

**CITY OF WEST MONROE, LOUISIANA**

*Financial Report  
For the Year Ended June 30, 2013*



CITY OF WEST MONROE, LOUISIANA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2013

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic primary government financial statements of the City's primary government as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

***Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information***

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

***Adverse Opinion on Aggregate Discretely Presented Component Units***

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of West Monroe, Louisiana as of June 30, 2013, or the changes in financial position thereof for the year then ended.

***Qualified Opinion on Aggregate Remaining Fund Information***

In our opinion, except for the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the City of West Monroe, Louisiana, as of June 30, 2013, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund for the primary government of the City as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 12 and 52 through 54, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for

placing the basic financial statements in an appropriate operational, economical, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the primary government financial statements that collectively comprise the City's basic primary government financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2013 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.

*Cameron, Hines & Company (APAC)*

# CITY OF WEST MONROE, LOUISIANA

## Management's Discussion and Analysis Year Ended June 30, 2013

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As management of the City of West Monroe, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter and the accompanying basic financial statements. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

### FINANCIAL HIGHLIGHTS

- The assets of the City of West Monroe, on a government-wide basis, exceeded its liabilities at the close of the fiscal year by \$66.2 million (net position). Of this amount, \$6.3 million is unrestricted.
- The City's total net position decreased by \$2.65 million for the current fiscal year.
- At the end of the current fiscal year, the City of West Monroe's governmental funds reported combined ending fund balances of \$9.1 million.
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$5.1 million, or 29% of the total general fund expenditures.
- The general fund reported a surplus of \$491,818 before transfers, and a surplus of \$34,880 after transfers.
- The City's bonded debt had a net decrease of \$1,984,861. Total bonded debt at 6/30/2013 was \$12,491,427.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



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

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

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

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

## **GOVERNMENT-WIDE STATEMENTS**

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

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

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

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

## **FUND FINANCIAL STATEMENTS**

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

The City has three kinds of funds:

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

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

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

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's combined net position for the 2012-2013 fiscal year decreased by \$2.65 million. Table 1 shows the statement of net position for the year ending 2012 and the year ending 2013. The table also shows the net position for governmental activities, business type activities and combines them into the total primary government.

### Statement of Net Position

The following table reflects the condensed statement of net position:

TABLE 1  
NET POSITION OF GOVERNMENTAL AND BUSINESS TYPE ACTIVITIES  
(in Millions)

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2012	2013	2012	2013	2012	2013
<b>ASSETS:</b>						
Current and other assets	\$ 14.26	\$ 10.88	\$ .51	\$ .63	\$ 14.77	\$ 11.51
Capital Assets	44.91	45.66	26.45	24.82	71.36	70.48
Total Assets	\$ 59.17	\$ 56.54	\$ 26.96	\$ 25.45	\$ 86.13	\$ 81.99
<b>LIABILITIES:</b>						
Long-term debt outstanding	\$ 14.82	\$ 12.87	\$ 1.14	\$ 1.14	\$ 15.96	\$ 14.01
Other liabilities	1.00	1.45	.32	.38	1.32	1.83
Total Liabilities	\$ 15.82	\$ 14.32	\$ 1.46	\$ 1.52	\$ 17.28	\$ 15.84
<b>NET POSITION:</b>						
Invested in Capital Assets						
Net of debt	\$ 31.63	\$ 35.00	\$ 25.26	\$ 24.90	\$ 56.89	\$ 59.90
Restricted	-	-	-	-	-	-
Unrestricted	11.72	7.22	\$ 0.24	\$ (0.97)	\$ 11.96	\$ 6.25
Total Net Position	\$ 43.35	\$ 42.22	\$ 25.50	\$ 23.93	\$ 68.85	\$ 66.15

Net position (assets less liabilities) may serve over time as a useful indicator of a government's financial position. The City of West Monroe's assets exceeded liabilities by \$66.20 million at the close of the fiscal year. The largest portion of the City's net position (90%) reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure, less accumulated depreciation and less any related outstanding debt used to acquire those assets). The city uses these assets to provide services to its citizens and these assets are not available for spending. The resources needed to repay any debt related to these capital assets will be provided from other sources.

None of the City's net position is subject to restrictions. The unrestricted net position \$6.3 million may be used to meet the City's ongoing obligations.

### Governmental Activities

Net position of the City's governmental activities decreased from \$43.35 million to \$42.22 million. This decrease is mainly due to a decrease in current assets.

### Business-type Activities

Net position of the City's business-type activities decreased from \$25.50 million to \$23.93 million. This decrease is due to a decrease in capital assets.

### Statement of Activities

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

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2012	2013	2012	2013	2012	2013
<b>REVENUES:</b>						
Program Revenues						
Charges for services	\$ 4.37	\$ 3.88	\$ 3.07	\$ 3.93	\$ 7.44	\$ 7.81
Operating grants and contributions	2.15	2.28			2.15	2.28
Capital grants and contributions	5.92	1.06			5.92	1.06
General Revenues						
Property Taxes	1.15	1.20			1.15	1.20
Other taxes	17.47	18.43			17.47	18.43
Intergovernmental	0.42	0.33			0.42	0.33
Franchise	0.81	0.80			0.81	0.80
Forgiveness of Debt 2009	5.56	0.00			5.56	0.00
Sale of Assets	0.02	0.02			0.02	0.02
Interest earned	0.04	0.04			0.04	0.04
Capital contributions	-	-	3.73	0.00	3.69	0.00
Total Revenues	\$ 37.91	\$ 28.04	\$ 6.80	\$ 3.93	\$ 44.67	\$ 31.97
<b>EXPENSES:</b>						
General government	\$ 6.96	\$ 6.79			\$ 6.96	\$ 6.79
Public safety	10.55	9.72			10.55	9.72
Public works	3.68	3.25			3.68	3.25
Culture and recreations	3.75	3.56			3.75	3.56
Urban Development	.79	1.00			0.79	1.00
Health and welfare	2.86	2.53			2.86	2.53
Interest on long-term debt	0.41	0.41			0.41	0.41
Utilities	-	-	3.98	5.64	3.98	5.64
Total Expenses	\$ 29.00	\$ 27.26	\$ 3.98	\$ 5.64	\$ 32.98	\$ 32.90
Increase in net position before transfers	\$ 8.91	\$ 0.78	\$ 2.82	\$ (1.71)	\$ 11.73	\$ (0.93)
Transfers	(0.19)	(0.19)	0.05	.14	(0.14)	(0.05)
Increase/decrease in position	\$ 8.72	\$ 0.59	\$ 2.87	\$ (1.57)	\$ 11.59	\$ (0.98)

### **Governmental Activities**

The City's total revenues from governmental activities decreased from \$37.91 million (year end 2012) to \$28.04 million (year end 2013). West Monroe's largest source of general revenue (\$19.63 million) is taxes, composed of property tax, sales tax, insurance premium taxes, and beer tax.

Seventy percent of the City's revenue from governmental activities comes from these taxes. Charges for services (\$3.88 million) were the second largest revenue source for governmental activities.

The City's expenses for the fiscal year ended June 30, 2013 were \$27.26 million, a decrease of \$1.74 million from year end 2012. These expenses cover a wide range of services with the largest being public safety \$9.72 million or 36%, and general government \$6.79 million or 25%.

### **Business-Type Activities**

The total revenues from business-type activities were \$3.93 million for the fiscal year ended June 30, 2013. Charges for services increased by approximately \$863,000. Expenses for the City's business-type activities were \$5.64 million. The business-type activities had a net loss of approximately \$1.57 million for the fiscal year ended June 30, 2013.

## **FINANACIAL 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 \$9.05 million. Of this amount, \$5.25 million is available for spending at the government's discretion.

The general fund is the chief operating fund of the City. At the end of the fiscal year, unreserved fund balance of the general fund was \$5.11 million. As a measure of the general fund liquidity, it may be useful to compare unreserved fund balance to total expenditures. Unassigned fund balance represents 29% 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 \$4.1 million out of the 86 Sales Tax Capital Fund to fund major capital projects and purchases. This amount decreased by \$2.5 million from last year. The fund transferred out \$1.98 million to pay for debt service.

### Proprietary Funds

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

Net position of the Utilities Enterprise Fund at the end of the year were \$23.93 million. The fund had an operating loss for the year of \$1.5 million after depreciation and transfers.

Net position of the Internal Service fund (Employees Health Insurance Fund) at the end of the year were \$367,639.

### General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget twice. The difference between the original expenditure budget and the actual amount of expenditures was a decrease of \$456,791. Actual total revenues decreased \$372,972 from the original budget.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

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

TABLE 3  
CAPITAL ASSETS  
(NET OF DEPRECIATION in millions)

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL	
	2012	2013	2012	2013	2012	2013
Land	\$ 5.87	\$ 5.87	\$ 0.06	\$ 0.06	\$ 5.93	\$ 5.93
Construction in progress	1.01	.84	-	0.00	1.01	0.84
Buildings	18.41	18.91	-	-	18.41	18.91
Improvements	1.96	2.00	-	-	1.96	2.00
Equipment	0.43	0.43	0.36	0.29	0.79	0.72
Vehicles	0.66	1.13	-	-	0.66	1.13
Infrastructure	16.57	16.49	-	-	16.57	16.49
Water Plant			3.91	3.67	3.91	3.67
Treatment Plant			22.12	20.86	22.12	20.86
Total	\$ 44.91	\$ 45.67	\$ 26.45	\$ 24.88	\$ 71.36	\$ 70.55

The City of West Monroe's investment in Capital assets for its governmental and business-type activities as of June 30, 2013, amounts to \$70.55 million (net of depreciation). This is a decrease of \$810,000 from last year. This investment includes land, construction in progress, buildings and improvements, equipment, vehicles, infrastructure, water and sewer treatment plant.

## Long-term Debt

The following table shows the City's outstanding debt:

TABLE 4  
OUTSTANDING DEBT AT YEAR END

	YR END 6/30/12	YR END 6/30/13
Bond Payable Series 2003	\$ 1,815,000	\$ 925,000
Bond Payable Series 2005	\$ 105,000	\$ 70,000
Bond Payable Series 2006	\$ 325,000	\$ 250,000
Bond Payable Series 2007	\$ 3,885,000	\$ 3,715,000
Bond Payable Series 2009	\$ 2,350,000	\$ 2,050,000
Bond Payable Series 2010	\$ 1,193,000	\$ 1,193,000
Bond Payable Series 2011	\$ 4,000,000	\$ 3,650,000
Community Dev. Block Grant for Economic Development	\$ 353,641	\$ 328,645
Firefighters Retirement System	\$ 449,647	\$ 309,782
Heart and Lung Disability	\$ 636,857	\$ 615,832
Vacation, Sick and Comp. Time	\$ 906,726	\$ 896,436
Total	\$ 16,019,871	\$ 14,003,695

At the end of the fiscal year, the City of West Monroe had total bonded debt outstanding of \$12.18 million. This is a decrease of \$1.49 million in total bond debt. In 2012-2013 the City issued no debt. All of the debt is backed by the full faith and credit of the City and is being repaid from the Sales Tax Capital Fund and the City's sales tax.

