

# ANNUAL FINANCIAL REPORT

CITY OF MONROE, LOUISIANA



Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/19/08

**For The Year Ended  
April 30, 2008**

**CITY OF MONROE**

**Financial Statements  
As of and for the Year Ended April 30, 2008**

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**\*Denotes Schedule**

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**\*Denotes Schedule**

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, the fiduciary funds, and the aggregate remaining fund information of the City of Monroe, Louisiana (the City) as of and for the year ended April 30, 2008, which collectively comprise the City's basic financial statements on pages 14 through 61 as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Monroe City Court or the Monroe City Marshal, which represent the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included in the component unit columns, is based on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the fiduciary funds, and the aggregate remaining fund information of the City as of April 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**City of Monroe  
Monroe, Louisiana**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2008 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 4 through 12 and pages 63 through 65 respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as other supplemental information (including the schedule of expenditures of federal awards) and the budgetary comparison schedules listed as required supplementary information in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplemental information is the responsibility of management of the City. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly presented in all material respects in relation to the basic financial statements taken as a whole. The accompanying schedule of expenditures of passenger facility charges on page 131 is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Huffman, Hoffmann, Reynolds & Simpson*

(A Professional Accounting Corporation)

October 31, 2008

**REQUIRED SUPPLEMENTAL INFORMATION  
(PART A)**

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2008**

As management of the City of Monroe (the City), we offer readers of the City of Monroe's financial statements this narrative overview and analysis of the financial activities of the City of Monroe for the fiscal year ended April 30, 2008. It is designed to assist the reader in focusing on significant financial issues, identify changes in the city's financial position, and identify material deviations and individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government issued June 2001. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

**Financial Highlights**

- The assets of the City of Monroe exceeded its liabilities at the close of the most recent fiscal year by \$221.5 million (*net assets*). Of this amount, a deficit of \$16.8 million (*unrestricted net assets*) represents the portion of net assets which is not invested in capital assets or otherwise restricted.
- The government's total net assets increased by \$2.2 million.
- As of the close of the current fiscal year, the City of Monroe's governmental funds reported combined ending fund balances of \$72.5 million, an increase of \$3.6 million in comparison with the prior year. Of this total amount, \$23.0 million is in unreserved fund balance.
- At the end of the current fiscal year, approximately \$272,000 of the General Fund's fund balance was reserved for inventories and prepaid items; and approximately \$155,000 was designated for capital improvements.
- The City of Monroe's total debt increased by approximately \$4.8 million during the current fiscal year.

**Overview of the Financial Statements**

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

Not only do the government-wide financial statements include the City itself which is the primary government, but also it's component units, Monroe City Court and Monroe City Marshal. Although these component units are legally separate, their operational or financial relationship with the City makes the City financially accountable.



**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2008**

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

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

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

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

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

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

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2008**

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

The City of Monroe maintains 63 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Infrastructure Special Revenue Fund, Sales Tax Bond Debit Service Fund and I-20 Corridor Capital Project Fund, all of which are considered to be major funds. Data from the other 59 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Monroe adopts an annual appropriated budget for its General Fund, and all Special Revenue funds. Budgetary comparison statements have been provided for the General Fund and the Capital Infrastructure Special Revenue Fund to demonstrate compliance with this budget.

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

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

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

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

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2008**

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Monroe, assets exceeded liabilities by approximately \$221.5 million at the close of the most recent fiscal year.

By far the largest amount of the City of Monroe's net assets (\$177 million) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Monroe uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Monroe's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Monroe's Net Assets**  
**April 30, 2008 and 2007**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Assets</b>						
Current and other assets	\$ 84,910,639	\$ 82,202,021	\$ 1,881,167	\$ 2,278,673	\$ 86,791,806	\$ 84,480,694
Capital Assets	<u>177,311,087</u>	<u>177,659,889</u>	<u>137,499,814</u>	<u>135,353,866</u>	<u>314,810,901</u>	<u>313,013,755</u>
Total Assets	<u>262,221,726</u>	<u>259,861,910</u>	<u>139,380,981</u>	<u>137,632,539</u>	<u>401,602,707</u>	<u>397,494,449</u>
<b>Liabilities</b>						
Current and other liabilities	18,461,529	20,432,599	2,221,598	2,015,058	20,683,127	22,447,657
Long-term liabilities	<u>155,929,598</u>	<u>152,240,766</u>	<u>3,502,207</u>	<u>3,473,721</u>	<u>159,431,805</u>	<u>155,714,487</u>
Total Liabilities	<u>174,391,127</u>	<u>172,673,365</u>	<u>5,723,805</u>	<u>5,488,779</u>	<u>180,114,932</u>	<u>178,162,144</u>
<b>Net Assets</b>						
Invested in capital assets, net of debt	102,466,432	116,380,202	74,759,434	75,283,232	177,225,866	191,663,434
Restricted	61,115,875	48,962,197	-	-	61,115,875	48,962,197
Unrestricted	<u>(75,751,708)</u>	<u>(78,153,854)</u>	<u>58,897,742</u>	<u>56,860,528</u>	<u>(16,853,966)</u>	<u>(21,293,326)</u>
Total Net Assets	<u>\$ 87,830,599</u>	<u>\$ 87,188,545</u>	<u>\$ 133,657,176</u>	<u>\$ 132,143,760</u>	<u>\$ 221,487,775</u>	<u>\$ 219,332,305</u>

The deficit of \$75.7 million in unrestricted net assets in the governmental activities represents the accumulated results of all past year's operations. The principal factors in the large unrestricted deficit are that the City has outstanding debt of approximately \$159 million as well as approximately \$140 million invested in infrastructure assets. Infrastructure assets and long term debt have historically not been reported in governmental funds, but under GASB 34 the reporting of these results in an unrestricted deficit in the governmental activities.

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2008**

**Governmental activities.** Governmental activities increased the City of Monroe's net assets by approximately \$2.2 million. Key elements of the changes in net assets are as follows:

City of Monroe's Changes in Net Assets						
For the years ended April 30, 2008 and 2007						
	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenues:</b>						
<b>Program revenues</b>						
Charges for services	\$ 20,842,630	\$ 19,827,599	\$ 15,985,370	\$ 15,309,187	\$ 36,828,000	\$ 35,136,786
Operating grants and contributions	3,910,728	2,726,156	669,298	807,648	4,580,026	3,533,804
Capital grants and contributions	4,373,467	7,594,461	9,333,221	15,764,308	13,706,688	23,358,765
<b>General Revenues</b>						
Property taxes	8,308,374	8,479,020	1,973,514	2,067,780	10,281,888	10,546,806
Sales taxes	56,282,774	54,500,738	-	-	56,282,774	54,500,738
Other taxes	882,969	835,464	-	-	882,969	835,464
Other general revenues	8,769,586	5,888,060	(134,406)	12	8,635,180	5,888,072
<b>Total revenues</b>	<b>103,370,528</b>	<b>99,851,498</b>	<b>27,826,997</b>	<b>33,948,935</b>	<b>131,197,525</b>	<b>133,800,433</b>
<b>Expenses</b>						
General government	19,819,736	19,617,142	-	-	19,819,736	19,617,142
Public safety	32,321,271	30,006,513	-	-	32,321,271	30,006,513
Public works	18,978,828	17,179,063	-	-	18,978,828	17,179,063
Culture and recreation	4,839,794	4,615,437	-	-	4,839,794	4,615,437
Planning and urban dev.	2,359,691	2,317,855	-	-	2,359,691	2,317,855
Economic development	1,606,959	488,879	-	-	1,606,959	488,875
Interest on long term debt	14,015,891	6,880,713	46,862	7,995	14,062,753	6,888,708
Intergovernmental	7,646,968	15,421,405	-	-	7,646,968	15,421,405
Airport	-	-	2,074,149	1,697,339	2,074,149	1,697,335
Transit	-	-	4,357,591	4,136,284	4,357,591	4,136,284
Civic center	-	-	3,928,007	3,678,912	3,928,007	3,678,912
Zoo	-	-	1,820,089	1,658,986	1,820,089	1,658,986
Livestock arena	-	-	32,970	45,869	32,970	45,865
Water	-	-	6,561,070	5,984,172	6,561,070	5,984,172
Sewer	-	-	8,633,164	8,623,498	8,633,164	8,623,498
<b>Total expenses</b>	<b>101,589,138</b>	<b>96,527,007</b>	<b>27,453,902</b>	<b>25,833,055</b>	<b>129,043,040</b>	<b>122,360,062</b>
<b>Increase in net assets before transfers</b>	<b>1,781,390</b>	<b>3,324,491</b>	<b>373,095</b>	<b>8,115,880</b>	<b>2,154,485</b>	<b>11,440,371</b>
<b>Transfers</b>	<b>(1,139,336)</b>	<b>284,594</b>	<b>1,140,339</b>	<b>(284,594)</b>	<b>1,003</b>	<b>-</b>
<b>Increase in net assets</b>	<b>\$ 642,054</b>	<b>\$ 3,609,085</b>	<b>\$ 1,513,434</b>	<b>\$ 7,831,286</b>	<b>\$ 2,155,488</b>	<b>\$ 11,440,371</b>

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2008**

**Governmental Activities (continued)**

Expenses are classified by functions/programs. Public safety accounts for approximately \$32.3 million for fiscal year 2008. Other functions such as general government, public works, planning and urban development, culture and recreation and economic development totaled approximately \$47.3 million. The remaining costs represent payments for debt service and intergovernmental expenses totaling approximately \$22.0 million.

The related program revenues for fiscal year 2008 directly related to these expenses totaled \$29.1 million, which resulted in net program expenses of \$72.5 million. The remaining balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- Sales tax revenues are the largest and most significant source of revenue for the City of Monroe. It provides approximately \$32.6 million of General Fund revenues.
- Property taxes are the second largest revenue source to the City, generating approximately \$8.0 million of General Fund revenues.

**Business-type activities.** Business-type activities decreased the City of Monroe's net assets by approximately \$1.5 million. Key elements of this increase are as follows:

- Airport increased the City's net assets by approximately \$3.3 million, due to capital contributions of \$4.0 million.
- Water Fund activities increased net assets by approximately \$790,000, due to capital contributions of \$225,000.
- Sewer Fund activities decreased net assets by approximately \$2.0 million.
- Monroe Transit System activities decreased the City's net assets by approximately \$1.4 million.
- All other business-type activities decreased net assets by approximately \$2.1 million.

