospitalization and medical coverage for its employees. The City limits its losses through the use of reinsurers. The City's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees. At June 30, 2004, the City's annual cost, excluding reinsurance premiums, is limited to approximately \$1,510,788.

**Note 17 - Purchase Commitments**

The City has committed to pay for 20% of the purchase price of two vans that the West Ouachita Senior Center has contracted with the Louisiana Department of Transportation and Development (DOTD) to buy. The City has already remitted the required matching funds of \$13,032 for the vans as of year end. The vans are expected to be delivered in fiscal year 2005.



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**Note 18 - Lease Pursuant To Cooperative Endeavor**

The City constructed a building and is receiving monthly rent income from the Monroe-West Monroe Convention & Visitor's Bureau of Ouachita Parish (the Bureau). The agreement is a lease pursuant to Cooperative Endeavor for \$2,000 per month and a lump sum payment at the end of each year for a period of 15 years. In addition to the monthly rental, the Bureau is to pay back to the City all of the construction costs of the building. The Bureau is not obligated to make all of the payments but has agreed to use all best efforts to obtain and maintain funds from which payments under this agreement may be made. At June 30, 2004, the amount was paid in full.

**Note 19 - Interfund Receivables and Payables**

Interfund balances at June 30, 2004, were as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Interfund</u> <u>Payables</u>
<b>Major Funds:</b>		
'86 Sales Tax	\$ 540,161	\$ -
I-20/Downing Pines Interchange	168,589	-
<b>Enterprise Fund</b>	127,410	-
<b>Non-Major Funds:</b>		
Governmental Funds	769,471	1,487,635
Internal Service Fund	-	117,996
<b><u>TOTAL</u></b>	<b><u>\$ 1,605,631</u></b>	<b><u>\$ 1,605,631</u></b>

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

**Note 20 - Interfund Operating Transfers In and Out**

Interfund operating transfers in and out during the year ended June 30, 2004, were as follows:

<u>Fund</u>	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
<b>Major Funds:</b>		
General Fund	\$ 16,206	\$ 115,218
'86 Sales Tax Capital	-	840,000
<b>Enterprise Fund</b>	-	16,206
<b>Non-Major Funds:</b>		
Governmental Funds	115,218	
Debt Service Funds	840,000	-
<b><u>TOTAL</u></b>	<b><u>\$ 971,424</u></b>	<b><u>\$ 971,424</u></b>

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**Note 21 - Restatement of Beginning Fund Balance – Section 8 Housing Fund**

During the year, the Department of Housing and Urban Development (HUD) adjusted the amount of their overpayment to the City for the year 2002-2003. Instead of requesting these funds back, HUD lowered the amount of payments for the 2003-2004 year and had the City restate the Section 8 financial statements beginning fund balance. This occurrence had the following effect on the Section 8 beginning fund balance:

Fund Balance at July 1, 2003	\$ ( 44,723)
HUD Required Restatement for Overpayment	( 10,647)
<u>BEGINNING FUND BALANCE RESTATED</u>	<u>\$ ( 55,370)</u>

REQUIRED SUPPLEMENTAL INFORMATION (PART B)  
BUDGETARY COMPARISON SCHEDULES

CITY OF WEST MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
<b><u>Resources (Inflows):</u></b>				
Taxes	9,353,500	9,255,800	9,167,592	(88,208)
Intergovernmental	153,670	194,000	194,852	852
Licenses and Permits	663,800	760,000	760,746	746
Charges for Services	1,977,320	1,957,000	1,984,873	27,873
Fines and Forfeitures	389,000	490,000	490,288	288
Interest Earned	105,400	31,000	67,385	36,385
Franchise Revenue	676,000	687,000	893,075	206,075
Other	99,360	373,600	385,736	12,136
Transfers From Other Funds	60,140	-	16,206	16,206
Amounts Available for Appropriation	13,478,190	13,748,400	13,960,753	212,353
<b><u>Charges to Appropriations (Outflows):</u></b>				
General Government:				
Elected Council	74,392	74,392	73,332	1,060
City Court	286,131	301,681	311,175	(9,494)
Marshal	240,117	231,517	231,444	73
Mayor's Office	153,849	151,644	149,806	1,838
City Clerk's Office	682,947	665,647	659,324	6,323
City Hall Maintenance	417,151	448,266	443,351	4,915
General and Administrative	1,371,688	1,447,188	1,412,950	34,238
Public Safety:				
Legal	267,835	276,725	270,250	6,475
Fire	1,602,750	1,563,550	1,567,960	(4,410)
Police	3,145,381	3,160,250	3,192,243	(31,993)
Prison	504,200	510,000	512,776	(2,776)
Police Shop	80,790	81,000	82,944	(1,944)
Public Works:				
Garbage	645,534	660,874	640,896	19,978
Trash	494,750	466,560	454,910	11,650
Streets	550,366	541,236	546,795	(5,559)
Cemetery	42,300	42,540	42,115	425
Planning and Zoning	172,562	167,482	165,002	2,480
City Maintenance Shop	273,775	264,550	255,216	9,334