The City of West Monroe's total long-term debt obligations at year end were \$14 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 2013-2014 budget. The major factor in preparing the budget is to determine the revenue that will be generated from sales tax. Sales tax accounts for 64% of the total Governmental Activities revenue. With current economic conditions, sales tax revenue is projected to remain level for the 2013-2014 fiscal year. All other General Fund revenues should remain fairly consistent with prior year collections. The total General Fund revenue budget for the 2013-2014 fiscal year is \$18.65 million compared to \$18.50 million last year.

During the 2013-2014 fiscal year, the City will continue to develop the 60 acres along I-20 into a retail center.

The budgeted expenses for the 2013-2014 fiscal year are \$18.38 million, an increase of \$255,500 over the prior year. The City gave all employees a 2% pay raise for the 2013-2014 year. The largest expense for the City is personnel cost. The City's administration has taken steps to reduce all overtime to minimal levels in the current year's budget.

Most of the City's expenses have remained fairly constant. The City's matching contributions to the pension systems have increased for the 2013-2014 fiscal year. However, depending on the condition of the investment markets and other factors the City's contribution to the pension systems could rise during this fiscal year or the next. The City's administration will closely monitor all revenues and expenses to ensure the City maintains a positive fund balance. The projected General Fund balance for the year ending June 30, 2014 is \$5.2 million.

#### OTHER POST-EMPLOYMENT BENEFITS

In the year ended June 30, 2013, the City of West Monroe has complied with requirements of Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*. This statement requires that employers disclose the *Annual Required Contribution* and *Net Post-employment Benefit Obligation* as determined by actuarial computations. The disclosure of these amounts are presented in more detail in the Notes to the Financial Statements.

#### REQUEST FOR INFORMATION

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



CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF NET POSITION  
JUNE 30, 2013

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 7,587,905	\$ 205,558	\$ 7,793,463
Cash with Fiscal Agent	16,800	-	16,800
Accounts Receivable	465,262	576,496	1,041,758
Minimum Lease Payments Receivable (Net)	693,458	-	693,458
Due From Other Governments	1,851,811	-	1,851,811
Internal Balances	213,033	(211,033)	2,000
Inventories	45,870	-	45,870
Capital Assets:			
Non-Depreciable	6,705,390	57,750	6,763,140
Depreciable	38,961,498	24,824,367	63,785,865
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 56,541,027</u></b>	<b><u>\$ 25,453,138</u></b>	<b><u>\$ 81,994,165</u></b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 1,371,307	\$ 83,677	\$ 1,454,984
Deposits Payable	80,473	126,019	206,492
Non-Current Liabilities			
Due Within One Year			
Bonds Payable	1,890,000	58,000	1,948,000
Notes Payable	174,655	-	174,655
Compensated Absences	824,558	120,099	944,657
Due in More Than One Year			
Bonds Payable	8,770,000	1,135,000	9,905,000
Notes Payable	463,772	-	463,772
Compensated Absences	567,611	-	567,611
Unfunded Postretirement Benefits	172,773	-	172,773
<b><u>TOTAL LIABILITIES</u></b>	<b><u>14,315,149</u></b>	<b><u>1,522,795</u></b>	<b><u>15,837,944</u></b>
<b><u>NET POSITION</u></b>			
Invested in Capital Assets, Net of Related Debt	35,006,888	24,882,117	59,889,005
Unrestricted, Capital Projects	3,716,305	-	3,716,305
Unrestricted, Debt Service	(206,310)	-	(206,310)
Unrestricted, Unreserved	3,708,995	(951,774)	2,757,221
<b><u>TOTAL NET POSITION</u></b>	<b><u>\$ 42,225,878</u></b>	<b><u>\$ 23,930,343</u></b>	<b><u>\$ 66,156,221</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, 2013

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Government Activities:</b>				
General Government	\$ 6,787,023	\$ 1,401,152	\$ -	\$ 1,063,401
Public Safety	9,719,694	246,173	142,512	-
Public Works	3,245,003	779,353	-	-
Culture and Recreation	3,559,596	1,403,855	274,525	-
Urban Redevelopment	1,009,246	-	-	-
Health and Welfare	2,525,299	52,470	1,858,364	-
Interest on Long-Term Debt	414,186	-	-	-
<b>Total Governmental Activities</b>	<b>27,260,047</b>	<b>3,883,003</b>	<b>2,275,401</b>	<b>1,063,401</b>
<b>Business-Type Activities:</b>				
Utilities	5,641,461	3,933,236	-	-
<b>Total Primary Government</b>	<b>\$ 32,901,508</b>	<b>\$ 7,816,239</b>	<b>\$ 2,275,401</b>	<b>\$ 1,063,401</b>

**General Revenues:**

Taxes:

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

Intergovernmental Revenues

Franchise Revenue

Miscellaneous

Special Item - Sale of Assets

Interest Earned

Capital Contributions

Transfers

Total General Revenues, Special Items and Transfers

**Changes in Net Position**

**Net Position - Beginning (Restated)**

**Net Position - Ending**

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

Governmental Activities	Business-Type Activities	Total
\$ (4,322,470)	\$ -	\$ (4,322,470)
(9,331,009)	-	(9,331,009)
(2,465,650)	-	(2,465,650)
(1,881,216)	-	(1,881,216)
(1,009,246)	-	(1,009,246)
(614,465)	-	(614,465)
(414,186)	-	(414,186)
<u>(20,038,242)</u>	<u>-</u>	<u>(20,038,242)</u>
<u>-</u>	<u>(1,708,225)</u>	<u>(1,708,225)</u>
<u>\$ (20,038,242)</u>	<u>\$ (1,708,225)</u>	<u>\$ (21,746,467)</u>
976,223	-	976,223
230,620	-	230,620
17,364,719	-	17,364,719
438,850	-	438,850
325,132	-	325,132
803,428	-	803,428
629,750	-	629,750
16,757	-	16,757
41,402	-	41,402
-	-	-
<u>(190,765)</u>	<u>138,233</u>	<u>(52,532)</u>
<u>20,636,116</u>	<u>138,233</u>	<u>20,774,349</u>
597,874	(1,569,992)	(972,118)
<u>41,628,004</u>	<u>25,500,335</u>	<u>67,128,339</u>
<u>\$ 42,225,878</u>	<u>\$ 23,930,343</u>	<u>\$ 66,156,221</u>

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

CITY OF WEST MONROE, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

	<u>General Fund</u>	<u>86 Sales Tax 75% Capital Fund</u>	<u>2011 Debt Capital Fund</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 1,794,358	\$ 1,445,999	\$ 2,255,828
Cash with Fiscal Agent	16,800	-	-
Accounts Receivable	459,459	-	-
Minimum Lease Payment Receivable	730,612	-	-
Due From Other Governments	1,036,618	574,616	-
Due From Other Funds	2,043,569	222,469	-
Inventories	45,870	-	-
	<hr/>	<hr/>	<hr/>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 6,127,286</u></b>	<b><u>\$ 2,243,084</u></b>	<b><u>\$ 2,255,828</u></b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>Liabilities</b>			
Accounts Payable	\$ 766,287	\$ 401,473	\$ 59,754
Payable to State Retirement	-	-	-
Due To Other Funds	135,541	1,939,900	54,986
Unearned Income	37,154	-	-
Deposits Payable	80,473	-	-
<b>Total Liabilities</b>	<hr/> <b>1,019,455</b>	<hr/> <b>2,341,373</b>	<hr/> <b>114,740</b>
 <b>Fund Balances:</b>			
Nonspendable	776,482	-	-
Restricted	-	-	2,141,088
Committed	-	-	-
Assigned	-	-	-
Unassigned	4,331,349	(98,289)	-
<b>Total Fund Balances</b>	<hr/> <b>5,107,831</b>	<hr/> <b>(98,289)</b>	<hr/> <b>2,141,088</b>
	<hr/>	<hr/>	<hr/>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 6,127,286</u></b>	<b><u>\$ 2,243,084</u></b>	<b><u>\$ 2,255,828</u></b>

Total Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,091,720	\$ 7,587,905
-	16,800
-	459,459
-	730,612
240,577	1,851,811
693,732	2,959,770
-	45,870
<u>\$ 3,026,029</u>	<u>\$ 13,652,227</u>

\$ 143,793	\$ 1,371,307
-	-
978,146	3,108,573
-	37,154
-	80,473
<u>1,121,939</u>	<u>4,597,507</u>

-	776,482
1,667,463	3,808,551
-	-
808,796	808,796
(572,169)	3,660,891
<u>1,904,090</u>	<u>9,054,720</u>
<u>\$ 3,026,029</u>	<u>\$ 13,652,227</u>

CITY OF WEST MONROE, LOUISIANA  
RECONCILIATION OF GOVERNMENTAL  
FUNDS BALANCES TO STATEMENT OF NET POSITION  
JUNE 30, 2013

Total Governmental Fund Balances	\$	9,054,720
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		45,666,888
Unfunded postretirement benefit plan obligations are not financial resources and therefore are not reported in the funds		(172,773)
Long-term liabilities, including bonds and notes payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(12,690,596)
The internal service fund is used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		367,639
		<hr/>
Net Position of Governmental Activities	\$	<u>42,225,878</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, 2013

	General Fund	86 Sales Tax 75% Capital Fund	2011 Debt Capital Fund
<b><u>Revenues</u></b>			
Taxes	\$ 13,213,629	\$ 5,198,115	\$ -
Intergovernmental	360,144	687,302	-
Licenses and Permits	880,288	-	-
Charges for Services	2,278,995	-	-
Fines and Forfeitures	520,864	-	-
Interest Earned	28,946	253	2,226
Franchise Revenue	803,428	-	-
Sale of Assets	16,757	-	-
Other	52,182	23,034	-
<b>Total Revenues</b>	<u>18,155,233</u>	<u>5,908,704</u>	<u>2,226</u>
<b><u>Expenditures</u></b>			
General Government	4,278,857	-	-
Public Safety	7,935,274	-	-
Public Works	2,466,241	-	-
Culture and Recreation	2,355,441	-	-
Urban Redevelopment	627,602	-	-
Health and Welfare	-	-	-
Capital Improvements	-	4,074,448	1,348,220
Claims Paid	-	-	-
Debt Service:			
Principal Payments	-	-	-
Interest and Other	-	-	-
<b>Total Expenditures</b>	<u>17,663,415</u>	<u>4,074,448</u>	<u>1,348,220</u>
<b><u>Excess (Deficiency) of Revenues</u></b>			
<b>Over Expenditures</b>	491,818	1,834,256	(1,345,994)
<b><u>Other Financing Sources and (Uses)</u></b>			
Proceeds From General Obligation Bonds	-	-	-
Transfers In	-	100,000	-
Transfers Out	(456,938)	(1,978,800)	(122,295)
<b>Total Other Financing Sources and Uses</b>	<u>(456,938)</u>	<u>(1,878,800)</u>	<u>(122,295)</u>
<b>Net Change in Fund Balance</b>	34,880	(44,544)	(1,468,289)
<b>Fund Balances - Beginning (Restated)</b>	<u>5,072,951</u>	<u>(53,745)</u>	<u>3,609,377</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 5,107,831</u>	<u>\$ (98,289)</u>	<u>\$ 2,141,088</u>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 607,420	\$ 19,019,164
3,033,435	4,080,881
-	880,288
-	2,278,995
-	520,864
1,226	32,651
-	803,428
-	16,757
<u>340,442</u>	<u>415,658</u>
<u>3,982,523</u>	<u>28,048,686</u>
-	4,278,857
265,509	8,200,783
201,341	2,667,582
368,595	2,724,036
-	627,602
2,216,088	2,216,088
1,259,408	6,682,076
-	-
1,984,861	1,984,861
<u>414,186</u>	<u>414,186</u>
<u>6,709,988</u>	<u>29,796,071</u>
(2,727,465)	(1,747,385)
-	-
2,367,268	2,467,268
<u>(100,000)</u>	<u>(2,658,033)</u>
<u>2,267,268</u>	<u>(190,765)</u>
(460,197)	(1,938,150)
<u>2,364,287</u>	<u>10,992,870</u>
<u>\$ 1,904,090</u>	<u>\$ 9,054,720</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, 2013