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

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

The focus of the City of Monroe's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Monroe's financing requirements. In particular, unreserved fund balance may serve

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
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as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Monroe's governmental funds reported combined ending fund balances of \$72.5 million, an increase of \$3.6 million in comparison with the prior year. Approximately 32 percent of this total amount (\$23.0 million) constitutes unreserved fund balance. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the City of Monroe. At the end of the current fiscal year, fund balance of the General Fund was approximately \$11.8 million of which approximately \$272,000 is reserved for inventories and prepaid items, and approximately \$155,000 is designated for capital improvements.

The fund balance of the City of Monroe's General Fund increased by approximately \$158,000 during the current fiscal year.

The special revenue funds have a total fund balance of \$23.5 million, of which approximately \$11.9 million is reserved for debt service related to the Capital Infrastructure Fund.

The debt service funds have a total fund balance of \$16.0 million, all of which is reserved for the payment of debt service.

The capital project funds have a fund balance of approximately \$21.3 million all of which is reserved for capital improvements.

#### **General Fund Budgetary Highlights**

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA- R.S 39:1301 et seq), the City of Monroe must adopt a budget for the General Fund and all Special Revenue funds prior to April 30. The original budget for the City was adopted on April 10, 2007, and the final budget amendment was adopted on April 8, 2008.

The total difference between the original General Fund budget and the final amended budget was an increase in appropriations of \$2.5 million and an increase in anticipated revenues of approximately \$3.8 million. The majority of the appropriation increase (\$2.0 million) was due to an increase in the Public Works appropriation. Culture and Recreation activities were decreased by \$1 million due to reclassification of personnel, which offset part of the increase in Public Works. Additional increases in appropriations were to Police and Fire for 2% state supplemental increases (\$0.3 million), workers' compensation and pension (\$0.2 million), gasoline and vehicle maintenance (\$0.2 million), and city-wide increases in salaries (\$0.3 million).

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2008**

Actual net transfers of the General Fund were \$1.6 million more than budgeted. This was due primarily to transfers to the Administrative Economic Development Fund and the Capital Fund.

**Capital Asset and Debt Administration**

**Capital assets.** The City of Monroe's investment in capital assets for its governmental and business type activities as of April 30, 2008, amounts to approximately \$315 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

City of Monroe Capital Assets  
(Net of Accumulated Depreciation)  
April 30, 2008 and 2007

	Governmental Activities		Business-Type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Land	\$ 17,427,023	\$ 17,427,023	\$ 5,542,940	\$ 5,542,940	22,969,963	22,969,963
Buildings and improvements	33,775,192	32,432,151	34,614,908	33,819,108	68,390,100	66,251,259
Equipment and furniture	24,037,691	27,951,989	15,061,497	16,061,364	39,099,188	44,013,353
Construction in progress	16,249,427	14,418,563	11,565,994	17,729,333	27,815,421	32,147,896
Infrastructure	139,877,414	136,511,292	161,837,020	149,397,135	301,714,434	285,908,427
Zoo animals	-	-	87,695	116,682	87,695	116,682
Total	231,366,747	228,741,018	228,710,054	222,666,562	460,076,801	451,407,580
Less: accumulated depreciation	(54,055,660)	(51,081,129)	(91,210,240)	(87,312,696)	(145,265,900)	(138,393,825)
Total Net Capital Assets	<u>\$177,311,087</u>	<u>\$177,659,889</u>	<u>\$137,499,814</u>	<u>\$135,353,866</u>	<u>\$314,810,901</u>	<u>\$313,013,755</u>

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

- Construction of sewer and water projects at an approximately total cost of \$3.0 million.
- Construction of I-20 Corridor projects of approximately \$2.5 million.
- Expenditures for a variety of street construction projects totaled \$3.1 million for the year.
- Construction on general infrastructure and general capital asset projects of approximately \$1.0 million.
- Improvement projects at the airport totaled approximately \$3.8 million.

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2008**

**City of Monroe Outstanding Debt**  
**April 30, 2008 and 2007**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$ 335,000	\$ 490,000	\$ -	\$ -	\$ 335,000	\$ 490,000
Tax Increment Bonds	27,705,000	21,600,000	-	-	27,705,000	21,600,000
Certificates of Indebtedness	2,106,000	2,666,000	39,000	76,000	2,145,000	2,742,000
Sales Tax Bonds	80,160,000	82,388,861	-	-	80,160,000	82,388,861
Utility Revenue Bonds	32,971,336	33,986,000	2,392,103	2,486,403	35,363,439	36,472,403
Refunding Bonds	2,750,000	3,405,000	-	-	2,750,000	3,405,000
Claims and Judgments	7,853,787	7,112,252	-	-	7,853,787	7,112,252
Capital Lease	2,458,430	2,595,992	-	-	2,458,430	2,595,992
Notes Payable	2,859,077	-	-	-	2,859,077	-
Compensated Absences	4,915,222	5,099,221	1,110,105	948,319	6,025,327	6,047,540
Total	<u>\$ 164,113,852</u>	<u>\$ 159,343,326</u>	<u>\$ 3,541,208</u>	<u>\$ 3,510,722</u>	<u>\$ 167,655,060</u>	<u>\$ 162,854,048</u>

The City of Monroe's total debt increased by approximately \$4.8 million (3.0 %) during the current fiscal year.

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

The City of Monroe continues to add to the record-setting General Fund fund balance, which is now at \$11.8 million. With global economic conditions worsening, the City is in a financial position to weather some of the short-term effects. The City has not seen a major impact yet on sales tax revenues. Sales tax revenue continues to grow, but at a slower rate than in the past. New businesses continue to locate in Monroe, with the area around the Pecanland Mall being one of the fastest growing areas. The opening of the motor speedway has sparked interest in the south side of the I-20 Economic Development District, and with the planned infrastructure projects extending service roads on that side of the interstate, growth is almost a certainty for that area. A private business owner recently purchased the vacated manufacturing plant at the east end of the I-20 district; however, specific plans for that facility have not been made public. Mid-town Monroe has also seen activity in the form of the construction of a new rehabilitation facility, various remodeling projects, and most recently the groundbreaking for the relocation of a major retail pharmacy and a bank. With the economic conditions as they are, the City is monitoring spending more closely than ever while continuing to search for innovative funding sources for projects and services.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Monroe's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administration, The City of Monroe, 400 Lea Joyner Memorial Expressway, Monroe, LA, 71201.



**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Statement of Net Assets**  
**April 30, 2008**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 64,763,917	\$ 4,056,461	\$ 68,820,378	\$ 1,279,926
Investments	4,049,612		4,049,612	36,563
Receivables	8,209,472	1,030,987	9,240,459	76,352
Internal balances	3,717,134	(3,716,317)	817	
Inventories	165,593	428,606	594,199	
Prepaid expenses	1,030,562	81,430	1,111,992	
Bond issuance costs	2,974,349		2,974,349	
Capital assets, net	<u>177,311,087</u>	<u>137,499,814</u>	<u>314,810,901</u>	<u>363,761</u>
<b>Total Assets</b>	<u>262,221,726</u>	<u>139,380,981</u>	<u>401,602,707</u>	<u>1,756,602</u>
<b>LIABILITIES</b>				
Accounts payables and accrued expenses	6,200,235	786,762	6,986,997	26,505
Accrued payroll related liabilities	1,920,681		1,920,681	
Deferred revenues	584,220	78,895	663,115	
Due to other agencies	1,496		1,496	
Deposits due others		1,316,941	1,316,941	
Other current liabilities	34,019		34,019	
Accrued interest payable	1,536,624		1,536,624	
Noncurrent Liabilities:				
Due within one year	8,184,254	39,000	8,223,254	2,979
Due in more than one year	<u>155,929,598</u>	<u>3,502,207</u>	<u>159,431,805</u>	<u>3,743</u>
<b>Total Liabilities</b>	<u>174,391,127</u>	<u>5,723,805</u>	<u>180,114,932</u>	<u>33,227</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	102,466,432	74,759,434	177,225,866	357,039
Restricted for:				
Debt service	27,927,798		27,927,798	
Capital	33,188,077		33,188,077	
Unrestricted	<u>(75,751,708)</u>	<u>58,897,742</u>	<u>(16,853,966)</u>	<u>1,366,876</u>
<b>Total Net Assets</b>	<u>\$ 87,830,599</u>	<u>\$ 133,657,176</u>	<u>\$ 221,487,775</u>	<u>\$ 1,723,915</u>

The accompanying notes are an integral part of this statement.