CITY OF WEST MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Culture and Recreation:</b>				
Recreation and Parks	280,640	258,715	256,878	1,837
Kiroli Park	313,482	316,995	315,330	1,665
Lazarre Park	6,400	8,700	9,736	(1,036)
Farmer's Market	16,950	17,620	17,236	384
Tanner Building & Business Center	187,410	172,885	174,108	(1,223)
Community Development	212,240	215,000	215,855	(855)
Ike Hamilton Expo Center	824,625	811,889	804,997	6,892
Convention Center	634,645	670,755	660,278	10,477
Economic Development	50,445	50,195	49,834	361
<b>Non-Departmental:</b>				
Transfers to Other Funds	131,000	134,350	115,218	19,132
<b>Total Charges to Appropriations</b>	<u>13,664,355</u>	<u>13,712,206</u>	<u>13,631,959</u>	<u>80,247</u>
<b><u>Excess of Resources Over (Under)</u></b>				
<u>Charges to Appropriations</u>	(186,165)	36,194	328,794	292,600
<b><u>Fund Balance at Beginning of Year</u></b>	<u>4,155,127</u>	<u>4,155,127</u>	<u>4,155,127</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 3,968,962</u>	<u>\$ 4,191,321</u>	<u>\$ 4,483,921</u>	<u>\$ 292,600</u>

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

CITY OF WEST MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - '86 SALES TAX 75% CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
<b><u>Resources (Inflows):</u></b>				
Sales Tax	3,730,000	4,117,825	4,000,458	(117,367)
Non-City Revenue	-	-	118,873	118,873
Interest Income	2,000	3,000	2,395	(605)
Amounts Available for Appropriation	3,732,000	4,120,825	4,121,726	901
<b><u>Charges to Appropriations (Outflows):</u></b>				
Computer Equipment and Software	292,000	358,000	356,059	1,941
Street Projects	225,000	130,000	151,915	(21,915)
Drainage Projects	50,000	51,000	51,681	(681)
Furniture and Fixtures	40,000	21,000	21,771	(771)
Vehicles	300,000	335,000	337,850	(2,850)
Machinery and Equipment	250,000	733,000	733,828	(828)
Consultants	55,000	179,000	177,579	1,421
Engineering	280,000	230,000	227,811	2,189
Construction/Buildings/Facilities	40,000	13,000	12,854	146
Water Projects	125,000	450,000	450,174	(174)
Sewer Projects	140,000	188,000	188,908	(908)
Treatment Plant Projects	500,000	-	-	-
Land Purchases	-	40,000	39,064	936
Maintenance	165,000	117,000	138,460	(21,460)
Transfers Out To Other Funds	1,050,000	840,000	840,000	-
Total Charges to Appropriations	3,512,000	3,685,000	3,727,954	(42,954)
<b><u>Excess of Resources Over (Under)</u></b>				
<u>Charges to Appropriations</u>	220,000	435,825	393,772	(42,053)
<b><u>Fund Balance at Beginning of Year</u></b>	566,408	73,408	73,408	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 786,408</u>	<u>\$ 509,233</u>	<u>\$ 467,180</u>	<u>\$ (42,053)</u>

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2004

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

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

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

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

PRIMARY GOVERNMENT SUPPLEMENTAL  
INFORMATION SCHEDULES



CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS)  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Mid-South IDA Initiative Grant</u>	<u>Fire Act Grant</u>	<u>Boys and Girls Club Grant</u>
<b><u>Revenues</u></b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	-	-	-
Other	-	80,534	16,668
<b>Total Revenues</b>	<u>-</u>	<u>80,534</u>	<u>16,668</u>
<b><u>Expenditures</u></b>			
Public Safety	-	-	-
Public Works	-	-	-
Health and Welfare	-	-	-
Culture and Recreation	10,535	-	20,034
Capital Expenditures & Major Repairs	-	80,534	-
<b>Total Expenditures</b>	<u>10,535</u>	<u>80,534</u>	<u>20,034</u>
<b><u>Excess (Deficiency) of Revenues Over Expenditures</u></b>	(10,535)	-	(3,366)
<b><u>Other Financing Sources (Uses)</u></b>			
Operating Transfers - In	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Net Change in Fund Balance</u></b>	(10,535)	-	(3,366)
<b><u>Fund Balances - Beginning</u></b>	<u>13,763</u>	<u>-</u>	<u>14,968</u>
<b><u>FUND BALANCES - ENDING</u></b>	<u>\$ 3,228</u>	<u>\$ -</u>	<u>\$ 11,602</u>

<u>Rental Rehabilitation Fund</u>	<u>Metro LCLE Grant Fund</u>	<u>Juvenile Justice Grant Fund</u>	<u>North Delta Law Enforcement Training Center Fund</u>	<u>Office of Motor Vehicles</u>	
\$ 6,904	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	
-	27,710	9,032	-	4,802	C
-	2,614	-	67,266	67,673	O
<u>\$ 6,904</u>	<u>\$ 30,324</u>	<u>\$ 9,032</u>	<u>\$ 67,266</u>	<u>\$ 72,475</u>	N
					T
\$ -	\$ 27,710	\$ -	\$ 45	\$ 49	I
-	-	9,084	275	-	N
-	27,710	9,084	320	49	U
					E
<u>6,904</u>	<u>2,614</u>	<u>(52)</u>	<u>66,946</u>	<u>72,426</u>	D
<u>\$ 6,904</u>	<u>\$ 30,324</u>	<u>\$ 9,032</u>	<u>\$ 67,266</u>	<u>\$ 72,475</u>	

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS)  
FOR THE YEAR ENDED JUNE 30, 2004