Net Change in Fund Balances - Total Governmental Funds	\$ (1,938,150)
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	3,830,698
Depreciation expense	(3,070,759)
	759,939
 Postretirement benefit plan expenditures	 (33,728)
 Repayment of debt principal, including capital leases, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	  2,000,310
 Internal Service fund is used by management to charge the cost of certain activities to individual funds. The net revenue of the internal service fund is included in governmental activities in the statement of net position.	  (188,183)
 Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	  <u>(2,314)</u>
 Change in Net Position in Governmental Activities	  <u>\$ 597,874</u>

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

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013

	<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	\$ 576,496	\$ 5,803
Due From Other Funds	-	361,836
<b>Total Current Assets</b>	<b>576,496</b>	<b>367,639</b>
<b><u>Non-Current Assets</u></b>		
Restricted:		
Cash - Customer Deposits	126,019	-
Cash - Sinking Fund	41,687	-
Cash - Reserve Fund	37,852	-
<b>Total Restricted Cash</b>	<b>205,558</b>	<b>-</b>
Capital Assets:		
Land	57,750	-
Sparta Reuse Plant	19,233,250	-
Buildings	73,436	-
Water Plant	4,228,292	-
Wastewater Treatment Plant	14,688,740	-
Machinery, Equipment & Other	1,693,281	-
Less: Accumulated Depreciation	(15,092,632)	-
<b>Total Capital Assets</b>	<b>24,882,117</b>	<b>-</b>
<b><u>TOTAL ASSETS</u></b>	<b>\$ 25,664,171</b>	<b>\$ 367,639</b>
<b><u>LIABILITIES</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	\$ 83,677	\$ -
Customer Deposits	126,019	-
Accrued Vacation and Sick Pay	120,099	-
Sewer Bonds Payable	58,000	-
Due to Other Funds	211,033	-
<b>Total Current Liabilities</b>	<b>598,828</b>	<b>-</b>
<b><u>Long Term Liabilities</u></b>		
Sewer Bonds Payable - Long-Term	1,135,000	-
<b>Total Liabilities</b>	<b>1,733,828</b>	<b>-</b>
<b><u>NET POSITION</u></b>		
Invested in Capital Assets, Net of Related Debt	23,689,117	-
Reserved for Debt Retirement	79,539	-
Unrestricted	161,687	367,639
<b><u>TOTAL NET POSITION</u></b>	<b>\$ 23,930,343</b>	<b>\$ 367,639</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 POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities Utility Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<b><u>Operating Revenues</u></b>		
User Charges	\$ 1,597,428	\$ 2,307,292
Treatment Plant Fees	1,208,947	-
Water Penalties and Turn-on Fees	74,427	-
Sewer District 5 Contributions	1,052,434	-
<b>Total Operating Revenues</b>	<b>3,933,236</b>	<b>2,307,292</b>
<b><u>Operating Expenses</u></b>		
Waterworks	692,749	-
Sewerage	416,275	-
Water Treatment Plant	453,593	-
Sewer Treatment Plant	2,052,985	-
Public Works Construction	71,790	-
Public Works Administrative	245,265	-
Other Administrative	133,233	347,730
Claims Paid	-	2,147,745
Interest Expense	5,579	-
Depreciation	1,569,992	-
<b>Total Operating Expenses</b>	<b>5,641,461</b>	<b>2,495,475</b>
<b><u>Operating Income (Loss)</u></b>	<b>(1,708,225)</b>	<b>(188,183)</b>
Contributed Capital	-	-
Transfers In (Out)	138,233	-
<b>Total</b>	<b>138,233</b>	<b>-</b>
<b><u>Changes in Net Position</u></b>	<b>(1,569,992)</b>	<b>(188,183)</b>
<b><u>Net Position - Beginning</u></b>	<b>25,500,335</b>	<b>555,822</b>
<b><u>NET POSITION - ENDING</u></b>	<b>\$ 23,930,343</b>	<b>\$ 367,639</b>

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

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
<b>Cash Flows From Operations</b>		
Receipts From Customers	\$ 3,955,760	\$ -
Receipts From Group Contributions	-	2,307,292
Payments to Provide Services	(3,940,710)	(1,959,562)
Payments for General and Administrative	(119,997)	(347,730)
<b>Net Cash Provided by Operating Activities</b>	<u>(104,947)</u>	<u>-</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
Decrease in Customer Deposits	(4,030)	-
Operating Transfers In (Out)	138,234	-
<b>Net Cash Flows From Noncapital         Financing Activities</b>	<u>134,204</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Acquisitions of Capital Assets	-	-
Capital Contribution From Other Funds	-	-
Bond Proceeds	-	-
Principal Paid on Bonds	-	-
<b>Net Cash Flows From Capital and Related         Financing Activities</b>	<u>-</u>	<u>-</u>
<b>Net Increase in Cash and Cash Equivalents</b>	29,257	-
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>176,301</u>	<u>-</u>
<b><u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u></b>	<u>\$ 205,558</u>	<u>\$ -</u>
<b>Classified As:</b>		
Cash in Bank	\$ -	\$ -
Restricted Assets	<u>205,558</u>	<u>-</u>
<b><u>TOTAL CASH AND CASH EQUIVALENTS</u></b>	<u>\$ 205,558</u>	<u>\$ -</u>

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities Utility Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<b><u>Reconciliation of Operating Loss to Net Cash</u></b>		
<b><u>Provided by Operating Activities:</u></b>		
Changes in Net Position	\$ (1,708,225)	\$ (188,183)
Adjustments to Reconcile Net Loss to Net		
Cash Used by Operating Activities		
Depreciation	1,569,992	-
Decrease in Accounts Receivable	22,525	850
Increase in Accounts Payable	83,466	-
Decrease in Due From Other Funds	-	187,333
Decrease in Due to Other Funds	(56,839)	-
Decrease in Accrued Vacation and Sick Pay	(15,866)	-
Total Adjustments	<u>1,603,278</u>	<u>188,183</u>
<b><u>Net Cash Used by Operating Activities</u></b>	<b><u>\$ (104,947)</u></b>	<b><u>\$ -</u></b>

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

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2013

	<u>Employees'</u> <u>Workmen's</u> <u>Compensation</u> <u>Reserve Fund</u>	<u>General</u> <u>Insurance</u> <u>Fund</u>	<u>Hasley</u> <u>Cemetery</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Expendable Trust</u> <u>Funds</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 528,442	\$ -	\$ 651,582	\$ 1,180,024
Investments	6,054	-	12,128	18,182
Accounts Receivable	-	2,000	-	2,000
Due From Other Funds	-	-	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 534,496</u></b>	<b><u>\$ 2,000</u></b>	<b><u>\$ 663,710</u></b>	<b><u>\$ 1,200,206</u></b>
<b><u>LIABILITIES</u></b>				
Due to Other Funds	\$ -	\$ 2,000	\$ -	\$ 2,000
<b><u>NET POSITION</u></b>				
Reserved:				
Workmen's Compensation Claims	534,496	-	-	534,496
Cemetery Maintenance	-	-	663,710	663,710
Insurance Claims	-	-	-	-
<b>Total Net Position</b>	<b><u>534,496</u></b>	<b><u>-</u></b>	<b><u>663,710</u></b>	<b><u>1,198,206</u></b>
<b><u>TOTAL LIABILITIES AND</u></b> <b><u>NET POSITION</u></b>	<b><u>\$ 534,496</u></b>	<b><u>\$ 2,000</u></b>	<b><u>\$ 663,710</u></b>	<b><u>\$ 1,200,206</u></b>

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

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF CHANGES IN  
FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	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	-	-	10,100	10,100
Insurance Proceeds	-	145,536	-	145,536
Interest	6	-	11	17
<b>Total Revenues</b>	<u>6</u>	<u>169,536</u>	<u>10,111</u>	<u>179,653</u>
<b><u>Expenditures</u></b>				
Hasley Cemetery	-	-	-	-
Claims Paid	-	222,068	-	222,068
<b>Total Expenditures</b>	<u>-</u>	<u>222,068</u>	<u>-</u>	<u>222,068</u>
<b><u>Excess (Deficiency) of Revenues</u></b>				
<b><u>Over Expenditures</u></b>	6	(52,532)	10,111	(42,415)
<b><u>Other Financing Sources (Uses)</u></b>				
Operating Transfers - In (Out)	-	52,532	-	52,532
<b><u>Change in Net Position</u></b>	6	-	10,111	10,117
<b><u>Net Position - Beginning</u></b>	<u>534,490</u>	<u>-</u>	<u>653,599</u>	<u>1,188,089</u>
<b><u>NET POSITION - ENDING</u></b>	<u>\$ 534,496</u>	<u>\$ -</u>	<u>\$ 663,710</u>	<u>\$ 1,198,206</u>

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

**INTRODUCTION**

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

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

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

**A. Financial Reporting Entity**

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

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

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



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

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

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

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

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

**Government-Wide and Fund Financial Statements**

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

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

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

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

***Governmental Fund Financial Statements*** – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgment, are recorded when payment is due.

Sales taxes, excise taxes, franchise taxes, licenses and investment interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the city.

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

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

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

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

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

**Fund Accounting**

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

**1. Major Governmental Funds**

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

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

*2011 Debt Capital Fund* – These funds are predominately used for capital expenditures. The income is provided by proceeds from general obligation bonds for that purpose.

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

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

**4. Proprietary Funds**

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

**D. Fund Accounting (continued)**

**4. Proprietary Funds (continued)**

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

**5. Fiduciary Funds**

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

**E. Cash and Cash Equivalents**

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

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

**F. Investments**

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

**G. Noncurrent Receivables**

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

**H. Inventories**

Special reporting treatments are applied to governmental fund inventories to indicate that they do not represent “available spendable resources”, even though they are a component of net current assets. Such amounts are presented under the nonspendable fund balance classification.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

**H. Inventories (continued)**

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

**I. Bad Debts**

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

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

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

**K. Capital Assets**

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

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.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

**K. Capital Assets (continued)**

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. Franchise Agreements**

On February 15, 2012, the City Council of West Monroe authorized a franchise agreement between the City of West Monroe and Entergy Louisiana for the operation by Entergy Louisiana of the electric system within the corporate limits of West Monroe for a period of twenty-five years. The agreement provides that Entergy Louisiana will pay to the City three percent of gross receipts (as defined) collected from the sale of electric service to residential and commercial customers within the City.