**CITY OF MONROE**  
 Monroe, Louisiana  
 Statement of Activities  
 April 30, 2008

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Primary government</b>								
<b>Governmental activities</b>								
General government	\$ 19,529,175	\$ 16,160,537	\$ 478,037	\$ 457,981	\$ (2,432,620)		\$ (2,432,620)	
Public safety	32,321,271	381,715	2,023,902	482,404	(29,433,250)		(29,433,250)	
Public works	18,978,828	3,264,572	1,125	3,099,727	(12,613,404)		(12,613,404)	
Culture and recreation	4,839,794	344,084	150,105	192,000	(3,953,605)		(3,953,605)	
Planning and urban development	2,359,691	386,635	1,239,400	134,855	(598,801)		(598,801)	
Economic development and assistance	1,606,939	105,087	18,139	6,500	(1,477,213)		(1,477,213)	
Debt service interest	13,876,004				(13,876,004)		(13,876,004)	
Capital lease interest	139,887				(139,887)		(139,887)	
Judgments	290,561				(290,561)		(290,561)	
Intergovernmental expenditures	7,646,968				(7,646,968)		(7,646,968)	
<b>Total governmental activities</b>	<b>101,589,138</b>	<b>20,842,630</b>	<b>3,910,728</b>	<b>4,373,467</b>	<b>(72,462,313)</b>		<b>(72,462,313)</b>	
<b>Business-type activities</b>								
Airport	2,074,149	1,441,040		3,968,652		\$ 3,335,543	3,335,543	
Transit	4,357,591	611,496	667,278	1,686,253		(1,392,564)	(1,392,564)	
Civic Center	3,936,527	2,324,989	500	964,294		(746,744)	(746,744)	
Zoo	1,820,089	480,729	1,320			(1,377,840)	(1,377,840)	
Livestock Arena	32,970	7,388				(25,582)	(25,582)	
Water	6,561,070	7,126,598		224,698		790,226	790,226	
Sewer	8,671,506	4,133,130		2,489,324		(2,049,052)	(2,049,052)	
<b>Total business-type activities</b>	<b>27,453,902</b>	<b>15,985,370</b>	<b>669,298</b>	<b>9,333,221</b>		<b>(1,466,013)</b>	<b>(1,466,013)</b>	
<b>Total primary government</b>	<b>\$ 129,043,040</b>	<b>\$ 36,828,000</b>	<b>\$ 4,580,026</b>	<b>\$ 13,706,688</b>	<b>(72,462,313)</b>	<b>(1,466,013)</b>	<b>(73,928,326)</b>	
<b>Component units</b>								
City Court	\$ 247,707	\$ 471,567						\$ 223,860
City Marshal	361,677	403,933						42,256
<b>Total component units</b>	<b>\$ 609,384</b>	<b>\$ 875,500</b>						<b>\$ 266,116</b>
Ad valorem tax					8,308,374	1,973,514	10,281,888	
Sales tax					56,282,774		56,282,774	
Other taxes					882,969		882,969	
Interest and investment earnings					8,563,282		8,563,282	21,267
Loss on sale of capital assets					(5,892)	(134,406)	(140,298)	
Miscellaneous					125,035		125,035	34,990
Transfers					(1,139,336)	1,140,339	1,003	
Special items								
Insurance proceeds					87,161		87,161	
<b>Total general revenues and separate line items</b>					<b>73,104,367</b>	<b>2,979,447</b>	<b>76,083,814</b>	<b>56,257</b>
Changes in net assets					642,054	1,513,434	2,155,488	322,373
Net assets - beginning					87,188,545	132,143,742	219,332,287	1,399,979
Net assets - ending					<b>\$ 87,830,599</b>	<b>\$ 133,657,176</b>	<b>\$ 221,487,775</b>	<b>\$ 1,722,352</b>

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

**CITY OF MONROE**  
 Monroe, Louisiana  
 Balance Sheet  
 Governmental Funds  
 April 30, 2008

	Major Funds					Total
	Special Revenue	Debt Service	Capital Project			
	General	Capital Infrastructure	Sales Tax Bond	I-20 Corridor	Other	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 7,206,719	\$ 6,812,132	\$ 7,555,914	\$ 6,305,736	\$ 36,427,457	\$ 64,307,958
Investments		4,049,612				4,049,612
Receivables	3,783,448	1,065,623			3,016,429	7,865,500
Due from other funds	4,332,238	7,720			2,678,671	7,018,629
Inventories	103,977					103,977
Prepaid expenses & other assets, net	167,847				862,715	1,030,562
<b>Total Assets</b>	<b>\$ 15,594,229</b>	<b>\$ 11,935,087</b>	<b>\$ 7,555,914</b>	<b>\$ 6,305,736</b>	<b>\$ 42,985,272</b>	<b>\$ 84,376,238</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts and retainage payable	\$ 1,089,619	\$ 35	\$ 756,061	\$ 1,798,711	\$ 2,537,213	\$ 6,181,639
Accrued liabilities	877,974					877,974
Due to other funds	1,448,166			146,070	2,205,088	3,799,324
Deferred revenue	357,705				592,888	950,593
Due to other agencies	1,496					1,496
Other current liabilities	150				33,869	34,020
<b>Total Liabilities</b>	<b>3,775,110</b>	<b>35</b>	<b>756,061</b>	<b>1,944,781</b>	<b>5,369,058</b>	<b>11,845,046</b>
<b>Fund Balances</b>						
Reserved for:						
Debt service		11,935,052	6,799,853		9,192,893	27,927,798
Inventories and prepaids	271,824					271,824
Capital improvements			4,360,955		16,892,074	21,253,029
Unreserved:						
Designated for capital	155,525					155,525
Undesignated	11,391,770				11,531,247	22,923,017
<b>Total Fund Balances</b>	<b>11,819,119</b>	<b>11,935,052</b>	<b>6,799,853</b>	<b>4,360,955</b>	<b>37,616,214</b>	<b>72,531,193</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,594,229</b>	<b>\$ 11,935,087</b>	<b>\$ 7,555,914</b>	<b>\$ 6,305,736</b>	<b>\$ 42,985,272</b>	<b>\$ 84,376,238</b>

The accompanying notes are an integral part of this statement.

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Assets**  
**April 30, 2008**

Fund balances - total governmental funds	\$	72,531,193	
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds			
Governmental capital assets	\$	227,653,545	
Less: accumulated depreciation		<u>(53,086,689)</u>	174,566,856
Assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds			
Deferred bond issuance costs			2,974,349
Some revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures.			
Deferred property taxes - General Fund		357,706	
Deferred property tax - City Court Debt Service		8,668	
Sales tax increment - I-20 Corridor		203,123	
Sales tax increment - Tower Drive		<u>51,736</u>	621,233
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Accrued interest payable		(1,536,624)	
Bonds payable		(145,849,828)	
Compensated absences payable		(4,915,222)	
Obligation under capital leases		(2,458,430)	
Note payable		(2,859,077)	
Claims and judgments payable		<u>(7,853,787)</u>	(165,472,968)
Internal service funds are used by management to account for the provision of repair and maintenance services and motor fuels to various City departments. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.			
Cash and cash equivalents		455,959	
Receivables		89,114	
Due from other funds		797,829	
Inventories		61,616	
Capital assets, net		2,744,229	
Accounts payable and accrued expenses		(1,361,303)	
Long-term liabilities:			
Due within one year		<u>(177,508)</u>	<u>2,609,936</u>
Net assets of governmental activities	\$		<u>87,830,599</u>

The accompanying notes are an integral part of this statement.

**CITY OF MONROE**  
*Monroe, Louisiana*  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year ended April 30, 2008**

	Major Funds					Total
	General	Special Revenue	Debt Service	Capital Projects		
		Capital Infrastructure	Sales Tax Bond	I-20 Corridor	Other	
<b>REVENUES</b>						
Taxes						
Ad valorem	\$ 8,025,464				\$ 220,945	\$ 8,246,409
Other	75,506					75,506
Sales	32,594,035	\$ 13,571,310			10,089,724	56,255,069
Fees, charges and commissions for services	7,593,798				294,131	7,887,929
Use of money and property	608,271	409,919	\$ 6,128,041	\$ 252,708	1,365,630	8,764,569
Other revenues	145,170				419,312	564,482
Fines and Forfeitures	875,947				145,834	1,021,781
Intergovernmental	186,660					186,660
Federal grants	428,911				4,383,267	4,812,178
State grants	1,799,520				981,051	2,780,571
Local grants					406,496	406,496
Licenses, permits, and assessments	3,674,229					3,674,229
<b>Total Revenues</b>	<b>56,007,511</b>	<b>13,981,229</b>	<b>6,128,041</b>	<b>252,708</b>	<b>18,306,390</b>	<b>94,675,879</b>
<b>EXPENDITURES</b>						
Current						
General government						
Legislative	262,769					262,769
Judicial	2,712,922				166,905	2,879,827
Executive	517,256					517,256
Financial administration	6,801,238		26,176	12,080	1,608,971	8,448,465
Public safety						
Police	12,096,714				3,925,641	16,022,355
Fire	11,429,733				3,583,273	15,013,006
Public works	9,806,594	867,140			349,823	11,023,557
Culture and recreation	3,052,892				1,393,102	4,445,994
Planning and urban development	876,318				1,483,373	2,359,691
Economic development and assistance					987,288	1,606,959
Capital outlay	1,151,461			2,572,777	12,595,056	16,319,294
Debt service						
Debt service principle	392,000		33,045,700		6,615,923	40,053,623
Debt service interest	88,310		12,397,866		1,389,828	13,876,004
Capital lease principle	137,562					137,562
Capital lease interest	139,887					139,887
Judgments	290,561					290,561
<b>Total Expenditures</b>	<b>49,756,217</b>	<b>867,140</b>	<b>45,469,742</b>	<b>3,572,145</b>	<b>33,731,566</b>	<b>133,396,810</b>
Excess (deficiency) of revenues over (under) expenditures	6,251,294	13,114,089	(39,341,701)	(3,319,437)	(15,425,176)	(38,720,931)
<b>OTHER FINANCING SOURCES (USES)</b>						
Bond proceeds					44,572,175	44,572,175
Sale of assets	53,207				160,700	213,907
Transfers in	918,014		39,747,779	2,227	11,685,314	52,353,334
Transfers out	(7,165,969)	(11,310,096)			(36,400,243)	(54,876,308)
Insurance proceeds	101,449					101,449
<b>Total Other Financing Sources (Uses)</b>	<b>(6,093,299)</b>	<b>(11,310,096)</b>	<b>39,747,779</b>	<b>2,227</b>	<b>20,017,946</b>	<b>42,364,557</b>
Net changes in fund balances	157,995	1,803,993	406,078	(3,317,210)	4,592,770	3,643,626
Fund balances - beginning	11,661,124	10,131,059	6,393,775	7,678,165	33,023,444	68,887,567
Fund balances - ending	\$ 11,819,119	\$ 11,935,052	\$ 6,799,853	\$ 4,360,955	\$ 37,616,214	\$ 72,531,193

The accompanying notes are an integral part of this statement.