	Section 8 Housing	Brownfields Pilot Grant	LA Commission on Law Enforcement Block Grant	Americorps Grant Fund
<b><u>Revenues</u></b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,955,451	12,104	20,216	114,812
Interest	1,360	-	-	-
Other	19,112	-	2,070	-
<b>Total Revenues</b>	<u>1,975,923</u>	<u>12,104</u>	<u>22,286</u>	<u>114,812</u>
<b><u>Expenditures</u></b>				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health and Welfare	1,983,058	-	-	-
Culture and Recreation	-	12,504	-	116,011
Capital Expenditures & Major Repairs	-	-	22,286	-
<b>Total Expenditures</b>	<u>1,983,058</u>	<u>12,504</u>	<u>22,286</u>	<u>116,011</u>
<b><u>Excess (Deficiency) of</u></b>				
<b><u>Revenues Over Expenditures</u></b>	(7,135)	(400)	-	(1,199)
<b><u>Other Financing Sources (Uses)</u></b>				
Operating Transfers - In	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Net Change in Fund Balance</u></b>	(7,135)	(400)	-	(1,199)
<b><u>Fund Balances - Beginning</u></b>	<u>(55,370)</u>	<u>-</u>	<u>-</u>	<u>21,096</u>
<b><u>FUND BALANCES - ENDING</u></b>	<u>\$ (62,505)</u>	<u>\$ (400)</u>	<u>\$ -</u>	<u>\$ 19,897</u>

Childrens' Trust Fund	Litter Abatement Grant	Community Center Donations Fund	Credit Union Fund	Workforce Investment Board Grant	
\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	21,209	-	
1,015	-	-	-	-	C
276	-	30,884	-	1,972	O
<u>\$ 1,291</u>	<u>\$ -</u>	<u>\$ 30,884</u>	<u>\$ 21,209</u>	<u>\$ 1,972</u>	N
\$ -	\$ -	\$ -	\$ -	\$ -	T
-	26,479	-	21,209	-	I
-	<u>26,479</u>	-	<u>21,209</u>	-	N
1,291	(26,479)	30,884	-	1,972	U
<u>\$ 1,291</u>	<u>\$ -</u>	<u>\$ 30,884</u>	<u>\$ 21,209</u>	<u>\$ 1,972</u>	E
					D

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS)  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Street Maintenance Fund</u>	<u>West Ouachita Senior Center Fund</u>	<u>Emergency Shelter Program Fund</u>	<u>Officer Witness Court Fund</u>
<b><u>Revenues</u></b>				
Taxes	\$ 156,752	\$ -	\$ -	\$ -
Intergovernmental	-	326,096	-	-
Interest	-	56	-	-
Other	-	165,661	15,492	11,079
<b>Total Revenues</b>	<u>156,752</u>	<u>491,813</u>	<u>15,492</u>	<u>11,079</u>
<b><u>Expenditures</u></b>				
Public Safety	-	-	-	18,325
Public Works	113,022	-	-	-
Health and Welfare	-	607,031	16,873	-
Culture and Recreation	-	-	-	-
Capital Expenditures & Major Repairs	-	-	-	-
<b>Total Expenditures</b>	<u>113,022</u>	<u>607,031</u>	<u>16,873</u>	<u>18,325</u>
<b><u>Excess (Deficiency) of Revenues Over Expenditures</u></b>	43,730	(115,218)	(1,381)	(7,246)
<b><u>Other Financing Sources</u></b>				
Operating Transfers - In	-	115,218	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>115,218</u>	<u>-</u>	<u>-</u>
<b><u>Net Change in Fund Balance</u></b>	43,730	-	(1,381)	(7,246)
<b><u>Fund Balances - Beginning</u></b>	<u>11,451</u>	<u>-</u>	<u>11,149</u>	<u>3,822</u>
<b><u>FUND BALANCES - ENDING</u></b>	<u>\$ 55,181</u>	<u>\$ -</u>	<u>\$ 9,768</u>	<u>\$ (3,424)</u>

<u>21st Century Ouachita Parish School Board Grant</u>	<u>Bulletproof Vest Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 83,246
-	-	21,209
-	-	355,864
<u>5,080</u>	<u>5,812</u>	<u>270,477</u>
<u>\$ 5,080</u>	<u>\$ 5,812</u>	<u>\$ 730,796</u>
\$ 314	\$ -	\$ 40,233
-	-	490,132
<u>314</u>	<u>-</u>	<u>530,365</u>
<u>4,766</u>	<u>5,812</u>	<u>200,431</u>
<u>\$ 5,080</u>	<u>\$ 5,812</u>	<u>\$ 730,796</u>

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004

	<u>Mid-South IDA Initiative Grant</u>	<u>Fire Act Grant</u>	<u>Boys and Girls Club Grant</u>
<b><u>ASSETS</u></b>			
Cash in Bank	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-
Due From Other Governments	-	72,522	-
Due From Other Funds	3,228	-	11,602
	<u>3,228</u>	<u>-</u>	<u>11,602</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 3,228</u></b>	<b><u>\$ 72,522</u></b>	<b><u>\$ 11,602</u></b>
 <b><u>LIABILITIES</u></b>			
Accounts Payable	\$ -	\$ -	\$ -
Due To Other Funds	-	72,522	-
<b>Total Liabilities</b>	<b>-</b>	<b>72,522</b>	<b>-</b>
 <b><u>FUND BALANCES</u></b>			
Unreserved	<u>3,228</u>	<u>-</u>	<u>11,602</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 3,228</u></b>	<b><u>\$ 72,522</u></b>	<b><u>\$ 11,602</u></b>