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

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

**M. Lease Obligations**

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

**N. Long-Term Liabilities**

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

**O. Compensated Absences**

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

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

**P. Dedicated Revenues**

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

**Q. Fund Equity**

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

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

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

**Q. Fund Equity (continued)**

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

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

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

**R. Accounting Estimates**

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

**Note 2- Cash and Cash Equivalents**

*Custodial Credit Risk – Deposits*

The custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the City had no custodial risk related to its deposits at June 30, 2013.

At June 30, 2013, the City has cash and cash equivalents (book balances net of overdrafts) in the amount of \$8,973,487.

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.



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

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, 2013, are secured as follows:

Bank Balances	<u>\$ 10,185,500</u>
Federal Deposits Insurance	\$ 250,000
Pledged Securities (Uncollateralized)	<u>11,611,064</u>
<b><u>TOTAL</u></b>	<b><u>\$ 11,861,064</u></b>
Governmental Funds Cash	\$ 7,587,905
Enterprise Funds Cash	205,558
Fiduciary Funds Cash	<u>1,180,024</u>
<b><u>TOTAL BOOK BALANCES BY FUND TYPE</u></b>	<b><u>\$ 8,973,487</u></b>

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

**Note 3 – Investments**

*Custodial Credit Risk – Investments*

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City had no custodial credit risk related to its investments at June 30, 2013.

Under state law, the City may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At June 30, 2013, the City had the following investments stated at cost, which approximates market:

Louisiana Asset Management Pool	<u>\$ 18,182</u>
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*Interest Rate Risk*

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

**Note 3 – Investments (continued)**

*Credit Risk*

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

*Concentration of Credit Risk*

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

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

**Note 4 – Fund Deficits**

The following funds had deficits at June 30, 2013:

86 Sales Tax 75% Capital Fund	\$ 98,289
Non-Major Funds	
Special Revenue Funds	
Officer Witness Court	\$ 31,173
North Delta Law	
Enforcement Training Center	\$ 3,079
Miscellaneous Projects	
And Grants Fund	\$ 2,736
Ouachita Outreach	\$ 50,498
Debt Service Funds	
2003 Debt Service Fund	\$ 378,698
2007 Debt Service Fund	\$ 90,625
Firemen's Pension Merger Fund	\$ 15,360

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

**Note 5 – Accounts Receivable**

Accounts receivable at June 30, 2013, consisted of the following:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Accounts Receivable	\$ <u>465,262</u>	\$ <u>576,496</u>	\$ <u>1,041,758</u>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

**Note 6 – 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, 2012
Levy Date	October 12, 2012
Tax Bills Mailed	November 21, 2012
Total Taxes Are Due	December 31, 2012
Penalties and Interest are Added	January 1, 2013
Tax Sales – 2012 Delinquent Property	June 4-6, 2013

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	6.90
Street Maintenance	1.63
<u>TOTAL</u>	<u>8.53</u>

**Note 7 – Due From Other Governments**

The amounts due from other governments at June 30, 2013 are as follows:

Louisiana Highway Safety Commission	\$ 40,451
Louisiana Department of Revenue	5,791
Louisiana Department of Elderly Affairs	13,356
City of Monroe, LA	1,401,971
Louisiana Office of Aging and Adult Services	7,000
High Intensity Drug Trafficking Area Grant	10,431
LA Department of Transportation and Development	137,480
Corporation for National and Community Service	57,749
Department of Justice	4,914
Department of Housing & Urban Development	6,354
Ouachita Parish	4,109
Facility Planning and Control	45,801
Louisiana Department on Public Safety and Corrections	8,904
Louisiana Commission on Law Enforcement	<u>107,500</u>
<u>TOTAL</u>	<u>\$ 1,851,811</u>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

**Note 8 – Capital Assets**

Capital asset activity for the year ended June 30, 2013 is as follows:

	<u>Primary Government</u>			
	<u>June 30, 2012</u>			<u>June 30, 2013</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
<b>Government Activities:</b>				
<b>Non-Depreciable Assets:</b>				
Land	\$ 5,866,818	\$ -	\$ -	\$ 5,866,818
Construction In Progress	<u>1,014,864</u>	<u>838,572</u>	<u>( 1,014,864)</u>	<u>838,572</u>
Total	6,881,682	838,572	( 1,014,864)	6,705,390
<b>Depreciable Assets:</b>				
Buildings	29,496,343	1,365,391	-	30,861,734
Improvements	2,514,728	122,285	-	2,637,013
Equipment	5,256,392	162,109	( 17,360)	5,401,141
Vehicles	5,663,513	804,126	( 41,151)	6,426,488
Infrastructure	<u>60,600,844</u>	<u>1,553,079</u>	<u>-</u>	<u>62,153,923</u>
Total at Historical Cost	\$103,531,820	\$ 4,006,990	\$ ( 58,511)	\$ 107,480,299
	<u>Primary Government</u>			
	<u>June 30, 2012</u>			<u>June 30, 2013</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
<b>Less Accumulated</b>				
<b>Depreciation for:</b>				
Buildings	\$( 11,083,648)	\$( 868,176)	\$ -	\$( 11,951,824)
Improvements	( 554,050)	( 82,985)	-	( 637,035)
Equipment	( 4,826,281)	( 159,297)	15,045	( 4,970,533)
Vehicles	( 5,002,133)	( 339,454)	41,151	( 5,300,436)
Infrastructure	<u>(44,038,126)</u>	<u>( 1,620,847)</u>	<u>-</u>	<u>(45,658,973)</u>
Total Accumulated Depreciation	<u>( 65,504,238)</u>	<u>( 3,070,759)</u>	<u>56,196</u>	<u>( 68,518,801)</u>
<b>Government Activities Capital</b>				
<b>Assets, Net</b>	<u>\$ 44,909,264</u>	<u>\$ 1,774,803</u>	<u>\$ (1,017,179)</u>	<u>\$ 45,666,888</u>
<b>Business-Type Activities:</b>				
<b>Non-Depreciable Assets:</b>				
Land	\$ 57,750	\$ -	\$ -	\$ 57,750
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	57,750	-	-	57,750
<b>Depreciable Assets:</b>				
Buildings	73,436	-	-	73,436
Sparta Reuse Plant	19,233,250	-	-	19,233,250
Water Plant	8,093,068	-	-	8,093,068
Treatment Plant	10,823,964	-	-	10,823,964
Equipment	<u>1,693,281</u>	<u>-</u>	<u>-</u>	<u>1,693,281</u>
Totals at Historical Cost	39,916,999	-	-	39,916,999

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

Less Accumulated				
Depreciation for:				
Buildings	( 73,420)	( 15)	-	( 73,435)
Sparta Reuse Plant	( 240,716)	( 961,362)	-	( 1,202,078)
Water Plant	( 4,181,127)	( 242,693)	-	( 4,423,820)
Treatment Plant	( 7,698,638)	( 295,906)	-	( 7,994,544)
Equipment	( 1,328,739)	( 70,016)	-	( 1,398,755)
Total Accumulated				
Depreciation	( 13,522,640)	( 1,569,992)	-	( 15,092,632)

Business-Type Activities

<u>Capital Assets, Net</u>	<u>\$26,452,109</u>	<u>\$( 1,569,992)</u>	<u>\$ -</u>	<u>\$24,882,117</u>
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Depreciation expense for the year ended June 30, 2013 was charged to functions of the primary government as follows:

Government Activities:	
General Government	\$ 1,877,792
Public Safety	289,596
Public Works	177,893
Culture and Recreation	39,701
Community Development	289,446
Ike Hamilton Expo Center	380,293
Convention Center	16,038
Health and Welfare	-
Total Depreciation Expense -	
Governmental Activities	<u>\$ 3,070,759</u>
Business-Type Activities:	
Utilities	<u>\$ 1,569,992</u>

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

At June 30, 2013, all restricted assets were in the form of demand deposits. These assets represent amounts held for utility customer deposits and cash for reserve and sinking fund requirements.

**Note 10 – Pension and Retirement Plans**

CITY OF WEST MONROE-SPONSORED PENSION PLANS

Effective January 1, 1986, the City-Sponsored West Monroe Firemen's Pension and Relief System merged with the State Firefighters' Retirement System. As a result of that merger, the City of West Monroe was indebted to the State Firefighters' Retirement System for \$309,782 at June 30, 2013 which represents the remaining principal balance of the accrued liability for those employees transferred to the Firefighters' Retirement System. This amount is being paid over 30 years at 7% interest. The City paid principal and interest payments of \$171,339 during fiscal year 2013 from sales tax revenues.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

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 17.00 percent of annual covered payroll. The City's contributions to the System under Plan A for the years ending June 30, 2013, 2012 and 2011 were \$904,794, \$881,968 and \$825,078, 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.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

Funding Policy - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The City is required to contribute 31.00 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the System for the years ending June 30, 2013, 2012 and 2011 were \$909,856, \$778,605 and \$817,528, 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.

Funding Policy - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The City is required to contribute 24.00 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, 2013, 2012 and 2011 were \$316,163, \$319,424, and \$324,548, 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.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. The system also provides death and disability benefits. Benefits are established by state statute.

**Funding Policy** - State statute requires covered employees to contribute 11.50 percent of their salaries to the system. The City is required to contribute 34.80 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, 2013, 2012 and 2011 were \$15,092, \$13,434 and \$9,307, respectively, equal to the required contributions for the year.

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

**Note 11 - Postemployment Health Care Benefits**

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

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

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

**Fund Policy.** Until 2008, the City of West Monroe recognized the cost of providing post-employment medical benefits (the City of West Monroe's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. Effective with the Fiscal Year beginning July 1, 2008, the City of West Monroe implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

In fiscal year ending June 30, 2013, the City of West Monroe's portion of health care funding cost for retired employees totaled \$29,340. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the following table.