**CITY OF MONROE**  
**Monroe, Louisiana**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances**  
**of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended April 30, 2008**

Net change in fund balances - total governmental funds	\$	3,643,626	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>			
Capital outlay (net of \$7,646,968 capital contributions to business activities)	\$	8,672,326	
Depreciation expense		<u>(8,709,810)</u>	(37,484)
<p>Capital assets nor depreciation are reported in the Governmental Funds. In the statement of Net Assets, capital assets and accumulated depreciation are reported. When an asset is disposed of, it results in a or loss on the disposal of the asset in the Statement of Activities. During the year the City had a loss on disposal of capital assets as follows:</p>			
Proceeds from sale of capital assets		(213,907)	
Loss on disposal of capital assets		<u>(5,892)</u>	(219,799)
<p>Some revenues will not be collected for several months after year-end they are not considered "available" revenues in the governmental funds.</p>			
Property tax revenue - General Fund		46,407	
Property tax revenue - City Court Debt Service		1,263	
Sales tax increment - I-20 Corridor		20,786	
Sales tax increment - Tower Drive		<u>6,919</u>	75,375
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>			
Deferred bond issuance costs		1,419,663	
Amortization of bond issuance costs		(369,292)	
Principal payments		39,912,700	
Proceeds for bonds and certificates		(44,572,175)	
Capital lease payments		<u>278,485</u>	(3,330,619)
<p>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.</p>			
Accrued interest payable		466,078	
Compensated absences payable		183,999	
Claims and judgments payable		<u>(741,535)</u>	(91,458)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.</p>			
			<u>602,413</u>
Change in net assets of governmental activities	\$		<u><u>642,054</u></u>

The accompanying notes are an integral part of this statement.

CITY OF MONROE  
 City of Monroe  
 Statement of Net Assets  
 Proprietary Funds  
 April 30, 2008

	Enterprise Funds						
	Monroe Regional Airport	Monroe Civic Center	Water Fund	Sewer Fund	Non-major Enterprise	Enterprise Total	Internal Service
<b>ASSETS</b>							
Current assets							
Cash and cash equivalents	\$ 800	\$ 10,945	\$ 4,014,588	\$ 25,028	\$ 5,100	\$ 4,056,461	\$ 455,959
Receivables	58,399	65,243	455,301	333,497	98,547	1,030,987	89,114
Due from other funds			65,305	100		65,405	797,829
Inventories			325,069		103,537	428,606	61,616
Prepaid expenses & other assets, net	10,423	66,493			4,514	81,430	
<b>Total Current assets</b>	<b>69,622</b>	<b>142,681</b>	<b>4,860,263</b>	<b>378,625</b>	<b>211,698</b>	<b>5,662,889</b>	<b>1,404,518</b>
Noncurrent assets							
Capital assets, net of accumulated depreciation:							
Land	4,203,504	993,540	114,152	83,505	148,239	5,542,940	45,000
Buildings and improvements	3,147,099	10,099,936		532,586	4,650,737	18,430,358	3,404,262
Other improvements	11,568,707	2,956,017	50,000	391,334	1,218,491	16,184,549	1,980
Furniture & Equipment	2,391,903	1,406,602	2,540,701	2,737,882	767,996	9,845,084	135,002
Vehicles					5,216,397	5,216,397	126,958
Infrastructure	9,717,462		40,767,516	111,352,042		161,837,020	
Construction in progress	7,137,306		18,428	4,410,262		11,565,996	
Zoo animals						87,695	
Accumulated depreciation	(14,753,119)	(8,504,233)	(21,206,683)	(38,582,835)	(8,163,355)	(91,210,225)	(968,973)
<b>Total Noncurrent assets</b>	<b>23,412,862</b>	<b>6,951,862</b>	<b>22,284,114</b>	<b>80,924,776</b>	<b>3,926,200</b>	<b>137,499,814</b>	<b>2,744,229</b>
<b>Total Assets</b>	<b>23,482,484</b>	<b>7,094,543</b>	<b>27,144,377</b>	<b>81,303,401</b>	<b>4,137,898</b>	<b>143,162,703</b>	<b>4,148,747</b>

The accompanying notes are an integral part of this statement.

(continued)

**CITY OF MONROE**  
 City of Monroe  
 Statement of Net Assets (Concluded)  
 Proprietary Funds  
 April 30, 2008

	Enterprise Funds						
	Monroe Regional Airport	Monroe Civic Center	Water Fund	Sewer Fund	Non-major Enterprise	Enterprise Total	Internal Service
<b>LIABILITIES</b>							
Current liabilities							
Accounts and retainage payable	21,825	110,512	232,242	2,53,599	168,584	786,762	18,596
Accrued liabilities							1,042,707
Due to other funds			920,077	2,861,558	87	3,781,722	300,000
Deferred revenue		39,901			38,994	78,895	
Current portion of long-term debt		39,000				39,000	177,508
Customer deposits, net			1,316,941			1,316,941	
<b>Total Current liabilities</b>	<b>21,825</b>	<b>189,413</b>	<b>2,459,260</b>	<b>3,115,157</b>	<b>207,665</b>	<b>6,003,320</b>	<b>1,538,811</b>
Noncurrent liabilities							
Notes payable - DEQ	94,238	120,158	227,681	2,392,102	345,932	2,392,102	
Compensated absences				322,096		1,110,105	
<b>Total Noncurrent liabilities</b>	<b>94,238</b>	<b>120,158</b>	<b>227,681</b>	<b>2,714,198</b>	<b>345,932</b>	<b>3,502,207</b>	
<b>Total Liabilities</b>	<b>116,063</b>	<b>309,571</b>	<b>2,686,941</b>	<b>5,829,355</b>	<b>553,597</b>	<b>9,505,527</b>	<b>1,538,811</b>
<b>NET ASSETS</b>							
Unrestricted	23,366,421	6,784,972	24,447,436	75,474,046	3,584,301	133,657,176	2,609,936
<b>Total Net Assets</b>	<b>\$ 23,366,421</b>	<b>\$ 6,784,972</b>	<b>\$ 24,447,436</b>	<b>\$ 75,474,046</b>	<b>\$ 3,584,301</b>	<b>\$133,657,176</b>	<b>\$ 2,609,936</b>

The accompanying notes are an integral part of this statement.

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Statement of Revenues, Expenses, and**  
**Changes in Net Assets**  
**Proprietary Funds**  
**For the Year Ended April 30, 2008**

	Business-type Activities - Enterprise Funds						Internal Service
	Monroe Regional	Monroe Civic Center	Water Fund	Sewer Fund	Non-major Enterprise	Enterprise Total	
<b>OPERATING REVENUES</b>							
Charges for Services							\$ 8,515,579
Rent and fees	\$ 1,026,653	\$ 361,159			\$ 14,888	\$ 1,402,700	
Fares					549,099	549,099	
Advertising	12,387	51,000			51,658	115,045	
Ticket sales & other		1,467,408				1,467,408	
Admissions					274,677	274,677	
Concessions and rides		342,957			141,832	484,789	
Water sales			\$ 7,126,599			7,126,599	
Sewerage fees				\$ 4,133,130		4,133,130	
Other operating revenue	96,142	2,966			28,978	128,086	
Air Industrial Park rent	305,856					305,856	
<b>Total operating revenues</b>	<b>1,441,038</b>	<b>2,225,490</b>	<b>7,126,599</b>	<b>4,133,130</b>	<b>1,061,132</b>	<b>15,987,389</b>	<b>8,515,579</b>
<b>OPERATING EXPENSES</b>							
Benefits paid to participants							7,591,582
Salaries, wages, and benefits	589,101	1,080,566	2,436,795	2,005,450	3,010,591	9,122,503	753,867
Materials, repairs, and supplies	171,979	185,576	1,785,690	1,205,970	1,459,373	4,808,588	29,495
Utilities and communications	174,304	495,894	659,402	819,730	192,261	2,341,591	40,005
Depreciation and amortization	923,738	442,314	1,041,811	4,036,231	817,495	7,261,589	105,517
Shop expenses							748,724
Insurance	15,100	123,917	3,807		250,384	393,208	
Promoter's expenses		1,085,911			69,287	1,155,198	
Other operating expenses	199,927	517,789	633,565	565,783	411,259	2,328,323	23,947
<b>Total operating expenses</b>	<b>2,074,149</b>	<b>3,931,967</b>	<b>6,361,070</b>	<b>8,633,164</b>	<b>6,210,650</b>	<b>27,411,000</b>	<b>9,293,137</b>
<b>Operating income (loss)</b>	<b>(633,111)</b>	<b>(1,706,477)</b>	<b>565,529</b>	<b>(4,500,034)</b>	<b>(5,149,518)</b>	<b>(11,423,611)</b>	<b>(777,558)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Operating grants					2,353,531	2,353,531	
Sale of assets	5,358	(18,019)	(102,278)	(9,684)	(9,783)	(134,406)	
Interest income							8,138
Interest expense		(4,560)		(38,342)		(42,902)	(11,805)
Property taxes		986,757			986,757	1,973,514	
<b>Total nonoperating revenues (expenses)</b>	<b>5,358</b>	<b>964,178</b>	<b>(102,278)</b>	<b>(48,026)</b>	<b>3,330,505</b>	<b>4,149,737</b>	<b>(3,667)</b>
<b>Income (loss) before contributions and transfer</b>	<b>(627,753)</b>	<b>(742,299)</b>	<b>463,251</b>	<b>(4,548,060)</b>	<b>(1,819,013)</b>	<b>(7,273,874)</b>	<b>(781,225)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of assets							1,004
Capital contributions	3,968,652	964,294	224,698	2,489,324		7,646,968	
Transfers in		301,237			2,052,097	2,353,334	1,382,634
Transfers out	(310,523)		(902,472)			(1,212,995)	
<b>Change in net assets</b>	<b>3,030,376</b>	<b>523,232</b>	<b>(214,523)</b>	<b>(2,058,736)</b>	<b>233,084</b>	<b>1,513,433</b>	<b>602,413</b>
<b>Total net assets - Beginning</b>	<b>20,336,043</b>	<b>6,261,741</b>	<b>24,661,978</b>	<b>77,532,782</b>	<b>3,351,216</b>	<b>132,143,760</b>	<b>2,007,524</b>
<b>Total net assets - Ending</b>	<b>\$ 23,366,419</b>	<b>\$ 6,784,973</b>	<b>\$ 24,447,455</b>	<b>\$ 75,474,046</b>	<b>\$ 3,584,300</b>	<b>\$133,657,193</b>	<b>\$ 2,609,937</b>

The accompanying notes are an integral part of this statement.