<u>Rental Rehabilitation Fund</u>	<u>Metro LCLE Grant Fund</u>	<u>Juvenile Justice Grant Fund</u>	<u>North Delta Law Enforcement Training Center Fund</u>	<u>Office of Motor Vehicles</u>	
\$ -	\$ -	\$ -	\$ 74,536	\$ -	
-	251,515	10,952	-	57,846	
-	-	-	-	-	
-	-	-	-	-	
<u>-</u>	<u>251,515</u>	<u>10,952</u>	<u>74,536</u>	<u>57,846</u>	
-	251,515	9,031	91,828	65,914	C
-	-	-	-	-	O
-	-	-	-	-	N
-	-	-	-	-	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	T
<u>-</u>	<u>251,515</u>	<u>9,031</u>	<u>91,828</u>	<u>65,914</u>	I
-	-	1,921	(17,292)	(8,068)	N
-	-	-	-	-	U
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	E
-	-	1,921	(17,292)	(8,068)	D
<u>6,904</u>	<u>2,614</u>	<u>(1,973)</u>	<u>84,238</u>	<u>80,494</u>	
<u>\$ 6,904</u>	<u>\$ 2,614</u>	<u>\$ (52)</u>	<u>\$ 66,946</u>	<u>\$ 72,426</u>	



CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004

	<u>Section 8 Housing</u>	<u>Brownfields Pilot Grant</u>	<u>LA Commission on Law Enforcement Block Grant</u>	<u>Americorps Grant Fund</u>
<b><u>ASSETS</u></b>				
Cash in Bank	\$ 76,342	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due From Other Governments	160,292	2,818	-	10,776
Due From Other Funds	-	-	-	9,121
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 236,634</u></b>	<b><u>\$ 2,818</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 19,897</u></b>
 <b><u>LIABILITIES</u></b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	299,139	3,218	-	-
<b>Total Liabilities</b>	<b><u>299,139</u></b>	<b><u>3,218</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
 <b><u>FUND BALANCES</u></b>				
Unreserved	<u>(62,505)</u>	<u>(400)</u>	<u>-</u>	<u>19,897</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 236,634</u></b>	<b><u>\$ 2,818</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 19,897</u></b>

Childrens' Trust Fund	Litter Abatement Grant	Community Center Donations Fund	Credit Union Fund	Workforce Investment Board Grant	
\$ -	\$ -	\$ -	\$ -	\$ -	
4,994	-	-	-	-	
-	-	-	-	-	
-	-	7,720	34,975	-	
<u>4,994</u>	<u>-</u>	<u>7,720</u>	<u>34,975</u>	<u>-</u>	
-	-	-	-	-	C
-	-	-	-	-	O
-	-	-	-	-	
4,994	12,838	2,739	34,975	-	N
-	-	-	-	-	T
<u>4,994</u>	<u>12,838</u>	<u>2,739</u>	<u>34,975</u>	<u>-</u>	I
-	(12,838)	4,981	-	-	N
-	-	-	-	-	U
-	-	-	-	-	E
-	-	-	-	-	
-	(12,838)	4,981	-	-	D
1,291	(13,641)	25,903	-	1,972	
<u>\$ 1,291</u>	<u>\$ (26,479)</u>	<u>\$ 30,884</u>	<u>\$ -</u>	<u>\$ 1,972</u>	

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004

	<u>Street Maintenance Fund</u>	<u>West Ouachita Senior Center Fund</u>	<u>Emergency Shelter Program Fund</u>	<u>Officer Witness Court Fund</u>
<b><u>ASSETS</u></b>				
Cash in Bank	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due From Other Governments	-	66,897	-	-
Due From Other Funds	55,181	-	9,768	-
	<u>55,181</u>	<u>-</u>	<u>9,768</u>	<u>-</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 55,181</u></b>	<b><u>\$ 66,897</u></b>	<b><u>\$ 9,768</u></b>	<b><u>\$ -</u></b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ -	\$ 12,115	\$ -	\$ -
Due To Other Funds	-	54,782	-	3,424
<b>Total Liabilities</b>	<u>-</u>	<u>66,897</u>	<u>-</u>	<u>3,424</u>
<b><u>FUND BALANCES</u></b>				
Unreserved	<u>55,181</u>	<u>-</u>	<u>9,768</u>	<u>(3,424)</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 55,181</u></b>	<b><u>\$ 66,897</u></b>	<b><u>\$ 9,768</u></b>	<b><u>\$ -</u></b>

21st Century Ouachita Parish School Board Grant	Bulletproof Vest Grant	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 231,288
-	-	2,753,986
-	-	1,416
68,189	7,130	428,630
<u>68,189</u>	<u>7,130</u>	<u>3,415,320</u>
-	-	436,613
-	-	113,022
-	-	2,606,962
62,450	-	277,080
-	1,318	104,138
<u>62,450</u>	<u>1,318</u>	<u>3,537,815</u>
5,739	5,812	(122,495)
-	-	115,218
<u>-</u>	<u>-</u>	<u>115,218</u>
5,739	5,812	(7,277)
<u>(973)</u>	<u>-</u>	<u>207,708</u>
<u>\$ 4,766</u>	<u>\$ 5,812</u>	<u>\$ 200,431</u>

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004

	<u>Firemen's Pension Merger Fund</u>	<u>Capital Projects Debt Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
 <b><u>ASSETS</u></b>			
Cash in Bank	<u>\$ 104,249</u>	<u>\$ 352,016</u>	<u>\$ 456,265</u>
 <b><u>LIABILITIES</u></b>			
Due To Other Funds	\$ -	\$ -	\$ -
 <b><u>FUND BALANCES</u></b>			
Reserved For Debt Service	<u>104,249</u>	<u>352,016</u>	<u>456,265</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<u>\$ 104,249</u>	<u>\$ 352,016</u>	<u>\$ 456,265</u>