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

**Annual Required Contribution.** The City of West Monroe's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	Medical
Normal Cost	\$ 36,369
30-year UAL amortization amount	29,178
	\$ 65,547

**Net Post-employment Benefit Obligation (Asset).** The table below shows the City of West Monroe's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2013:

	Medical
Beginning Net OPEB Obligation (Asset) 7/1/2012	\$ 139,045
Annual required contribution	65,547
Interest on Net OPEB Obligation (Asset)	5,562
ARC Adjustment	(8,041)
OPEB Cost	63,068
Contribution	-
Current year retiree premium	(29,340)
Change in Net OPEB Obligation	33,728
Ending Net OPEB Obligation (Asset) 6/30/2013	\$ 172,773

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

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical	June 30, 2013	\$63,068	46.52%	\$172,773

**Funded Status and Funding Progress.** In the fiscal year ending June 30, 2013, the City of West Monroe made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year ended June 30, 2013 was \$524,605, which is defined as that portion, as determined by a particular actuarial cost method (the City of West Monroe uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

	Medical
Actuarial Accrued Liability (AAL)	\$ 524,605
Actuarial Value of Plan Assets (AVP)	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 524,605</u>
Funded Ratio (AVP/AAL)	0.00%
Covered Payroll (active plan members)	\$12,081,063
UAAL as a percentage of covered payroll	4.30%

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

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

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

**Actuarial Value of Plan Assets.** There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

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

**Post employment Benefit Plan Eligibility Requirements.** Based on past experience, it has been assumed that entitlement to benefits will commence six years after the earliest retirement (D.R.O.P. entry) eligibility, as described above under "Plan Descriptions". The six years consists of the three year D.R.O.P. period plus three additional years. Medical benefits are provided to employees upon actual retirement.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

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

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

**Mortality Rate.** The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

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

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

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

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

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

	OPEB Cost and Contributions		
	FY 2011	FY 2012	FY 2013
OPEB Cost	\$ 76,627	\$ 79,186	\$ 63,068
Contribution	-	-	-
Retiree Premium	<u>45,288</u>	<u>45,288</u>	<u>29,340</u>
Total Contribution and premium	<u>45,288</u>	<u>45,288</u>	<u>29,340</u>
Change in net OPEB obligation	<u>\$ 31,339</u>	<u>\$ 33,898</u>	<u>\$ 33,728</u>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	59.10%	57.19%	46.52%

**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	\$ 1,815,000	\$ -	\$ 890,000	\$ 925,000	\$ 925,000
Series 2005	105,000	-	35,000	70,000	35,000
Series 2006	325,000	-	75,000	250,000	80,000
Series 2007	3,885,000	-	170,000	3,715,000	180,000
Series 2009	2,350,000	-	300,000	2,050,000	310,000
Series 2011	4,000,000	-	350,000	3,650,000	360,000
Community Development					
Block Grant for					
Economic Development	353,641	-	24,996	328,645	25,000
State Firefighters' Retirement System	<u>449,647</u>	<u>-</u>	<u>139,865</u>	<u>309,782</u>	<u>149,655</u>
<b>Total Governmental Bonds And Notes Payable</b>	<b>13,283,288</b>	<b>-</b>	<b>1,984,861</b>	<b>11,298,427</b>	<b>2,064,655</b>
<b>Other Liabilities:</b>					
Accrued Heart and Lung Disability					
	636,857	-	21,025	615,832	48,221
Accrued Vacation, Sick And Compensatory Time					
	<u>770,761</u>	<u>5,576</u>	<u>-</u>	<u>776,337</u>	<u>776,337</u>
<b>Total Other Liabilities</b>	<u>1,407,618</u>	<u>5,576</u>	<u>21,025</u>	<u>1,392,169</u>	<u>824,558</u>
<b>Total Governmental Activities Long-Term Debt</b>	<b><u>\$14,690,906</u></b>	<b><u>\$ 5,576</u></b>	<b><u>\$ 2,005,886</u></b>	<b><u>\$12,690,596</u></b>	<b><u>\$2,889,213</u></b>
<b>Business-Type Activities:</b>					
<b>Bonds and Notes Payable:</b>					
Certificates of Indebtedness,					
Sewer Bonds 2010	\$ 1,193,000	\$ -	\$ -	\$ 1,193,000	\$ 58,000
<b>Other Liabilities:</b>					
Accrued Vacation, Sick And Compensatory Time					
Business-Type Activities	<u>135,965</u>	<u>-</u>	<u>15,866</u>	<u>120,099</u>	<u>120,099</u>
<b>Total Business-Type Activities Long-Term Debt</b>	<b><u>\$1,328,965</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 15,866</u></b>	<b><u>\$ 1,313,099</u></b>	<b><u>\$ 178,099</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.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

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

Year Ended June 30,	Certificates of Indebtedness					
	Series 2006		Series 2005		Series 2003	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 80,000	\$ 13,125	\$ 35,000	\$ 2,756	\$ 925,000	\$ 17,529
2015	80,000	8,125	35,000	919	-	-
2016	90,000	2,813	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
<b>Total</b>	<b>\$ 250,000</b>	<b>\$ 24,063</b>	<b>\$ 70,000</b>	<b>\$ 3,675</b>	<b>\$ 925,000</b>	<b>\$ 17,529</b>

Year Ended June 30,	Certificates of Indebtedness					
	Series 2007		Series 2009		Series 2011	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 180,000	\$ 154,713	\$ 310,000	\$ 70,494	\$ 360,000	\$ 80,504
2015	185,000	143,912	320,000	58,776	370,000	72,036
2016	195,000	136,313	335,000	46,593	380,000	63,336
2017	205,000	128,313	350,000	33,852	395,000	54,346
2018	215,000	119,913	360,000	20,646	405,000	45,066
2019-2023	1,215,000	458,906	375,000	6,975	1,740,000	82,244
2024-2028	1,520,000	170,370	-	-	-	-
<b>Total</b>	<b>\$ 3,715,000</b>	<b>\$ 1,312,440</b>	<b>\$ 2,050,000</b>	<b>\$ 237,336</b>	<b>\$ 3,650,000</b>	<b>\$ 397,532</b>

Year Ended June 30,	CDBG Division of Admn. Economic Development		Sewer Revenue Bonds Series 2010		State Firefighters' Retirement System	
	Principal	Interest	Principal	Interest	Principal	Interest
	2014	\$ 25,000	\$ -	\$ 58,000	\$ 5,495	\$ 149,655
2015	25,000	-	58,000	5,234	160,127	11,209
2016	25,000	-	59,000	4,970	-	-
2017	25,000	-	59,000	4,705	-	-
2018	25,000	-	60,000	4,437	-	-
2019-2023	125,000	-	308,000	18,077	-	-
2024-2028	78,645	-	322,000	10,989	-	-
2029-2031	-	-	269,000	3,335	-	-
<b>Total</b>	<b>\$ 328,645</b>	<b>\$ -</b>	<b>\$ 1,193,000</b>	<b>\$ 57,242</b>	<b>\$ 309,782</b>	<b>\$ 32,894</b>

**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, 2013, the City is responsible for payment of lifetime benefits to four firemen. The actuarial estimate of the liability is \$615,832.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

**Note 13 - Long-Term Firemen's Disability Payments (continued)**

The annual payment requirements outstanding at June 30, 2013 are as follows:

2014	\$ 48,221
2015	48,221
2016	48,221
2017	48,221
2018	48,221
2019-2023	193,213
2024-2028	128,378
2029-2033	<u>53,136</u>
<u>TOTAL</u>	<u>\$ 615,832</u>

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

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

**Sewer Revenue Bonds**

Sewer revenue bonds were issued in the amount of \$1,250,000 to help fund the above project. This amount will be paid back over a twenty year amortization period at .45% and is also recognized as bonds payable. Sewer Revenue Bonds of \$4,750,000 were also issued but was forgiven during the year ending June 30, 2012. See note 12 for the principal and interest requirements.

**Note 15 - Operating Lease**

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

Year Ended <u>June 30,</u>	<u>Amount</u>
2014	\$ 12,000
2015	12,000
2016	12,000
2017	12,000
2018	12,000

**Note 16 - Northeast Louisiana Arts Council**

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

**Note 17 - Litigation**

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

**Note 18 - Self-Insurance Program**

During 1998, the City began a self-insurance program for hospitalization and medical coverage for its active employees and retirees. The City limits its losses through the use of reinsurers up to \$60,000 per employee. The City's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees. At June 30, 2013, the City's annual cost, excluding reinsurance premiums, is limited to approximately \$2,421,548 which was for active employees. Approximately 24 retirees receive benefits under this plan. These retirees reimbursed the City for \$125,264 during the year ended June 30, 2013 for their cost of the health care benefits.

**Note 19- Deferred Compensation Plan**

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

Since the assets of the plans are held in a custodial account with a third party administrator, the assets and liabilities are not presented in the City's financial statements in accordance with GASB 32. Assets with a fair market value of \$637,457 are held by Nationwide Retirement Solutions, Inc. and VALIC Financial Advisors.

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

Interfund operating transfers in and out during the year ended June 30, 2013, were as follows:

<u>Fund</u>	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
<b>Major Funds:</b>		
General Fund	\$ -	\$ 456,938
'86 Sales Tax Capital	100,000	1,978,800
2011 Debt Service	-	122,295
<b>Enterprise Fund</b>	138,233	-
<b>Non-Major Funds:</b>		
Special Revenue Funds	266,173	-
Capital Project Funds	122,295	100,000
Expendable Trust Funds	52,532	-
Debt Service Funds	1,978,800	-
<b><u>TOTAL</u></b>	<b><u>\$ 2,658,033</u></b>	<b><u>\$ 2,658,033</u></b>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

**Note 20- Interfund Operating Transfers In and Out (continued)**

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

**Note 21 - Interfund Receivables and Payables**

Interfund balances at June 30, 2013, were as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Interfund Payables</u>
<b>Major Funds:</b>		
General Fund	\$ 2,043,569	\$ 135,541
'86 Sales Tax	222,469	1,939,900
2011 Debt Capital	-	54,986
<b>Enterprise Fund</b>	-	211,033
<b>Non-Major Funds:</b>		
Special Revenue Funds	528,832	309,572
Capital Project Funds	-	27,491
Debt Service Funds	164,900	641,083
Fiduciary Funds	-	2,000
Internal Service Fund	<u>361,836</u>	<u>-</u>
<b>TOTAL</b>	<b><u>\$ 3,321,606</u></b>	<b><u>\$ 3,321,606</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 22 - On-Behalf Payments**

Certain City employees in the City Marshal's office, the West Monroe Police and Fire departments receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No. 24, the City has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$605,310 and the related expenditures are as follows:

Marshal's Office	\$ 12,000
Police Department	311,770
Jail	36,000
Code Enforcement	6,000
Fire Department	<u>239,540</u>
Total	<b><u>\$ 605,310</u></b>

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

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



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

The following lists the components of the minimum lease payments to be received under the direct financing lease as of June 30, 2013:

Total minimum lease payments to be received	\$ 730,612
Less: Amounts representing estimated executory costs (such as taxes, maintenance, and insurance), including profit thereon, included in total minimum lease payments	-
Minimum lease payments receivable	730,612
Estimated residual values of leased property (unguaranteed)	-
Less: Unearned Income	( 37,154)
<b><u>NET MINIMUM LEASE PAYMENTS RECEIVABLE –</u></b> <b><u>DIRECT FINANCING LEASE</u></b>	<b><u>\$ 693,458</u></b>

Future minimum lease payments are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2014	\$ 147,000
2015	147,000
2016	147,000
2017	55,515
2018	25,020
2019-2023	125,100
2024-2027	83,977
Total	<u>\$ 730,612</u>

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

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

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2014	\$ 10,500
2015	10,500
2016	10,500
2017	6,125
2018	-
Total	<u>\$ 37,625</u>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2013 are as follows:

<u>Classification/Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable:		
General Fund	Inventory	\$ 45,870
	Minimum Lease Payment Receivable	730,612
Restricted:		
2007 Debt Capital	Capital Projects	1,412,257
2011 Debt Capital	Capital Projects	2,141,088
Emergency Shelter	FEMA Emergency Shelter Recipients	4,699
Rental Rehab	Public Housing	6,904
Metro LCLE	LCLE Multi Jurisdictional Taskforce	2,614
Section 8 Housing	Public Housing	190,237
Americorps	Americorps Projects	44,463
2011 Debt Service	Servicing 2011 Debt	278,373
Various Cap. Projects	Various Cap. Projects	6,289
Committed:		
General Fund	Fund Balance for Next Year's Operations	-
Assigned:		
Street Maintenance	Maintenance of Streets and Roads	375,195
Office of Motor Veh	DMV Operations	152,939
Keep WM Beautiful	Litter Prevention	2,289
Unassigned:		
General Fund		4,331,349
86 Sales Tax Capital	Capital Projects	( 98,289)
2007 Debt Service	Servicing 2007 Debt	( 90,625)
Firemen's Pension Merger Fund		( 15,360)
Misc Projects		( 2,736)
Law Enf. Training Ctr	Training Facility for Future Police Officers	( 3,079)
Ouachita Outreach		( 50,498)
Officer Witness Court		( 31,173)
2003 Debt Service		( 378,698)
Total Fund Balances		<u>\$ 9,054,720</u>

**Note 26 – Prior Period Restatement**

The City became aware that a review is in process pertaining to overpayment of sales tax to the City over the last couple of years. The investigation stems from remittances made by a local industry. The City has entered into an interim agreement for repayment of the amounts received incorrectly and has begun to repay sales taxes during the year ended June 30, 2013. The interim repayment agreement totaled \$1,427,410, split between the General Fund and the '86 Sales Tax Capital Fund. A lump payment of \$440,000 was made up front and eighteen monthly installments of \$55,000 follow. The General Fund is repaying 70%, or \$999,187, while the '86 Sales Tax Capital Fund is repaying 30%, or \$428,223, and their respective beginning fund balances have been reduced to reflect these amounts. Payables have been set up in both funds to represent amounts due at June 30, 2013, per the interim agreement.