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended April 30, 2008**

	Business Type Activities Enterprise Funds					TOTAL	Governmental Activities Internal Service Fund
	MONROE REGIONAL AIRPORT	MONROE CIVIC CENTER	WATER FUND	SEWER FUND	OTHER ENTERPRISE FUNDS		
<b>Cash flows from operating activities</b>							
Cash received from customers	\$ 1,471,461	\$ 2,163,090	\$ 6,936,043	\$ 4,702,028	\$ 1,050,930	\$ 16,323,552	\$ 7,645,418
Cash payments to suppliers for goods and services	(596,911)	(2,352,613)	(2,078,503)	(2,247,241)	(2,423,636)	(9,698,904)	(879,662)
Cash payments to participants for insurance benefits							(7,301,809)
Cash payments to employees for services and benefits	(573,836)	(1,058,383)	(2,391,730)	(1,966,721)	(2,906,731)	(8,897,401)	(753,868)
Net cash provided by (used for) operating activities	<u>300,714</u>	<u>(1,247,906)</u>	<u>2,465,810</u>	<u>488,066</u>	<u>(4,279,437)</u>	<u>(2,272,753)</u>	<u>(1,291,921)</u>
<b>Cash flows from noncapital financing activities</b>							
Operating grants					2,353,530	2,353,530	
Ad valorem taxes		986,757			986,757	1,973,514	
Transfers in		301,237			2,052,097	2,353,334	1,382,634
Transfers out	(310,523)		(902,472)			(1,212,995)	
Net cash provided by (used for) noncapital financing activities	<u>(310,523)</u>	<u>1,287,994</u>	<u>(902,472)</u>		<u>5,392,384</u>	<u>5,467,383</u>	<u>1,382,634</u>
<b>Cash flows from capital and related financing activities</b>							
Acquisition of capital assets	(3,938,843)	(962,822)	(662,498)	(2,844,748)	(1,113,047)	(9,541,958)	(12,994)
Cash contributed by City of Monroe	3,968,632	964,294	224,698	2,489,324		7,646,968	
Principal paid on debt		(37,000)		(94,300)		(131,300)	(168,000)
Interest paid on debt		(4,560)		(38,342)		(42,902)	(11,805)
Net cash (used for) financing activities	<u>9,809</u>	<u>(40,088)</u>	<u>(437,800)</u>	<u>(488,066)</u>	<u>(1,113,047)</u>	<u>(2,069,192)</u>	<u>(192,799)</u>
<b>Cash flows from investing activities</b>							
Interest received on investments							8,138
Net cash provided by investing activities							<u>8,138</u>
<b>Net (decrease) in cash and cash equivalents</b>			1,125,538		(100)	1,125,438	(93,948)
Cash and cash equivalents, May 1, 2007	809	10,945	2,389,050	25,028	3,200	2,931,023	549,907
Cash and cash equivalents, April 30, 2008	<u>\$ 800</u>	<u>\$ 10,945</u>	<u>\$ 4,014,588</u>	<u>\$ 25,028</u>	<u>\$ 5,100</u>	<u>\$ 4,056,461</u>	<u>\$ 455,959</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities</b>							
Operating income (loss)	\$ (633,111)	\$ (1,706,477)	\$ 565,529	\$ (4,500,034)	\$ (5,149,518)	\$ (11,423,611)	\$ (777,558)
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities</b>							
Depreciation and amortization	923,738	442,314	1,041,811	4,036,231	817,495	7,261,589	105,517
Change in assets and liabilities							
Accounts receivable	30,425	(17,448)	(168,326)	568,998	(35,549)	378,098	(72,333)
Due from other funds			(65,303)	(100)	19,702	(45,703)	(797,829)
Inventories			(20,486)		(6,415)	(26,901)	(24,381)
Prepaid expenses	3,729	656	3,538		1,500	9,483	
Accounts payable	(39,330)	55,817	100,832	58,869	24,298	200,486	(25,337)
Due to other funds			920,077	287,808	87	1,207,972	300,000
Deferred revenue		(21,353)			5,925	(15,428)	
Customer deposits		(23,599)	43,075			19,476	
Other current liabilities							
Compensated absences	15,265	22,184	45,065	36,294	42,978	161,785	
Net cash provided by (used for) operating activities	<u>\$ 300,714</u>	<u>\$ (1,247,906)</u>	<u>\$ 2,465,810</u>	<u>\$ 488,066</u>	<u>\$ (4,279,437)</u>	<u>\$ (2,272,753)</u>	<u>\$ (1,291,921)</u>

The accompanying notes are an integral part of this statement.

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Statement of Net Assets**  
**Fiduciary Funds**  
**April 30, 2008**

	Police Pension and Relief Fund	Bus Drivers' Pension and Relief Fund	Agency Funds	Total	Component Units Agency Funds	
					City Court of Monroe	Monroe City Marshal
<b>ASSETS</b>						
Current assets						
Cash and cash equivalents	\$ 118,689	\$ 66,170	\$ 874,304	\$ 1,059,163	\$ 1,039,058	\$ 43,329
Accounts receivable		60	33,760	33,820	471	12,433
<b>Total assets</b>	<b>118,689</b>	<b>66,230</b>	<b>908,064</b>	<b>1,092,983</b>	<b>1,039,529</b>	<b>55,762</b>
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable			188,286	188,286	156,062	
Due to other funds			817	817		
Deposits due to others			718,961	718,961	883,467	55,762
<b>Total liabilities</b>			<b>908,064</b>	<b>908,064</b>	<b>1,039,529</b>	<b>55,762</b>
<b>Net Assets</b>						
Reserved for retirement benefits	118,689	66,230		184,919		
<b>Total Net Assets</b>	<b>\$ 118,689</b>	<b>\$ 66,230</b>		<b>\$ 184,919</b>		

The accompanying notes are an integral part of this statement.

## Statement K

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Statement of Changes in**  
**Fiduciary Net Assets**  
**Fiduciary Funds**  
**30-Apr-08**

	<u>Police Pension and Relief Fund</u>	<u>Bus Drivers' Pension and Relief Fund</u>
<b>ADDITIONS</b>		
Investment income		
Interest	\$ 5,183	\$ 3,105
Individual account transactions		
Contributions by the City	<u>                    </u>	<u>7,750</u>
Total additions	<u>5,183</u>	<u>10,855</u>
<b>DEDUCTIONS</b>		
Benefits paid	1,833	10,100
Administrative expense	<u>68</u>	<u>165</u>
Total deductions	<u>1,901</u>	<u>10,265</u>
Change in net assets held for pension benefits	3,282	590
Net assets, beginning of year	<u>115,407</u>	<u>65,640</u>
Net assets, end of year	<u>\$ 118,689</u>	<u>\$ 66,230</u>

The accompanying notes are an integral part of this statement.

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Combining Statement of Net Assets**  
**All Discreetly Presented Component Units**  
**April 30, 2008**

	<u>City Court of Monroe</u>	<u>Monroe City Marshal</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 1,082,027	\$ 197,899	\$ 1,279,926
Investments		36,563	36,563
Prepaid expenses	540		
Accounts receivable	46,209	30,143	76,352
Total current assets	<u>1,128,776</u>	<u>264,605</u>	<u>1,392,841</u>
Capital assets, net of accumulated depreciation	<u>186,955</u>	<u>176,806</u>	<u>363,761</u>
Total assets	<u>1,315,731</u>	<u>441,411</u>	<u>1,756,602</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	4,962	21,543	26,505
Noncurrent liabilities -			
Obligation under capital lease:			
Due within one year		2,979	2,979
Due in more than one year		3,743	3,743
Total liabilities	<u>4,962</u>	<u>28,265</u>	<u>33,227</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt			
	186,955	170,084	357,039
Unrestricted	<u>1,123,814</u>	<u>243,062</u>	<u>1,366,876</u>
Total Net Assets	<u>\$ 1,310,769</u>	<u>\$ 413,146</u>	<u>\$ 1,723,915</u>

The accompanying notes are an integral part of this statement.



**CITY OF MONROE**  
**Monroe, Louisiana**  
**Combining Statement of Activities**  
**All Discretely Presented Component Units**  
**April 30, 2008**

	<u>City Court of Monroe</u>	<u>Monroe City Marshal</u>	<u>Total</u>
<b>EXPENDITURES</b>			
Judiciary			
Personal services	\$ (1,165,663)	\$ (948,065)	\$ (2,113,728)
Operating services	(300,818)	(171,753)	(472,571)
Materials and supplies	(30,190)	(12,518)	(42,708)
Travel and other		(13,835)	(13,835)
Depreciation	(28,205)	(16,122)	(44,327)
Other		(25,345)	(25,345)
Interest		(1,286)	(1,286)
Total Expenditures	<u>(1,524,876)</u>	<u>(1,188,924)</u>	<u>(2,713,800)</u>
<b>PROGRAM REVENUES</b>			
Fees, charges, and court costs			
Marshal's fees		380,140	380,140
Court costs	347,459		347,459
Civil fees	32,750		32,750
Probation fees	44,700		44,700
Reinstatement fees	2,338		2,338
Bond forfeitures	14,238		14,238
Other charges for services	30,082	23,793	53,875
Total Program Revenues	<u>471,567</u>	<u>403,933</u>	<u>875,500</u>
Net Program Expense	(1,053,309)	(784,991)	(1,838,300)
<b>GENERAL REVENUES</b>			
Intergovernmental - City of Monroe	1,277,169	827,247	2,104,416
Interest income	21,267		21,267
Investment earnings		1,563	1,563
Bond forfeitures		13,173	13,173
Other income	21,817		21,817
Total General Revenues	<u>1,320,253</u>	<u>841,983</u>	<u>2,162,236</u>
<b>CHANGES IN NET ASSETS</b>	266,944	56,992	323,936
<b>NET ASSETS</b>			
Beginning of year	<u>1,043,825</u>	<u>356,154</u>	<u>1,399,979</u>
End of year	<u>\$ 1,310,769</u>	<u>\$ 413,146</u>	<u>\$ 1,723,915</u>

The accompanying notes are an integral part of this statement.

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

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2008**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. FINANCIAL REPORTING ENTITY**

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

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

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the City to impose its will on that organization and/or;
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority, but are fiscally dependent on the City.

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

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2008**

3. Organizations for which the reporting entity financial statements would be misleading if data of the potential component unit were not included because of the nature or significance of the relationship.