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Firemen's Pension Merger Fund</u>	<u>Capital Projects Debt Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
<b><u>Revenues</u></b>			
Taxes	\$ 171,340	\$ -	\$ 171,340
<b><u>Expenditures</u></b>			
Principal Retirement	76,077	770,000	846,077
Interest	95,263	197,519	292,782
Total Expenditures	<u>171,340</u>	<u>967,519</u>	<u>1,138,859</u>
<b><u>Excess ((Deficiency) of Revenues Over Expenditures</u></b>	-	(967,519)	(967,519)
<b><u>Other Financing Sources</u></b>			
Operating Transfers - In	<u>-</u>	<u>840,000</u>	<u>840,000</u>
<b><u>Net Change in Fund Balance</u></b>	-	(127,519)	(127,519)
<b><u>Fund Balance - Beginning</u></b>	<u>104,249</u>	<u>479,535</u>	<u>583,784</u>
<b><u>FUND BALANCE - ENDING</u></b>	<u>\$ 104,249</u>	<u>\$ 352,016</u>	<u>\$ 456,265</u>

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004

	<u>Detention Basin Grant Project</u>	<u>CDBG - Bancroft Bag Project</u>	<u>CDBG - Pine Valley Foods Project</u>
<b><u>ASSETS</u></b>			
Due From Other Governments	\$ -	\$ -	\$ 46,793
Due From Other Funds	-	10,097	63,964
	<hr/>	<hr/>	<hr/>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,097</u></b>	<b><u>\$ 110,757</u></b>
 <b><u>LIABILITIES</u></b>			
Accounts Payable	\$ -	\$ 7,374	\$ 46,793
Due To Other Funds	323,069	-	63,964
<b>Total Liabilities</b>	<b>323,069</b>	<b>7,374</b>	<b>110,757</b>
	<hr/>	<hr/>	<hr/>
<b><u>FUND BALANCES (DEFICITS)</u></b>			
Unreserved:			
Designated for Future Expenditures	<hr/> (323,069)	<hr/> 2,723	<hr/> -
<b><u>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,097</u></b>	<b><u>\$ 110,757</u></b>

<u>CDBG - Send Technologies Project</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ -	\$ 46,793
<u>21,325</u>	<u>95,386</u>
<u>\$ 21,325</u>	<u>\$ 142,179</u>
\$ -	\$ 54,167
<u>21,325</u>	<u>408,358</u>
21,325	462,525
<u>-</u>	<u>(320,346)</u>
<u>\$ 21,325</u>	<u>\$ 142,179</u>



CITY OF WEST MONROE, LOUISIANA  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS)  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Detention Basin Grant Project</u>	<u>CDBG - Bancroft Bag Project</u>	<u>CDBG - Pine Valley Foods Project</u>
<b><u>Revenues</u></b>			
Intergovernmental	\$ -	\$ 94,493	\$ 248,239
Other	-	7,374	-
<b>Total Revenues</b>	<u>-</u>	<u>101,867</u>	<u>248,239</u>
<b><u>Expenditures</u></b>			
Capital Projects	<u>71,871</u>	<u>101,867</u>	<u>248,239</u>
<b><u>Excess (Deficiency) of</u></b>			
<b><u>Revenues Over Expenditures</u></b>	(71,871)	-	-
<b><u>Other Financing Sources (Uses)</u></b>			
Operating Transfers - In	-	-	-
Operating Transfers - Out	-	-	-
<b>Total Other Financing Sources     (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Net Change in Fund Balance</u></b>	(71,871)	-	-
<b><u>Fund Balances - Beginning</u></b>	<u>(251,198)</u>	<u>2,723</u>	<u>-</u>
<b><u>FUND BALANCES - ENDING</u></b>	<u>\$ (323,069)</u>	<u>\$ 2,723</u>	<u>\$ -</u>

CDBG - Send Technologies Project	Total Nonmajor Capital Project Funds
\$ 21,325	\$ 364,057
<u>-</u>	<u>7,374</u>
21,325	371,431
<u>21,325</u>	<u>443,302</u>
-	(71,871)
-	-
<u>-</u>	<u>-</u>
-	-
-	(71,871)
<u>-</u>	<u>(248,475)</u>
<u>\$ -</u>	<u>\$ (320,346)</u>

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR FIDUCIARY FUNDS - EXPENDABLE TRUST FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004

	<u>Employees' Workmen's Compensation Reserve Fund</u>	<u>General Insurance Fund</u>	<u>Hasley Cemetery Fund</u>	<u>Total Nonmajor Expendable Trust Funds</u>
<b><u>ASSETS</u></b>				
Investments	\$ 472,553	\$ -	\$ 253,852	\$ 726,405
Due From Other Funds	122,489	-	281,119	403,608
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 595,042</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 534,971</u></b>	<b><u>\$ 1,130,013</u></b>
<b><u>LIABILITIES</u></b>				
Due To Other Funds	\$ -	\$ 182,188	\$ -	\$ 182,188
<b><u>FUND BALANCES</u></b>				
Reserved:				
Workmen's Compensation Claims	595,042	-	-	595,042
Cemetery Maintenance	-	-	534,971	534,971
Insurance Claims	-	(182,188)	-	(182,188)
<b>Total Fund Balances</b>	<b><u>595,042</u></b>	<b><u>(182,188)</u></b>	<b><u>534,971</u></b>	<b><u>947,825</u></b>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 595,042</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 534,971</u></b>	<b><u>\$ 1,130,013</u></b>