Also, an amount owed by the City Marshal of West Monroe for salaries and related benefits of the City Marshal's staff from prior years totaling \$293,470 was cleared as an adjustment through beginning fund balance of the City's General Fund. A new agreement has been set up with the Marshal.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

**Note 26 – Prior Period Restatement** (continued)

Prior years are not presented on the statement of activities; therefore the adjustment for the cumulative effect of the prior period adjustments are presented as an adjustment to opening net position on the statement of activities.

**Note 27 - Subsequent Events**

Subsequent events have been evaluated through November 5, 2013, the date that the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately recorded or disclosed.

CITY OF WEST MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Taxes	\$ 13,884,000	\$ 13,214,000	\$ 13,213,629	\$ (371)
Intergovernmental	538,272	360,000	360,144	144
Licenses and Permits	893,500	880,000	880,288	288
Charges for Services	2,417,600	2,279,000	2,278,995	(5)
Fines and Forfeitures	679,400	521,000	520,864	(136)
Interest Earned	60,200	28,000	28,946	946
Franchise Revenue	-	804,000	803,428	(572)
Sale of Assets	-	17,000	16,757	(243)
Other	55,000	52,000	52,182	182
<b>Total Revenues</b>	<b>18,527,972</b>	<b>18,155,000</b>	<b>18,155,233</b>	<b>233</b>
<b><u>Expenditures</u></b>				
General Government:				
Elected Council	89,710	89,740	89,790	(50)
City Court	417,974	443,000	443,293	(293)
Marshal	297,227	384,200	384,176	24
Mayor's Office	182,116	183,156	182,861	295
City Clerk's Office	970,138	966,260	968,776	(2,516)
City Hall Maintenance	440,034	435,753	434,873	880
General and Administrative	1,547,919	1,776,000	1,775,088	912
Public Safety:				
Legal	441,706	433,000	432,918	82
Fire	2,299,425	2,220,000	2,219,675	325
Police	4,720,584	4,552,000	4,551,816	184
Prison	714,987	635,500	635,576	(76)
Police Shop	54,415	95,200	95,289	(89)
Public Works:				
Garbage	605,241	503,500	503,212	288
Trash	614,249	595,000	595,157	(157)
Streets	806,282	850,000	849,545	455
Cemetery	12,000	13,600	13,641	(41)
Planning and Zoning	65,910	37,000	37,032	(32)
Inspection	119,102	145,500	145,533	(33)
City Maintenance Shop	346,878	322,200	322,121	79

CITY OF WEST MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Culture and Recreation:				
Recreation and Parks	\$ 295,472	\$ 297,000	\$ 296,793	\$ 207
Kiroli Park	349,730	373,000	373,072	(72)
Lazarre Park	7,000	6,000	5,969	31
Restoration Park	2,900	6,600	6,322	278
Farmer's Market	45,244	42,448	42,999	(551)
Ike Hamilton Expo Center	944,947	906,525	904,982	1,543
Convention Center	878,007	726,000	725,304	696
Community Development & Center	463,007	441,725	440,677	1,048
Tanner Building & Business Center	123,062	115,712	116,939	(1,227)
Section 8 Housing	196,764	-	-	-
Economic Development	70,324	69,944	69,986	(42)
<b>Total Expenditures</b>	<u>18,122,354</u>	<u>17,665,563</u>	<u>17,663,415</u>	<u>2,148</u>
<b><u>Excess of Revenues Over (Under)</u></b>				
<b><u>Expenditures</u></b>	405,618	489,437	491,818	2,381
<b><u>Other Financing Sources and (Uses)</u></b>				
Transfers In	-	-	-	-
Transfers Out	(321,000)	(457,000)	(456,938)	62
<b>Total Other Financing Sources     and Uses</b>	<u>(321,000)</u>	<u>(457,000)</u>	<u>(456,938)</u>	<u>62</u>
<b><u>Net Change in Fund Balance</u></b>	84,618	32,437	34,880	2,443
<b><u>Fund Balance at Beginning of Year (Restated)</u></b>	<u>5,072,951</u>	<u>5,072,951</u>	<u>5,072,951</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 5,157,569</u>	<u>\$ 5,105,388</u>	<u>\$ 5,107,831</u>	<u>\$ 2,443</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		<u>Amounts</u>
<b><u>Revenues</u></b>				
Sales Tax	\$ 5,150,000	\$ 5,198,000	\$ 5,198,115	\$ 115
Intergovernmental	100,000	687,000	687,302	302
Charges for Services	-	-	-	-
Other	50,000	22,000	23,034	1,034
Interest Income	-	250	253	3
<b>Total Revenues</b>	<u>5,300,000</u>	<u>5,907,250</u>	<u>5,908,704</u>	<u>1,454</u>
<b><u>Expenditures</u></b>				
Computer Equipment and Software	355,000	570,000	570,552	(552)
Street Projects	100,000	415,000	414,000	1,000
Drainage Projects	150,000	30,000	29,595	405
Furniture and Fixtures	15,000	18,000	18,080	(80)
Vehicles	300,000	255,000	284,956	(29,956)
Machinery and Equipment	500,000	515,000	512,021	2,979
Consultants	65,000	74,500	74,026	474
Engineering	200,000	283,000	282,897	103
Construction/Buildings/Facilities	100,000	452,000	451,481	519
Water Projects	200,000	60,000	61,056	(1,056)
Sewer Projects	285,000	85,000	84,958	42
Treatment Plant Projects	200,000	85,000	83,948	1,052
Land Purchases	20,000	40,000	40,405	(405)
Major Repairs	40,000	105,000	75,388	29,612
Miscellaneous	230,000	405,000	403,941	1,059
Maintenance	290,000	687,000	687,144	(144)
<b>Total Expenditures</b>	<u>3,050,000</u>	<u>4,079,500</u>	<u>4,074,448</u>	<u>5,052</u>
<b><u>Excess of Revenues Over Expenditures</u></b>				
	2,250,000	1,827,750	1,834,256	6,506
<b><u>Other Financing Sources and (Uses)</u></b>				
Transfers In	-	100,000	100,000	-
Transfers Out	(2,146,000)	(1,978,800)	(1,978,800)	-
<b>Total Other Financing Sources and Uses</b>	<u>(2,146,000)</u>	<u>(1,878,800)</u>	<u>(1,878,800)</u>	<u>-</u>
<b><u>Net Change in Fund Balance</u></b>	104,000	(51,050)	(44,544)	6,506
<b><u>Fund Balance at Beginning of Year (Restated)</u></b>	<u>(53,745)</u>	<u>(53,745)</u>	<u>(53,745)</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 50,255</u>	<u>\$ (104,795)</u>	<u>\$ (98,289)</u>	<u>\$ 6,506</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, 2013

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

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

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

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

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2013

	Street Maintenance Fund	West Ouachita Senior Center Fund	Emergency Shelter Program Fund	Officer Witness Court Fund
<b><u>ASSETS</u></b>				
Cash in Bank	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due From Other Governments	-	24,561	-	4,109
Due From Other Funds	375,195	-	4,699	-
<b><u>TOTAL ASSETS</u></b>	<b>\$ 375,195</b>	<b>\$ 24,561</b>	<b>\$ 4,699</b>	<b>\$ 4,109</b>
 <b><u>LIABILITIES</u></b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	-	24,561	-	35,282
<b>Total Liabilities</b>	-	24,561	-	35,282
 <b><u>FUND BALANCES</u></b>				
Restricted	-	-	4,699	-
Assigned	375,195	-	-	-
Unassigned	-	-	-	(31,173)
<b>Total Fund Balances</b>	375,195	-	4,699	(31,173)
 <b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	 <b>\$ 375,195</b>	 <b>\$ 24,561</b>	 <b>\$ 4,699</b>	 <b>\$ 4,109</b>



Rental Rehabilitation Fund	Section 8 Housing Fund	Miscellaneous Projects and Grant Funds	Metro LCLE Grant Fund	North Delta Law Enforcement Training Center Fund	Office of Motor Vehicles	
\$ 6,904	\$ 394,141	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
-	6,354	-	107,500	-	8,904	C
-	-	-	2,614	-	144,035	O
<u>\$ 6,904</u>	<u>\$ 400,495</u>	<u>\$ -</u>	<u>\$ 110,114</u>	<u>\$ -</u>	<u>\$ 152,939</u>	N
						T
\$ -	\$ 128	\$ -	\$ 107,500	\$ -	\$ -	I
-	210,130	2,736	-	3,079	-	N
-	210,258	2,736	107,500	3,079	-	U
6,904	190,237	-	2,614	-	-	E
-	-	-	-	-	152,939	
-	-	(2,736)	-	(3,079)	-	D
<u>6,904</u>	<u>190,237</u>	<u>(2,736)</u>	<u>2,614</u>	<u>(3,079)</u>	<u>152,939</u>	
<u>\$ 6,904</u>	<u>\$ 400,495</u>	<u>\$ -</u>	<u>\$ 110,114</u>	<u>\$ -</u>	<u>\$ 152,939</u>	

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2013

	Keep West Monroe Beautiful Grant Program	Americorps Grant Fund	Ouachita Outreach	Total Nonmajor Special Revenue Funds
<b><u>ASSETS</u></b>				
Cash in Bank	\$ -	\$ -	\$ -	\$ 401,045
Accounts Receivable	-	-	-	-
Due From Other Governments	-	57,749	-	209,177
Due From Other Funds	2,289	-	-	528,832
	<u>2,289</u>	<u>-</u>	<u>-</u>	<u>528,832</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 2,289</u></b>	<b><u>\$ 57,749</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,139,054</u></b>
 <b><u>LIABILITIES</u></b>				
Accounts Payable	\$ -	\$ -	\$ 30,000	137,628
Due To Other Funds	-	13,286	20,498	309,572
<b>Total Liabilities</b>	<u>-</u>	<u>13,286</u>	<u>50,498</u>	<u>447,200</u>
 <b><u>FUND BALANCES</u></b>				
Restricted	-	44,463	-	248,917
Assigned	2,289	-	-	530,423
Unassigned	-	-	(50,498)	(87,486)
<b>Total Fund Balances</b>	<u>2,289</u>	<u>44,463</u>	<u>(50,498)</u>	<u>691,854</u>
 <b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	 <b><u>\$ 2,289</u></b>	 <b><u>\$ 57,749</u></b>	 <b><u>\$ -</u></b>	 <b><u>\$ 1,139,054</u></b>