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

**Discrete Component Units**

**City Court of Monroe** - The City Court of Monroe is a legally separate entity. The City appoints none of the governing board (Judges) of the court. Judges of the court are independently elected officials. Although the City Council can, to a limited degree, impose its will on the court through City Council ordinances, the City provides office space, court facilities and some furnishings, and compensation to the court. Although the court functions entirely within the City of Monroe, it provides no direct services to the City or City Council. However, based on criteria 2. above, it has been determined that the court is a component unit of the City and should be included in the City's financial statements through discrete presentation.

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

**Blended Component Units**

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

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

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2008**

separate Special Revenue, Debt Service, and Capital Project funds within those categories of the City's general-purpose financial statements.

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

***B. BASIS OF PRESENTATION***

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

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

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

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

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

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

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

***FUND FINANCIAL STATEMENTS:***

The City uses funds, both major and non-major, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

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

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

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

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

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*Special Revenue Funds* - These funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes. The Capital Infrastructure fund is the only major Special Revenue Fund.

*Debt Service Funds* - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. All general obligation bonds are direct obligations of the City. Principal and interest are payable from ad valorem taxes levied on all taxable property and improvements within the City. Incremental Sales Tax Bonds are secured by a pledge of incremental state (40%) and City (60%) sales and use taxes within the boundaries of the respective districts and do not involve the pledge of the full faith and credit of the City. All long-term debt is reported in the Statement of Net Assets. The Sales Tax Bond Debt Service Fund is considered a major fund.

*Capital Project Funds* - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, improvements and other major projects (other than those financed by Proprietary Funds). The I-20 Corridor Capital Project Fund is considered major funds.

*Proprietary Funds:*

*Enterprise Funds* - These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Net cash losses of the Enterprise Funds are subsidized by the General Fund. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements. The following Enterprise funds are considered major funds: Monroe Regional Airport, Monroe Civic Center, Water and Sewer.

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

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when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate functional activity.

During fiscal year 2006, the City began self-insuring its employees' group insurance which is handled through a third party administrator.

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

*Fiduciary Funds:*

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

***FUND FINANCIAL STATEMENTS:***

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

The modified accrual basis of accounting is used for reporting all governmental fund types and the fiduciary fund type agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available"

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means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Ad valorem taxes, grants, and fees, charges, and commissions for services have been treated as susceptible to accrual.

The City uses the following practices in recognizing and reporting revenues and expenditures in the governmental fund types:

*Revenues:*

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

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

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

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

*Expenditures:*

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

Compensated absences are recognized as expenditures when leave is actually taken or when employees, or their heirs, are paid for accrued leave upon retirement or death. Compensated absences are reported in the Statement of Net Assets as a long-term liability and expensed in the Statement of Activities.

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



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*Proprietary and Pension Trust Funds*

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

*Fiduciary Funds*

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

*Other Financing Sources (Uses)*

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

**D. BUDGET PRACTICES**

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

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

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6. For the year ended April 30, 2008, the City adopted a budget for the General Fund and all Special Revenue Funds.

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

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

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State law and the City's investment policy allow the City to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool and mutual funds consisting solely of government backed securities.

Deposits with original maturity dates exceeding 90 days are classified as investments. Investments are reported at fair value. The state investment pool (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.

***ACCOUNTS RECEIVABLE:***

Accounts receivable are reported net of an allowance for uncollectibles in business-type activities. Uncollectible amounts for customers' utility fees receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

***INTERFUND RECEIVABLES AND PAYABLES:***

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

***INVENTORIES AND PREPAID ITEMS:***

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

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***CAPITAL ASSETS:***

Capital assets, which include land, buildings, other improvements, machinery and equipment, vehicles, furniture and fixtures, and infrastructure assets (streets, roads, bridges, drainage canals, and water and sewer systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The capitalization threshold for all movable capital assets is \$3,000 per unit.

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

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

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

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

***LONG-TERM DEBT:***

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

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

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

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

In the government-wide financial statements and the proprietary fund types financial statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March 2000), no compensated absences liability is recorded at April 30, 2008, in the governmental fund-type financial statements.

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

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

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

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***RESERVES/DESIGNATIONS OF FUND EQUITY:***

Some portions of fund balance in the governmental fund types are reserved to indicate that a portion of fund equity is legally restricted to a specific future use and/or are not available for appropriation or expenditure. In the General Fund a portion of the fund balance is reserved to indicate that it is not available for expenditure or appropriation as it consists of reservations for certain inventories, non-current receivables and prepaid items which are not considered available spendable resources. The reserve of fund balance in the General Fund at April 30, 2008 is \$271,824 and \$155,525 is designated for capital improvements.

***NET ASSETS:***

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

***F. 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.

***G. DEDICATED REVENUES:***

*Sales taxes:*

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

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

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

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

A 0.49 per cent city sales tax is dedicated to the General Fund for payment of salary increases of city firemen and policemen. The sales tax, which began March 1, 2005, is for an indefinite period.

*Property taxes:*

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

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

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

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

**2. 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 credit risk related to its deposits at April 30, 2008.

At April 30, 2008, the City has cash and cash equivalents, totaling \$69,879,540, (including \$1,059,163 in fiduciary funds) as follows:

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Petty cash	\$	21,456
Demand deposits		44,475,754
Money market funds		25,382,330
Total	\$	<u>69,879,540</u>

These deposits are stated at cost, which approximates market. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at April 30, 2008, are secured, as follows:

Bank balances	\$	<u>55,852,336</u>
Federal deposit insurance	\$	313,792
Pledged securities (uncollateralized)		<u>58,872,241</u>
Total	\$	<u>59,186,033</u>

The money market accounts are utilized for the daily investment of idle cash of the City. The account is managed by the City's fiscal agent and consists of securities issued or guaranteed by the U.S. government. Investments are in accordance with LRS 33:2955(A)(1)(e) and are not required to be covered by the pledge of securities owned by the fiscal agent bank.

**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's investments in United States government securities are held by the City's agent in the City's name. Therefore, the City had no custodial credit risk related to its investments at April 30, 2008.

Under state law, the City may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At April 30, 2008, the City had the following investments stated at cost, which approximates market:

Certificates of deposit with maturities greater than 90 days	\$	<u>4,049,612</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.

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Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

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

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

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

**4. RECEIVABLES**

Accounts receivable of \$9,019,421 at April 30, 2008, are comprised of the following:

Fund Type	Taxes - Ad Valorem	Taxes - Sales	Grants	Accounts	Other	Total
<b>MAJOR FUNDS</b>						
General	\$ 314,762	\$ 2,610,412	\$ 104,564	\$ 747,803	\$ 5,907	\$ 3,783,448
Capital Infrastructure	-	1,057,564	-	-	8,059	1,065,623
Airport	-	-	-	58,363	36	58,399
Civic Center	38,713	-	-	25,355	1,175	65,243
Water	-	-	-	449,655	5,646	455,301
Sewer	-	-	-	353,203	294	353,497
<b>NONMAJOR FUNDS</b>						
Special Revenues	-	518,196	331,964	20,084	499	870,743
Debt Service	8,667	822,604	-	-	-	831,271
Capital Projects	-	-	1,187,900	126,515	-	1,314,415
Enterprise	38,713	-	-	59,603	231	98,547
Internal Service	-	-	-	195	88,919	89,114
Agency	-	2,144	-	31,561	115	33,820
<b>TOTAL:</b>	<b>\$ 400,855</b>	<b>\$ 5,010,920</b>	<b>\$ 1,624,428</b>	<b>\$ 1,872,337</b>	<b>\$ 110,881</b>	<b>\$ 9,019,421</b>

The allowance for doubtful accounts was \$131,550 as of April 30, 2008.



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**5. CHANGES IN CAPITAL ASSETS**

The following schedule presents changes in capital assets for the year ended April 30, 2008.

	Balance April 30, 2007	Additions	Retirements	Balance April 30, 2008
<b>Governmental Funds:</b>				
Land	\$ 17,382,023	\$ -	\$ -	\$ 17,382,023
Construction in progress	635,592	710,169	(1,345,761)	-
CIP-Infrastructure	13,782,971	5,832,578	(3,366,122)	16,249,427
Total capital assets not being depreciated	<u>31,800,586</u>	<u>6,542,747</u>	<u>(4,711,883)</u>	<u>33,631,450</u>
<b>Depreciable assets:</b>				
Buildings and improvements	27,793,976	1,361,961	(16,940)	29,138,997
Equipment and Furniture	27,622,791	2,113,380	(5,960,440)	23,775,731
Infrastructure	136,511,292	3,366,122	-	139,877,414
School buildings	1,229,953	-	-	1,229,953
Total capital assets being depreciated	193,158,012	6,841,463	(5,977,380)	194,022,095
Less: accumulated depreciation	(50,134,458)	(8,709,812)	5,757,581	(53,086,689)
Total capital assets being depreciated, net	<u>143,023,554</u>	<u>(1,868,349)</u>	<u>(219,799)</u>	<u>140,935,406</u>
<b>Total governmental funds capital assets, net</b>	<u>174,824,140</u>	<u>4,674,398</u>	<u>(4,931,682)</u>	<u>174,566,856</u>
<b>Internal Service Fund:</b>				
Land	45,000	-	-	45,000
<b>Depreciable assets:</b>				
Buildings and improvements	3,408,222	-	(1,980)	3,406,242
Equipment and Furniture	329,198	19,312	(86,550)	261,960
Total capital assets being depreciated	3,737,420	19,312	(88,530)	3,668,202
Less: accumulated depreciation	(946,671)	(105,516)	83,216	(968,971)
Total capital assets being depreciated, net	<u>2,790,749</u>	<u>(86,204)</u>	<u>(5,314)</u>	<u>2,699,231</u>
<b>Total Internal Service Fund capital assets, net</b>	<u>2,835,749</u>	<u>(86,204)</u>	<u>(5,314)</u>	<u>2,744,231</u>
<b>Total governmental activities capital assets, net</b>	<u>\$ 177,659,889</u>	<u>\$ 4,588,194</u>	<u>\$ (4,936,996)</u>	<u>\$ 177,311,087</u>