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR FIDUCIARY FUNDS - EXPENDABLE TRUST FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2004

	Employees' Workmen's Compensation Reserve Fund	General Insurance Fund	Hasley Cemetery Fund	Total Nonmajor Expendable Trust Funds
<b><u>Revenues</u></b>				
Sales Tax	\$ -	\$ 24,000	\$ -	\$ 24,000
Lot Sales	-	-	8,500	8,500
Insurance Proceeds	-	32,333	-	32,333
Interest	6,352	-	2,430	8,782
<b>Total Revenues</b>	<u>6,352</u>	<u>56,333</u>	<u>10,930</u>	<u>73,615</u>
<b><u>Expenditures</u></b>				
Hasley Cemetery	-	-	2,430	2,430
Claims Paid	-	152,625	-	152,625
<b>Total Expenditures</b>	<u>-</u>	<u>152,625</u>	<u>2,430</u>	<u>155,055</u>
<b><u>Excess (Deficiency) of Revenues</u></b>				
<b><u>Over Expenditures</u></b>	6,352	(96,292)	8,500	(81,440)
<b><u>Other Financing Sources (Uses)</u></b>				
Operating Transfers - Out	-	-	-	-
<b><u>Net Change in Fund Balance</u></b>	6,352	(96,292)	8,500	(81,440)
<b><u>Fund Balance - Beginning</u></b>	588,690	(85,896)	526,471	1,029,265
<b><u>FUND BALANCE - ENDING</u></b>	<u>\$ 595,042</u>	<u>\$ (182,188)</u>	<u>\$ 534,971</u>	<u>\$ 947,825</u>

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OTHER SUPPLEMENTAL INFORMATION

CITY OF WEST MONROE, LOUISIANA  
ALL FUNDS  
SCHEDULE OF ASSESSED VALUATION AND AD VALOREM  
PROPERTY TAX LEVY FOR 2003

<u>Original Assessed Valuation</u>		\$ 96,416,662
<u>Tax Rate Per Thousand Dollars (Mills)</u>		8.59
<u>Gross Tax Levy</u>		\$ 828,219
Less: Adjustments		<u>(1,787)</u>
<u>Adjusted Gross Tax Levy</u>		<u>\$ 826,432</u>
<u>Tax Collected</u>		
2003 Assessments		<u>\$ 823,701</u>
<u>Allocation of Tax Collected</u>	<u>2003 Tax Rate Mills</u>	
General Fund	6.95	\$ 666,949
Street Maintenance	<u>1.64</u>	<u>156,752</u>
Total	<u>8.59</u>	<u>\$ 823,701</u>

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF REVENUES AND EXPENDITURES - CONVENTION CENTER  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Events</u>	<u>Concession</u>	<u>Catering</u>	<u>Total</u>
<u>Revenues</u>	\$ 116,862	\$ 7,883	\$ 356,198	\$ 480,943
<u>Cost of Operations</u>				
Operating Expenditures	17,081	-	174,871	191,952
Personnel	70,531	-	172,680	243,211
Total	<u>87,612</u>	<u>-</u>	<u>347,551</u>	<u>435,163</u>
<u>Gross Profit</u>	<u>\$ 29,250</u>	<u>\$ 7,883</u>	<u>\$ 8,647</u>	45,780
<u>Administrative Expenditures</u>				
Director's Salary				39,136
Operations Salaries				95,162
Vehicle Maintenance				1,075
Materials, Repairs & Supplies				14,274
Gas and Oil				449
Cell Phones and Pagers				1,317
Advertising				758
Office				40,745
Utilities				32,199
Total Administrative Expenditures				<u>225,115</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (179,335)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 3,900	\$ 41,880
38,400	(736)
97,775	2,613
800	(275)
12,200	(2,074)
380	(69)
1,300	(17)
2,000	1,242
43,600	2,855
<u>33,800</u>	<u>1,601</u>
<u>230,255</u>	<u>5,140</u>
<u>\$ (226,355)</u>	<u>\$ 47,020</u>



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF REVENUES AND EXPENDITURES - IKE HAMILTON EXPO CENTER  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Equine Events</u>	<u>Concession</u>	<u>Stall Rentals &amp; Shavings</u>	<u>Total</u>
<u>Revenues</u>	\$ 176,029	\$ 98,108	\$ 162,810	\$ 436,947
 <u>Cost of Operations</u>				
Operating Expenditures	39,945	79,122	23,460	142,527
Promotional	5,332	-	-	5,332
Personnel	73,639	-	47,080	120,719
Total	<u>118,916</u>	<u>79,122</u>	<u>70,540</u>	<u>268,578</u>
 <u>Gross Profit</u>	 <u>\$ 57,113</u>	 <u>\$ 18,986</u>	 <u>\$ 92,270</u>	 168,369
 <u>Administrative Expenditures</u>				
Director's Salary				61,069
Operations Salaries				126,269
Vehicle Maintenance				3,191
Materials, Repairs & Supplies				36,239
Gas and Oil				75
Office				31,010
Cell Phones and Pagers				1,662
Advertising				-
Other Miscellaneous Purchases				270
Utilities				276,634
Total Administrative Expenditures				<u>536,419</u>
 <u>Deficiency of Revenues Over Expenditures</u>				 <u>\$ (368,050)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 180,650	\$ (12,281)
61,068	(1)
116,771	(9,498)
4,500	1,309
28,500	(7,739)
600	525
31,000	(10)
1,300	(362)
14,700	14,700
500	230
<u>285,000</u>	<u>8,366</u>
<u>543,939</u>	<u>7,520</u>
<u><u>\$ (363,289)</u></u>	<u><u>\$ (4,761)</u></u>