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, 2013

	Street Maintenance Fund	West Ouachita Senior Center Fund	Emergency Shelter Program Fund	Officer Witness Court Fund
<b><u>Revenues</u></b>				
Taxes	\$ 230,620	\$ -	\$ -	\$ -
Intergovernmental	-	162,612	-	-
Interest	-	-	-	-
Other	-	205,936	20,042	55,148
<b>Total Revenues</b>	<u>230,620</u>	<u>368,548</u>	<u>20,042</u>	<u>55,148</u>
<b><u>Expenditures</u></b>				
Public Safety	-	-	-	82,465
Public Works	201,341	-	-	-
Health and Welfare	-	634,721	19,645	-
Culture and Recreation	-	-	-	-
Capital Expenditures & Major Repairs	-	-	-	-
<b>Total Expenditures</b>	<u>201,341</u>	<u>634,721</u>	<u>19,645</u>	<u>82,465</u>
<b><u>Excess (Deficiency) of</u></b>				
<b>Revenues Over Expenditures</b>	29,279	(266,173)	397	(27,317)
<b><u>Other Financing Sources</u></b>				
Operating Transfers - In (Out)	-	266,173	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>266,173</u>	<u>-</u>	<u>-</u>
<b><u>Net Change in Fund Balance</u></b>	29,279	-	397	(27,317)
<b><u>Fund Balances - Beginning</u></b>	<u>345,916</u>	<u>-</u>	<u>4,302</u>	<u>(3,856)</u>
<b><u>FUND BALANCES - ENDING</u></b>	<u>\$ 375,195</u>	<u>\$ -</u>	<u>\$ 4,699</u>	<u>\$ (31,173)</u>

Rental Rehabilitation Fund	Metro LCLE Grant Fund	Americorps Grant Fund	Ouachita Outreach	North Delta Law Enforcement Training Center Fund	Office of Motor Vehicles
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	107,500	274,425	-	-	94,836
-	-	-	-	-	-
-	-	-	20,799	3,667	-
-	107,500	274,425	20,799	3,667	94,836
-	107,500	-	-	17,952	57,592
-	-	-	-	-	-
-	-	279,421	71,481	-	-
-	-	-	-	-	-
-	107,500	279,421	71,481	17,952	57,592
-	-	(4,996)	(50,682)	(14,285)	37,244
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(4,996)	(50,682)	(14,285)	37,244
6,904	2,614	49,459	184	11,206	115,695
\$ 6,904	\$ 2,614	\$ 44,463	\$ (50,498)	\$ (3,079)	\$ 152,939

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CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS)  
FOR THE YEAR ENDED JUNE 30, 2013

	Section 8 Housing Fund	Miscellaneous Projects and Grant Funds	Keep West Monroe Beautiful Grant Program	Total Nonmajor Special Revenue Funds
<b><u>Revenues</u></b>				
Taxes	\$ -	\$ -	\$ -	\$ 230,620
Intergovernmental	1,501,445	-	100	2,140,918
Interest	-	-	-	-
Other	11,022	23,828	-	340,442
<b>Total Revenues</b>	<u>1,512,467</u>	<u>23,828</u>	<u>100</u>	<u>2,711,980</u>
<b><u>Expenditures</u></b>				
Public Safety	-	-	-	265,509
Public Works	-	-	-	201,341
Health and Welfare	1,561,722	-	-	2,216,088
Culture and Recreation	-	16,573	1,120	368,595
Capital Expenditures & Major Repairs	-	-	-	-
<b>Total Expenditures</b>	<u>1,561,722</u>	<u>16,573</u>	<u>1,120</u>	<u>3,051,533</u>
<b><u>Excess (Deficiency) of</u></b>				
<b>Revenues Over Expenditures</b>	(49,255)	7,255	(1,020)	(339,553)
<b><u>Other Financing Sources (Uses)</u></b>				
Operating Transfers - In (Out)	-	-	-	266,173
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,173</u>
<b>Net Change in Fund Balance</b>	(49,255)	7,255	(1,020)	(73,380)
<b>Fund Balances - Beginning</b>	<u>239,492</u>	<u>(9,991)</u>	<u>3,309</u>	<u>765,234</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 190,237</u>	<u>\$ (2,736)</u>	<u>\$ 2,289</u>	<u>\$ 691,854</u>

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

	June 30,	
	2013	2012
<b><u>Assets</u></b>		
Due From Other Governments:		
Louisiana Office of Elderly Affairs	\$ 20,566	\$ -
Department of Transportation	3,995	10,897
<b><u>Total Assets</u></b>	\$ 24,561	\$ 10,897
 <b><u>Liabilities and Fund Balance</u></b>		
<b><u>Liabilities</u></b>		
Accounts Payable	\$ -	\$ 3,973
Due To Other Funds	24,561	6,924
<b>Total Liabilities</b>	24,561	10,897
 <b><u>Fund Balance</u></b>		
Unassigned	-	-
<b><u>Total Liabilities and Fund Balance</u></b>	\$ 24,561	\$ 10,897

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

	For the Years Ended	
	June 30,	
	2013	2012
<b><u>Revenues</u></b>		
Department of Transportation	\$ 75,400	\$ 62,385
Ouachita Council on Aging		
Senior Center Funds	73,535	60,717
Supplemental Senior Center Funds	6,621	6,621
Louisiana Office of Elderly Affairs	-	-
United Way	110,522	102,224
Transportation Fees	7,056	5,319
Miscellaneous Revenues (Ceramics, Greenhouse, etc.)	95,414	69,601
Total Revenues	368,548	306,867
<b><u>Expenditures</u></b>		
Salaries and Related Expenditures	402,310	379,821
Professional Services	2,650	6,490
Repairs and Maintenance	14,682	11,407
Communications	1,506	1,870
Postage	311	343
Newsletter	10,417	15,885
Advertising	3,994	4,978
Travel	2,221	5,649
Supplies	63,878	53,100
Utilities	60,616	41,406
Fuel	61,598	53,812
Miscellaneous	10,538	10,232
Total Expenditures	634,721	584,993
<b><u>Deficiency of Revenues Over Expenditures</u></b>	(266,173)	(278,126)
<b><u>Other Financing Sources</u></b>		
City of West Monroe Support	266,173	278,126
<b><u>Net Change in Fund Balance</u></b>	-	-
<b><u>Fund Balance - Beginning</u></b>	-	-
<b><u>FUND BALANCE - ENDING</u></b>	\$ -	\$ -

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2013

	2007 Debt Service Fund	2003 Debt Service Fund	2011 Debt Service Fund	Firemen's Pension Merger Fund	Total Nonmajor Debt Service Funds
<b><u>ASSETS</u></b>					
Cash in Bank	\$ -	\$ -	\$ 238,473	\$ -	\$ 238,473
Accounts Receivable	-	-	-	-	-
Due from Other Governments	17,100	-	-	14,300	31,400
Due From Other Funds	-	125,000	39,900	-	164,900
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 17,100</u></b>	<b><u>\$ 125,000</u></b>	<b><u>\$ 278,373</u></b>	<b><u>\$ 14,300</u></b>	<b><u>\$ 434,773</u></b>
<b><u>LIABILITIES</u></b>					
Payable to State Retirement	\$ -	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	107,725	503,698	-	29,660	641,083
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	107,725	503,698	-	29,660	641,083
<b><u>FUND BALANCES</u></b>					
Assigned	-	-	278,373	-	278,373
Unassigned	(90,625)	(378,698)	-	(15,360)	(484,683)
Total Fund Balances	<u>(90,625)</u>	<u>(378,698)</u>	<u>278,373</u>	<u>(15,360)</u>	<u>(206,310)</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 17,100</u></b>	<b><u>\$ 125,000</u></b>	<b><u>\$ 278,373</u></b>	<b><u>\$ 14,300</u></b>	<b><u>\$ 434,773</u></b>



CITY OF WEST MONROE, LOUISIANA  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013

	2007 Debt Service Fund	2003 Debt Service Fund	2011 Debt Service Fund	Firemen's Pension Merger Fund	Total Nonmajor Debt Service Funds
<b>Revenues</b>					
Taxes	\$ 205,200	\$ -	\$ -	\$ 171,600	\$ 376,800
Sales of Assets	-	-	-	-	-
Total Revenues	<u>205,200</u>	<u>-</u>	<u>-</u>	<u>171,600</u>	<u>376,800</u>
<b>Expenditures</b>					
Principal Retirement	170,000	1,324,996	350,000	139,865	1,984,861
Other Debt Service Costs	401	500	-	-	901
Interest	159,063	134,007	88,740	31,475	413,285
Total Expenditures	<u>329,464</u>	<u>1,459,503</u>	<u>438,740</u>	<u>171,340</u>	<u>2,399,047</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(124,264)	(1,459,503)	(438,740)	260	(2,022,247)
<b>Other Financing Sources</b>					
Operating Transfers - In	-	1,500,000	478,800	-	1,978,800
<b>Net Change in Fund Balance</b>	(124,264)	40,497	40,060	260	(43,447)
<b>Fund Balance - Beginning</b>	<u>33,639</u>	<u>(419,195)</u>	<u>238,313</u>	<u>(15,620)</u>	<u>(162,863)</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ (90,625)</u>	<u>\$ (378,698)</u>	<u>\$ 278,373</u>	<u>\$ (15,360)</u>	<u>\$ (206,310)</u>

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2013

	<u>CDBG - Street Paving Project</u>	<u>2007 Debt Capital Fund</u>	<u>CDBG - Send Technologies Project</u>	<u>CDBG - 5th Street Overlay</u>	<u>Total Nonmajor Capital Project Funds</u>
<b><u>ASSETS</u></b>					
Cash in Bank	\$ 6,278	\$ 1,445,913	\$ 7	\$ 4	\$ 1,452,202
Due From Other Governments	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 6,278</u></b>	<b><u>\$ 1,445,913</u></b>	<b><u>\$ 7</u></b>	<b><u>\$ 4</u></b>	<b><u>\$ 1,452,202</u></b>
<b><u>LIABILITIES</u></b>					
Accounts Payable	\$ -	\$ 6,165	\$ -	\$ -	\$ 6,165
Due To Other Funds	-	27,491	-	-	27,491
<b>Total Liabilities</b>	<b>-</b>	<b>33,656</b>	<b>-</b>	<b>-</b>	<b>33,656</b>
<b><u>FUND BALANCES (DEFICITS)</u></b>					
Restricted	6,278	1,412,257	7	4	1,418,546
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b><u>6,278</u></b>	<b><u>1,412,257</u></b>	<b><u>7</u></b>	<b><u>4</u></b>	<b><u>1,418,546</u></b>
<b><u>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</u></b>	<b><u>\$ 6,278</u></b>	<b><u>\$ 1,445,913</u></b>	<b><u>\$ 7</u></b>	<b><u>\$ 4</u></b>	<b><u>\$ 1,452,202</u></b>