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	Balance		Additions		Retirements		Balance
	April 30, 2007						April 30, 2008
<b>Business-type activities:</b>							
<b>Nondepreciable assets:</b>							
Land	\$ 5,542,940	\$ -		\$ -		\$ 5,542,940	
Construction in progress	17,729,333	7,246,946		(13,410,285)		11,565,994	
Zoo animals	116,682	-		(28,987)		87,695	
Total capital assets not being depreciated	23,388,955	7,246,946		(13,439,272)		17,196,629	
<b>Depreciable assets:</b>							
Buildings/Improvements	33,819,108	962,750		(166,950)		34,614,908	
Infrastructure	149,397,135	12,447,536		(7,651)		161,837,020	
Equipment	16,061,364	2,360,615		(3,360,482)		15,061,497	
Total capital assets being depreciated	199,277,607	15,770,901		(3,535,083)		211,513,425	
Less: accumulated depreciation	(87,312,696)	(7,261,589)		3,364,045		(91,210,240)	
Total capital assets being depreciated, net	111,964,911	8,509,312		(171,038)		120,303,185	
<b>Total business-type activities capital assets, net</b>	<b>\$ 135,353,866</b>	<b>\$ 15,756,258</b>		<b>\$ (13,610,310)</b>		<b>\$ 137,499,814</b>	

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

**Governmental Activities:**

General Government	\$ 785,090
Public Safety	1,285,910
Public Works	6,245,012
Culture and Recreation	393,800
Internal Service Fund	105,516
Total depreciation expense - governmental activities	<b>\$ 8,815,328</b>

**Business-Type Activities:**

Airport	923,738
Civic Center	442,314
Water Fund	1,041,811
Sewer Fund	4,036,231
Non-major business-type activities	817,495
Total depreciation expense - business-type activities	<b>\$ 7,261,589</b>

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Included in equipment are energy management system assets under capital lease with costs of \$2,967,113 as further discussed in Note 9.

The Central Shop and Warehouse land and building is carried on the City's balance sheet within the Internal Service Fund. At April 30, 2008, only a portion of the cost of the assets are depreciated as only the shop facility is currently accounted for in the Internal Service Fund. In the future, an Internal Service Fund will be established to account for the operations of the warehouse, at which time depreciation will be charged to that fund.

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

**6. ELECTRICAL SYSTEM OPERATING AGREEMENT**

On July 9, 1977, the voters of the City of Monroe authorized a 50 year operating agreement between the City of Monroe and Entergy (formerly Louisiana Power & Light) for the operation by Entergy of the City's electric system. The agreement provided that Entergy would pay to the City a percentage of total revenue collected from the sale of electric service to residential and commercial customers within the City, such payments not to be less than \$700,000 annually. The aforementioned base increased by one per cent of sales of electric services to residential and commercial customers in excess of \$10,000,000 in a calendar year. Revenues under this agreement totaled \$2,512,650 for the year ended April 30, 2008.

**7. PENSION AND RETIREMENT PLANS**

*City of Monroe Sponsored Pension Plans:*

Effective September 1, 1983, the members of the Bus Drivers' Pension and Relief Fund agreed to merge with the Municipal Employees' Retirement System of Louisiana (MERS). Since the merger, the Bus Department administrative employees contribute 9.25% of their salary and the City contributes 7.25 %. The City also reimburses 4% of the bus operators' contributions. For the year ended April 30, 2008, the City contributed \$7,750 to the Bus Drivers' Pension and Relief Fund.

The Monroe Policemen's Pension and Relief Fund covers those employees who were members of the fund at September 1, 1983, and who retire prior to the age of 50. Upon reaching their 50th birthday,

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they will no longer receive benefits under the Monroe Policemen's Pension and Relief Fund, but will begin receiving benefits under the Municipal Police Employees' Retirement System (MPERS). The City made no contributions to the Monroe Policemen's Pension and Relief Fund for the year ended April 30, 2008.

Data concerning the actuarial status of the Policemen's and Bus Drivers' Pension and Relief Funds is not available. The City of Monroe has never required the services of an actuary for these plans nor felt the need to determine the actuarial liability of the plans because state law requires that the plans be funded at minimum reserve requirements rather than an actuarially computed reserve based on future benefits payable. The two funds had net assets at April 30, 2008, as follows: Policemen's, \$118,689 and Bus Drivers', \$66,230.

***State Sponsored Plans:***

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

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

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

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

***Funding Policy.*** Contributions to the system include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of members on which contributions were made for the previous fiscal year. State statute requires covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the MERS for the years ended April 30, 2008, 2007, and 2006 were \$2,546,969; \$2,622,425; and \$2,418,511 respectively, equal to the statutorily required contributions for each year.

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The MERS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Municipal Employees' Retirement System, 6750 Van Gogh, Baton Rouge, LA 70806 or by calling (225) 925-4810.

*Firefighters' Retirement System (SFRS)*

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

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

*Funding Policy.* State statute requires covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the SFRS for the years ended April 30, 2008, 2007, and 2006 were \$1,206,113; \$1,377,036; \$1,608,580 respectively, equal to the required contributions for each year.

The SFRS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Firefighters' Retirement System, 2051 Silverside Drive, Suite 10, Baton Rouge, LA 70808-4136 or by calling (225) 925-4060.

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*Municipal Police Employees' Retirement System (MPERS)*

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

All full-time police officers engaged in law enforcement and earning at least \$375 per month excluding state supplemental pay, the elected chief of police whose salary is at least \$100 per month, and secretaries to the chief of police are eligible to participate in the system. Members who retire at or after age 55 with 12 years of creditable service, at or after age 50 with 20 years of creditable service, or at any age with 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3% of the member's average final compensation multiplied by his years of creditable service, not to exceed 100 per cent of his average final compensation. The system also provides death and disability benefits. Benefits are established by state statute.

*Funding Policy.* State statutes require covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the MPERS for the years ended April 30, 2008, 2007, and 2006 were \$1,416,704; \$1,399,294; and \$1,525,212 respectively, equal to the statutorily required contributions for each year.

The MPERS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Municipal Police Employees' Retirement System, 8401 United Plaza Blvd., Room 305, Baton Rouge, LA 70808 or by calling (225) 929-7411.

**8. OTHER HEALTH CARE BENEFITS AND POST EMPLOYMENT BENEFITS**

During the year ended April 30, 2008, the City paid \$5,477,656 in expenses in connection with providing benefits to a total of 1,057 participants. The cost is broken down as follows:

Active Employees	\$ 3,946,058
Retired Employees	1,516,099
COBRA	15,499
Total	\$ <u>5,477,656</u>

As permitted by Louisiana Revised Statutes, the City provides certain continuing health care and life insurance benefits for certain retired employees through self insurance. Retired City employees are eligible for these benefits if they reached normal retirement age, as defined under the applicable

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retirement system while working for the City. The City recognizes the cost of providing these benefits (the City's portion of the premiums) as an expenditure when the monthly premiums are due. Approximately 223 retirees receive benefits under this plan. These retirees reimbursed the City for \$833,596 for fiscal year 2008 for their portion of health care benefits.

**9. LEASES**

At April 30, 2008, the City was obligated under operating lease agreements covering computer equipment and various other items of equipment. The original lives of the leases range up to five years with options to renew some leases for one to five years. The City made lease payments of approximately \$628,939 during the year ended April 30, 2008. The following is a schedule of future minimum lease payments under operating leases as of April 30, 2008.

Years Ended April 30:	Minimum Lease Payments
2009	\$ 322,028
2010	291,578
2011	218,576
Total	\$ 832,182

In fiscal 2006, the City entered into a capital lease obligation for the purchase of an energy system that is being utilized in over 40 City-owned buildings. The original amount of the obligation was \$2,967,113 and bears interest at 4.75% to 5.59%.

Fiscal Years Ended April 30:	Future Minimum Lease Payments
2009	\$ 281,356
2010	285,274
2011	289,359
2012	284,806
2013	261,815
2014-2018	1,262,550
2019-2021	760,742
	3,425,902
Less: Amounts representing Interest	(967,472)
Present Value of Future Minimum	
Lease Payments	\$ 2,458,430

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**10. LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligation transactions of the City of Monroe for the year ended April 30, 2008:

	<u>Long-Term</u> <u>Obligations</u>	<u>Proprietary</u> <u>Funds</u>	<u>Total</u>
Long-term obligations, May 1, 2007	\$ 158,997,818	\$ 3,856,230	\$ 162,854,048
Additions	46,476,483	650,435	47,126,918
Retirements	<u>(41,537,957)</u>	<u>(787,949)</u>	<u>(42,325,906)</u>
Long-term obligations, April 30, 2008	<u>\$ 163,936,344</u>	<u>\$ 3,718,716</u>	<u>\$ 167,655,060</u>

Long-term obligations outstanding at April 30, 2008, are comprised of the following:

	<u>Issue</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Outstanding</u>
<b><i>General Long-Term Obligations</i></b>				
<b><u>General Obligation Bonds</u></b>				
Public improvements:				
City Court and Jail	2003	3/1/10	2.75-3.10	\$ 335,000
<b><u>Tax Increment Bonds</u></b>				
Tower Drive	2007	3/1/25	4.125-5.00	11,090,000
I-20 Development	2003	3/1/21	3.10-4.75	12,245,000
I-20 Development	2005	3/1/20	4.25-4.60	4,370,000
Total tax increment bonds				<u>27,705,000</u>
<b><u>Certificates of Indebtedness</u></b>				
Swimming Pools Renovations	2004A	4/1/09	3.45	133,492
Taxable Refunding Certificates (Civic Center Roof)	2004C	10/1/14	3.75	1,795,000
Total certificates of indebtedness				<u>1,928,492</u>
<b><u>Sales Tax Bonds</u></b>				
Series 2002 (Streets/Sewer)	2002	7/1/26	4.00-7.00	13,245,000
Series 2002A (Fire/Drainage)	2002A	7/1/27	3.45-4.80	14,450,000
Series 2003 (Streets)	2003	7/1/27	3.25-5.50	20,125,000
Series 2006 (DHH) (Water)	2006	7/1/28	3.45	3,000,000
Total sales tax bonds				<u>50,820,000</u>