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OTHER SUPPLEMENTAL INFORMATION –  
GRANT ACTIVITY

# CAMERON, HINES & HARTT

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*Certified Public Accountants*

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

Honorable Mayor and Board of Aldermen of  
West Monroe, Louisiana

We have audited the primary government financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Monroe, Louisiana (the City) as of and for the year ended June 30, 2004, which collectively comprise the City's basic primary government financial statements and have issued our report thereon dated September 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic primary government financial statements and not to provide an opinion 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 judgement, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic primary government financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as items 04-2, 04-3, 04-4 and 04-5.

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 caused by error or fraud 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 that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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

### **Compliance and Other Matters**

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

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

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana  
September 30, 2004

# CAMERON, HINES & HARTT

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

Honorable Mayor and Board of Aldermen of  
West Monroe, Louisiana

## **Compliance**

We have audited the compliance of the City of West Monroe, Louisiana (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 04-1.

## **Internal Control Over Compliance**

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

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

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

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

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana  
September 30, 2004

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2004

**SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the primary government financial statements of the City of West Monroe, Louisiana.
2. Six reportable conditions disclosed during the audit of the financial statements are reported in the Independent Auditors' Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards* and the Independent Auditors' Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133. None of the reportable conditions are deemed to be material weaknesses.
3. No instances of noncompliance material to the financial statements of the City of West Monroe, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. One reportable condition disclosed during the audit of the major federal award programs is reported in the Independent Auditors' Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the City of West Monroe, Louisiana expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Sections 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs included the Department of Housing and Urban Development Voucher Program, CFDA No. 14.857 and Community Development Block Grants, CFDA No. 14.228.
8. The threshold for distinguishing between Types A and B programs was \$300,000.
9. The City of West Monroe, Louisiana does not qualify to be a low-risk auditee.



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2004 (continued)

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

**04-1 Housing Quality Standards - Quality Control Reinspections**

Condition:

*In performing the audit on compliance for HUD on the Section 8 Housing department, it was noted that one of the units that had previously failed its Housing Quality Standards inspection and did not have a follow-up Quality Control Reinspection performed.*

Criteria:

*The Housing Authority (the City) must inspect the unit leased to a family at least annually to determine if the unit meets Housing Quality Standards and the Housing Authority must conduct quality control reinspections on failed units. The Housing Authority must prepare a unit inspection report.*

Effect:

*By not properly following up on inspections of failed units, there is no way to verify that repairs were completed within the Housing Authority approved time extension.*

Recommendation:

*The Section 8 department should make sure that all failed inspections are followed by quality control reinspections as HUD regulations dictate.*

Response:

*This was an unusual occurrence. It is the department's policy to follow up on all failed inspections. The Section 8 department will continue to reinspect all failed inspections as HUD requires.*

*This finding resulted in no questioned costs.*

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**04-2 Fixed Assets**

Condition:

*During the audit it was noted that the accounting department had not recorded in the fixed asset detail all of the capital assets acquired or constructed during the year. Also, the accounting department could not provide a report of additions or deletions. All of the additions recorded during the year were found by examining the capital fund and capital project funds.*

Criteria:

*In order for the City to be able to exercise control over its fixed assets, the detail listing must be updated each time a new capital asset is acquired or constructed, an asset is sold or otherwise deleted, and then reconciled to the general ledger.*

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2004 (continued)

**04-2 Fixed Assets (continued)**

Effect:

By not updating and maintaining the fixed asset listing, the City will have difficulty in exercising control over its fixed assets.

Recommendation:

The City should continually update the fixed assets records each time a capital asset is added or deleted and reconcile the records to the general ledger. Also, a report should be developed from the general ledger system that shows a complete listing of fixed assets as well as current year additions and deletions.

Response:

The City will update the fixed asset records and continue to reconcile to the general ledger. Also the software manufacturer will be contacted to help with report generation of current year additions and deletions.

**04-3 Centralized Purchasing**

Condition:

At the present time, there is no centralized purchasing system at the City. All department heads are issued and are responsible for a procurement card that can be used to purchase items at any vendor that accepts credit cards. Also, others in the department can authorize purchases in the accounts payable system without approval of the department head. There is little monitoring of this system by the accounting department as to what is purchased by each department.

Criteria:

The department head is responsible for approving non-capital purchases in his/her department. The purchase made by invoice is approved by the department head and is put into the accounts payable system for payment. There is no such control over the procurement card system.

Effect:

Because there is little monitoring of the procurement card system, the risk of intentional or unintentional errors could occur. Also, unauthorized purchases could be requested and made since more than one person can initiate transactions into the accounts payable system.

Recommendation:

The City should consider centralizing the purchases under one department. This would maintain better controls over expenditures.

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2004 (continued)

**04-3 Centralized Purchasing (continued)**

Response:

Due to the size of the operations and the limited number of permanent employees, a centralized purchasing system is not practical at this time. However, the monthly reports will continue to be reviewed when they are received. Also, the City's finance director closely monitors each department's budget as a method of expenditure control. Each procurement card's limit has been significantly reduced to limit what each department purchases.