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, 2013

	<u>CDBG - Street Paving Project</u>	<u>2007 Debt Capital Fund</u>	<u>CDBG - Send Technologies Project</u>	<u>CDBG - 5th Street Overlay</u>	<u>Total Nonmajor Capital Project Funds</u>
<b><u>Revenues</u></b>					
Intergovernmental	\$ -	\$ 560,698	\$ -	\$ 331,819	\$ 892,517
Interest Income	-	1,226	-	-	1,226
<b>Total Revenues</b>	<u>-</u>	<u>561,924</u>	<u>-</u>	<u>331,819</u>	<u>893,743</u>
<b><u>Expenditures</u></b>					
Capital Projects	<u>-</u>	<u>805,294</u>	<u>-</u>	<u>454,114</u>	<u>1,259,408</u>
<b><u>Excess (Deficiency) of</u></b>					
<b>Revenues Over Expenditures</b>	-	(243,370)	-	(122,295)	(365,665)
<b><u>Other Financing Sources (Uses)</u></b>					
Operating Transfers - In	-	-	-	122,295	122,295
Operating Transfers - Out	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>122,295</u>	<u>22,295</u>
<b><u>Net Change in Fund Balance</u></b>	-	(343,370)	-	-	(343,370)
<b><u>Fund Balances - Beginning</u></b>	<u>6,278</u>	<u>1,755,627</u>	<u>7</u>	<u>4</u>	<u>1,761,916</u>
<b><u>FUND BALANCES - ENDING</u></b>	<u>\$ 6,278</u>	<u>\$1,412,257</u>	<u>\$ 7</u>	<u>\$ 4</u>	<u>\$ 1,418,546</u>

CITY OF WEST MONROE, LOUISIANA  
ALL FUNDS  
SCHEDULE OF ASSESSED VALUATION AND AD VALOREM  
PROPERTY TAX LEVY FOR 2012

Assessed Valuation \$ 141,936,842

Tax Rate Per Thousand Dollars (Mills) 8.53

Gross Tax Levy \$ 1,210,741

Tax Collected  
 2012 Assessments \$ 1,198,972

<u>Allocation of Tax Collected</u>	<u>2012 Tax Rate Mills</u>	
General Fund	6.90	\$ 969,859
Street Maintenance	1.63	<u>229,113</u>
Total	<u>8.53</u>	<u>\$ 1,198,972</u>

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF REVENUES AND EXPENDITURES - CONVENTION CENTER  
FOR THE YEAR ENDED JUNE 30, 2013

<u>Revenues</u>	<u>Events</u>	<u>Concession</u>	<u>Catering</u>	<u>Total</u>
	\$ 3,419	\$ 6,859	\$ 646,625	\$ 656,903
 <u>Cost of Operations</u>				
Operating Expenditures	4,128	-	202,284	206,412
Personnel	5,918	-	289,984	295,902
Total	<u>10,046</u>	<u>-</u>	<u>492,268</u>	<u>502,314</u>
 <u>Gross Profit</u>	 <u>\$ (6,627)</u>	 <u>\$ 6,859</u>	 <u>\$ 154,357</u>	 154,589
 <u>Administrative Expenditures</u>				
Director's Salary				55,652
Operations Salaries				57,704
Employee Benefits				36,187
Vehicle Maintenance				1,140
Materials, Repairs & Supplies				-
Operating Supplies				48,261
Travel, Car & Meetings				1,378
Cell Phones and Pagers				960
Fuel				1,897
Advertising				1,000
Office Supplies				2,408
Utilities				16,403
Total Administrative Expenditures				<u>222,990</u>
 <u>Deficiency of Revenues Over Expenditures</u>				 <u>\$ (68,401)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
677,500	
560,370	
\$ 117,130	\$ 37,459
55,672	20
58,644	940
38,203	2,016
1,000	(140)
2,000	2,000
39,000	(9,261)
1,300	(78)
1,080	120
2,000	103
1,000	-
2,000	(408)
<u>15,000</u>	<u>(1,403)</u>
<u>216,899</u>	<u>(6,091)</u>
<u>\$ (99,769)</u>	<u>\$ 31,368</u>

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF REVENUES AND EXPENDITURES - IKE HAMILTON EXPO CENTER  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Equine Events</u>	<u>Concession</u>	<u>Stall Rentals &amp; Shavings</u>	<u>Total</u>
<u>Revenues</u>	\$ 260,414	\$ 9,200	\$ 207,861	\$ 477,475
<u>Cost of Operations</u>				
Operating Expenditures	94,880	3,450	74,179	172,509
Personnel	77,919	2,833	60,918	141,670
Total	<u>172,799</u>	<u>6,283</u>	<u>135,097</u>	<u>314,179</u>
<u>Gross Profit</u>	<u>\$ 87,615</u>	<u>\$ 2,917</u>	<u>\$ 72,764</u>	163,296
<u>Administrative Expenditures</u>				
Director's Salary				80,257
Operations Salaries				115,517
Employee Benefits				61,562
Vehicle Maintenance				9,506
Materials, Repairs & Supplies				32,384
Gas and Oil				2,340
Office				53
Cell Phones and Pagers				1,440
Other Miscellaneous Purchases				264
Advertising				-
Utilities				287,480
Total Administrative Expenditures				<u>590,803</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (427,507)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 162,975	\$ 321
80,346	89
116,300	783
60,700	(862)
8,500	(1,006)
29,800	(2,584)
4,500	2,160
75	22
1,440	-
500	236
-	-
<u>296,500</u>	<u>9,020</u>
<u>598,661</u>	<u>7,858</u>
<u><u>\$ (435,686)</u></u>	<u><u>\$ 8,179</u></u>



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO COUNCIL MEMBERS  
FOR THE YEAR ENDED JUNE 30, 2013

James Bennett	\$	10,800
James Brian		10,800
Alice Pearson		10,800
Fred Ragland		10,800
Staci Albritton		10,800
		<hr/>
	\$	54,000
		<hr/>

# CAMERON, HINES & COMPANY

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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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic primary government financial statements and have issued our report thereon dated November 5, 2013. The report on the City's legally separate component units was qualified due to its omission from the City's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting as items 13-1 through 13-3.

### **Compliance and Other Matters**

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

### **City of West Monroe, Louisiana Response to Findings**

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

### **Purpose of the Report**

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

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
November 5, 2013

# CAMERON, HINES & COMPANY

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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Honorable Mayor and Board of Aldermen of  
West Monroe, Louisiana

### **Report on Compliance for Each Major Federal Program**

We have audited City of West Monroe, Louisiana's (the City) compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

### ***Management's Responsibility***

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

### ***Auditors' Responsibility***

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

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

### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
November 5, 2013

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013

**SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unmodified opinion on the basic primary government financial statements of the City of West Monroe, Louisiana.
2. Three significant deficiencies 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 for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133. None of the significant deficiencies are deemed to be material weaknesses.
3. No instances of noncompliance material to the financial statements of the City of West Monroe, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award programs and non are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by 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 unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Sections 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs included the Department of Housing and Urban Development Voucher Program, CFDA No. 14.871 and the Department of Transportation – ARRA Formula Grants for Other than Urbanized Areas, CFDA No. 20.509.
8. The threshold for distinguishing between Types A and B programs was \$300,000.
9. The City of West Monroe, Louisiana does qualify to be a low-risk auditee.

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013 (continued)

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

There were no findings relating to this category.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**13-1 Accounts Receivable Subsidiary Ledgers**

Condition:

During the audit of accounts receivable, it was noted that the subsidiary ledgers were not reconciled to the general ledger and that the subsidiary ledgers were not maintained in a manner to determine the actual receivable amount at any point in time.

Criteria:

These subsidiary ledgers should be maintained in a manner which appropriately reflect the current balance owed and should agree to the corresponding general ledger account. These amounts should be reconciled periodically.

Recommendation:

The City should correct their subsidiary ledgers to tie into their respective general ledger accounts and provide an accurate detail of what is owed the City at any point in time.

Response:

The City will correct their subsidiary ledgers to agree with the general ledger and to reflect amounts actually owed.

**13-2 Grant Register**

Condition:

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

Criteria:

Federal agencies require accountability for the funds given to recipients.

Recommendation:

The City's management should consider using a grant register to track all federal and state grants the City receives. Also, each department should be required to notify the staff in charge of maintaining the register when a grant is applied for and approval is received and appropriate documentation provided.

Response:

The City plans to hire a person or train a current employee to use a grant register to better track grant activity of the City.

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013 (continued)

**13-3 Water Meter Readers**

Condition:

During the year, it was discovered that some of the City water meter readings were not correct and that a few of the meters were not functioning properly. The City used previous readings history to average some bills when needed.

Criteria:

The water meters should be accurately read on a monthly basis and should be maintained on a set maintenance schedule and replaced when needed.

Recommendation:

The City should provide a person to oversee the meter readers and the scheduled maintenance of the meters as well as the billing records to notice any irregularities on a timely basis.

Response:

The City has terminated the meter readers responsible. The City has increased the pay for meter readers and also hired a supervisor to oversee the meter readers and meter maintenance. In addition, the City is studying the use of electronic meters to reduce the possibility of reader error.



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013

<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>			
Section 8 Housing Choice Vouchers HAP - Vouchers	13.871	LA186VO	* \$ 1,500,002
<b>Department of Homeland Security</b>			
EF&S National Board Program	97.024	36600-002	20,042
Hazard Mitigation	97.039	HMGP 1607-073-002	35,000
<b>Department of Justice</b>			
Bureau of Justice Assistance Bullet Proof Vest Grant	16.607	None	2,731
Edward Byrne Mem Justice Assistance Grant Multi-Jurisdictional Task Force	16.738	B11-2-006	107,500
Safestreets Violent Crime Initiative	16.738	166E-NO-64194	16,090
			<u>123,590</u>
<b>Department of Transportation</b>			
Federal Transit Administration ARRA - Formula Grants for Other than Urbanized Areas	20.509	LA-86-X001	* 225,966
Highway Safety Commission PD Year Long Overtime	20.600	PT2010510000	112,651
<b>Corporation for National and Community Service</b>			
AmeriCorps	94.006	12AFHLA0010001	274,424
<b>Executive Office of the President</b>			
HIDTA Overtime Reimbursement	95.001	G10GC0001A	18,824
			<u>\$ 2,313,230</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, 2013

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, 2013

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

There were no findings relating to this category.

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

**12-1 Accounts Receivable Subsidiary Ledgers**

Condition:

During the audit of accounts receivable, it was noted that the subsidiary ledgers were not reconciled to the general ledger and that the subsidiary ledgers were not maintained in a manner to determine the actual receivable amount at any point in time.

Recommendation:

The City should correct their subsidiary ledgers to tie into their respective general ledger accounts and provide an accurate detail of what is owed the City at any point in time.

Current Status:

Item is repeated as finding 13-1.

**12-2 Theft of Scrap Metal at Public Works Facility**

Condition:

The Ouachita Parish Sheriff Office notified the City of possible theft at the Public Works Facility. The theft involved three employees of the City stealing scrap metal from the City scrap yard at the public works complex and selling it at local scrap yards. Amounts determined to be stolen were estimated at \$16,776.

Recommendation:

The City should add security measures to limit unauthorized access to these and other assets.

Current Status:

The City has instituted additional controls along with additional security measures in an attempt to deter and prevent incidents from occurring again.