**04-4 Program Funds**

Condition:

The City's general ledger software provides for subsidiary ledger funds, or programs, to be created within a fund. This allows for many types of programs to be accounted for in one parent fund. During the audit, some programs were created within the Special Grants and Donations fund that already had their own fund set up in the general ledger.

Criteria:

In order for the City to be able to properly account for these grants and programs, each one should be accounted for in either a program or a fund.

Effect:

The above condition created the problem of detail being coded to both the fund and program that resulted in several adjusting journal entries to correct these transactions. Also, detail is posted to two different funds.

Recommendation:

It is recommended that the City only create these programs when they are absolutely necessary. In some instances, some of this activity can be accounted for in the general fund, thereby eliminating the need to create a program or fund altogether.

Response:

The City will only create programs in the Special Grants and Donations fund if they are needed and any minor account detail will be accounted for in the general fund.

**04-5 Marshal's Office Cash**

Condition:

Cash is maintained at the City Marshal's office for making change when fines or other money is collected. A surprise cash count was performed on this cash at the end of one day and at the beginning of the next day. Both cash counts were out of balance each time it was counted by different amounts.

Criteria:

Cash should reconcile each day and be reconciled by the same individual, if possible.

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2004 (continued)

**04-5 Marshal's Office Cash (continued)**

Effect:

*Since no reconciliation of cash is performed and there is little to no control over the cash in the Marshal's office, errors, whether intentional or unintentional, or misappropriations could occur.*

Recommendation:

The cash should be reconciled daily and any discrepancies be investigated immediately.

Response:

The cash box that is the City's responsibility will be closed. The City Marshal is now responsible for funding his own operations.

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2004

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass - Through Number</u>	<u>Expenditures</u>
<b>Department of Housing &amp; Urban Development</b>			
Public and Indian Housing			
HAP - Vouchers	14.871	LA186VO	* \$ 1,955,451
Thru LA Division of Admn, Office of Comm Dev			
LCDBG - Pine Valley Foods	14.228	599800	248,239
LCDBG - Bancroft Bag	14.228	583317	94,493
LCDBG - Send Technologies	14.228	602279	21,325
LCDBG - Street Rehabilitation	14.228	599796	325,939
			* <u>689,996</u>
<b>Environmental Protection Agency</b>			
Brownfields Pilot for Site Identification and Active Redevelopment			
	66.811	BP-986662-01-0	5,586
Brownfields Assessment & Cleanup Cooperative Agreements			
	66.818	BF-9764601-1	6,518
<b>Department of Justice</b>			
Bureau of Justice Assistance			
LA Commission on Law Enforc.	16.579	B03-2-001	160,724
LA Commission on Law Enforc.	16.579	B01-2-001E	27,887
			<u>188,611</u>
Local Law Enforc. Block Grant	16.592	2003-LB-BX-0011	20,216
Bulletproof Vest Partnership	16.607		7,130
Office of Juvenile Justice and Delinquency Prevention			
Juvenile Justice Grant	16.540	J03-2-002E02	10,952
Federal Bureau of Investigation			
Safestreets Violent Crime Initiative	???	106-113	27,769
<b>Department of Transportation</b>			
Federal Transit Administration			
Section 5311 - Operating Assistance	20.509	LA-18-X021	59,565
Section 5311 - Capital Assistance	20.509	741-99-0157	26,815
Section 5311 - Capital Assistance	20.509	736-99-1161	29,191
			<u>115,571</u>
Job Access - Reverse Commute	20.516	LA-37-X009	86,370

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2004

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass - Through Number</u>	<u>Expenditures</u>
<b>Department of Transportation (continued)</b>			
National Hwy Traffic Safety Admn. State & Community Hwy Safety	20.600	CFMS603070	15,479
<b>Federal Emergency Management Agency</b>			
EF&S National Board Program	83.523	36-6000-002	15,492
Assistance to Fire Fighters Grant	83.554	EMW-2003-FG-01832	72,522
<b>Corporation for National and Community Service</b>			
AmeriCorps	94.006	94ACHLA0010002	76,940
AmeriCorps	94.006	00ASCLA0192001	20,518
			<u>97,458</u>
Children's Trust Fund	93.590	CFMS600913	4,994
OFS/Child & Families TANF	93.558	CFMS603453	86,370
			<u>\$ 3,406,485</u>

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

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

1. General

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

2. Basis of Accounting

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

CITY OF WEST MONROE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2004

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

There were no findings for this category.

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

**03-1 Central Grant Register**

**Condition:**

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

**Recommendation:**

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

**Current Status:**

The grant register is still not being kept up to date.

**03-2 Bank Reconciliations**

**Condition:**

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

**Recommendation:**

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

**Current Status:**

The City has hired a part time employee who's only job is to reconcile bank statements. All bank accounts are current as of June 30, 2004.



CITY OF WEST MONROE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2004 (Continued)

**03-3 Fixed Assets Disposals**

Condition:

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

Recommendation:

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

Current Status:

All department heads were notified of the proper procedures. City management feels that the policies and procedures are being followed as prescribed.

**03-4 Petty Cash Boxes**

Condition:

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

Recommendation:

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

Current Status:

Each cash box is assigned to only one individual.

**03-5 Separation of Duties**

Condition:

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

Recommendation:

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

Current Status:

That particular employee no longer is able to initiate purchase orders or authorize invoices.