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Refund Bonds

Series 1998A (Fire and Police Pension)	1998	3/1/13	4.80-5.05	2,750,000
Series 2007A (Streets/Sewer)	2007	7/1/26	4.002	<u>29,340,000</u>
Total refunding bonds				<u>32,090,000</u>

Utility Revenue Bonds

Series 2001 (DEQ) (Sewer)	2001	6/30/23	3.45	20,742,897
Series 2003 (DEQ) (Sewer)	2003	6/1/23	3.45	8,565,000
Series 2005 (DEQ) (Sewer)	2005	7/1/27	3.45	<u>3,663,439</u>
Total utility revenue bonds				<u>32,971,336</u>

Other

Claims and Judgements Payable	None	None	None	7,853,787
Capital Lease (See Note 11)	2000	4/30/21	5.7	2,458,430
Notes Payable	2007	11/15/12	3.88	2,859,077
Accrued vacation and sick pay	None	None	None	<u>4,915,222</u>
Total other				<u>18,086,516</u>

Total general long-term obligations

\$163,936,344

**Proprietary Funds**

Certificates of Indebtedness -

<u>Refunding Certificates</u>				
(Central warehouse and shop)	2004A	4/1/09	3.45	\$ 177,508
<u>Taxable Refunding Certificates</u>				
(Ice Rink)	2004B	4/1/09	6.00	39,000

Utility Revenue Bonds -

Series 2001 (DEQ) (Sewer)	2001	6/1/22	3.45	2,392,103
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Other

Accrued vacation and sick pay	None	None	None	<u>1,110,105</u>
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Total proprietary funds

\$ 3,718,716

Long-Term Obligation

Paying Fund

**General obligation bonds:**

Refunding Bonds, 2003  
(City Court and Jail Improvements)

City Court and Jail Improvements Debt Service Fund

**Tax increment bonds:**

Tower Drive  
I-20 Development

Tower Drive Debt Service Fund  
I-20 Debt Service Fund

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**As of And For The Year Ended April 30, 2008**

**Certificates of indebtedness:**

Refunding Cert of Indebt (Swimming Pool Renovations)	General Fund
Refunding Certificates (Central Shop)	Central Shop Internal Service Fund
Taxable Refunding Certificates (Civic Center Roof)	General Fund
Taxable Refunding Certificates (Ice Hockey Rink)	Monroe Civic Center Fund

**Sales tax bonds:**

2002 Series (Sewer and Streets)	Sales Tax Bond Debt Service Fund
2002A Series (Fire and Drainage)	Sales Tax Bond Debt Service Fund
2003 Series (Streets)	Sales Tax Bond Debt Service Fund
2006 Series	Sales Tax Bond Debt Service Fund
2007 Series	Sales Tax Bond Debt Service Fund

**Utility revenue bonds:**

Series 2001 (DEQ)	Sales Tax Bond Debt Service Fund
Series 2003 (DEQ)	Sales Tax Bond Debt Service Fund
Series 2005 (DEQ)	Sales Tax Bond Debt Service Fund

**Refunding Bonds:**

Series 1998A (Fire and Police Pension)	General Fund
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**Capital Lease Obligations:**

Equipment	General Fund
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**Notes Payable**

Equipment	General Fund
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**Utility Revenue Bonds:**

Series 2001 (DEQ Sewer)	Sewer Enterprise Fund
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The amount recorded as claims and judgments payable in the General Long-Term Obligations Account Group is the City's liability for claims that are not expected to be paid with available resources at year-end. Expenditures for claims and judgments payable are recognized in the General Fund when paid. Only those expenditures which are included in the City's legally adopted budget will be paid.

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The debt service requirements to amortize all bonds, certificates and other long-term obligations (other than accrued vacation and sick pay, claims and judgments, notes payable and capital lease obligations) outstanding at April 30, 2008, including interest payments of \$65,608,979 are as follows:

Year Ended April 30,	G.O. Bonds Cert. of Indebt.	Revenue Bonds	Tax Increment	DEQ Revolving Loan	Other	Total
2009	\$ 875,191	\$ 6,123,923	\$ 3,071,716	\$ 3,437,536	\$ 825,418	\$ 14,333,784
2010	512,404	6,160,957	3,018,770	3,432,266	827,298	13,951,695
2011	341,688	6,161,384	2,978,739	3,428,995	711,773	13,622,579
2012	340,625	6,165,188	2,969,075	3,432,527	369,845	13,277,260
2013	339,188	6,151,741	2,963,288	3,422,799	372,928	13,249,944
2014-2018	342,375	30,882,941	14,539,378	16,006,263	-	61,770,957
2019-2023	-	30,917,850	8,598,461	12,977,717	-	52,494,028
2024-2028	-	26,577,362	1,952,250	2,629,023	-	31,158,635
2029	-	208,536	-	-	-	208,536
<b>Total</b>	<b>\$ 2,751,471</b>	<b>\$ 119,349,882</b>	<b>\$ 40,091,677</b>	<b>\$ 48,767,126</b>	<b>\$ 3,107,262</b>	<b>\$ 214,067,418</b>

General obligation bonds are direct obligations and are secured by the full faith and credit of the City. These bonds generally mature in 2010. Revenue bonds are secured by pledged income derived from the assets acquired or constructed with bond funds. Certificates of indebtedness are secured by a pledge of the general credit of the City. The Tax Increment bonds are secured solely from the incremental tax revenues from the respective economic development districts.

*Sales Tax Revenue Refunding Bonds*

In July 2007, the City issued \$29,340,000 of Sales Tax Revenue Refunding Bonds, Series 2007A for the purpose of refunding Sales Tax Bonds, Series 2001, and a portion of Sales Tax Bonds, Series 2002. The remaining principal balance of Series 2001, \$19,855,000, and \$9,475,000 of principal of Series 2002 were refunded with an interest rate over the life of the bonds of 4.002%. The proceeds borrowed are being used as follows: \$409,702 in underwriting fees and other issuance costs, \$176,036 bond insurance premium, \$66,015 surety bond, and \$30,702,490 (including transfers from prior debt service reserve funds of \$2,014,243), deposited into an irrevocable trust to be used solely to refund the bonds referenced above. The underwriting fees and other issuance costs as well as the bond insurance premium and surety bond totaling \$651,753 will be amortized over the life of the bond using the sum-of-the-years'-digits methods.

As a result of the refunding of the 2001 and 2002 Series, the City decreased its total debt service by \$3,098,433, which has resulted in an economic gain (difference between the present value of the debt service payments of the old debt and the new debt) of \$2,060,844.

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*Sales Tax Increment Revenue and Refunding Bonds*

In August 2007, four tax increment bonds, Series 1997, Series 1999, Series 2000 and Series 2002, with remaining principal balances of \$515,000, \$200,000, \$2,370,000 and \$835,000 respectively, were retired through the issuance of \$11,770,000 in tax increment bonds with interest rates ranging over the life of the bonds from 4.125% to 5.00%. The proceeds borrowed are being used as follows: \$154,152 discount on the bond, \$309,383 in underwriting fees and other issuance costs, \$306,831 bond insurance premium, \$976,600 deposited into the debt reserve fund, and \$4,026,045 deposited into an escrow fund that was used to retire previously issued bonds referenced above. The remaining proceeds, \$6,963,823, (the "New Money Portion") will be used to provide additional funds for certain transportation infrastructure improvement projects located within the Tower Drive Economic Development District. The underwriting fees, bond insurance premium and other issuance costs as well as the bond discount totaling \$788,505 will be amortized over the life of the bonds using the sum-of-the-years'-digits methods.

As a result of the refunding of the four tax increment bonds, the City increased its total debt service by \$12,098,313, which has resulted in an economic loss (difference between the present value of the debt service payments of the old debt and the new debt) of \$4,797.

*Notes Payable*

In November 2007, the City entered into an agreement with Chase Equipment Leasing to finance the purchase of equipment. Chase deposited \$3,000,000 into an escrow account and the city is reimbursed for actual expenses by submitting escrow disbursement requests. The agreement calls for quarterly payments at an interest rate of 3.88% with the final payment due in November 2012.

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**11. INTERFUND RECEIVABLES AND PAYABLES**

Individual fund balances due from/to other funds at April 30, 2008, are as follows:

	Interfund Receivable						Total
	General	Capital Infrastructure	Water Fund	Sewer Fund	Nonmajor Governmental Funds	Internal Service Funds	
Interfund Payable							
General	\$ -	7,720	65,305	100	577,212	797,829	1,448,166
I-20 Corridor Improvements	-	-	-	-	146,070	-	146,070
Nonmajor Governmental Funds	1,152,258	-	-	-	1,052,830	-	2,205,088
Water Fund	17,605	-	-	-	902,472	-	920,077
Sewer Fund	2,861,558	-	-	-	-	-	2,861,558
Nonmajor Enterprise Funds	-	-	-	-	87	-	87
Internal Service Funds	300,000	-	-	-	-	-	300,000
Agency Funds	817	-	-	-	-	-	817
<b>Total</b>	<b>\$ 4,332,238</b>	<b>\$ 7,720</b>	<b>\$ 65,305</b>	<b>\$ 100</b>	<b>\$ 2,578,671</b>	<b>\$ 797,829</b>	<b>\$ 7,881,863</b>

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

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**12. INTERFUND TRANSFERS**

The following transfers were made between the various funds of the City during the year ended April 30, 2008:

	Transfers Out						Total
	General	Capital Infrastructure	Nonmajor Governmental Funds	Monroe Regional Airport	Water Fund	-	
Transfers In							
General	\$ -	-	\$ 607,491	\$310,523	-	-	\$ 918,014
Sales Tax Bond Debt Service	-	11,058,938	28,688,841	-	-	-	39,747,779
I-20 Corridor Improvements	2,227	-	-	-	-	-	2,227
Nonmajor Governmental Funds	3,427,774	251,158	7,103,910	-	902,472	-	11,685,314
Civic Center	301,237	-	-	-	-	-	301,237
Nonmajor Enterprise Funds	2,052,097	-	-	-	-	-	2,052,097
Internal Service Funds	1,382,634	-	-	-	-	-	1,382,634
Total	<u>\$7,165,969</u>	<u>\$11,310,096</u>	<u>\$36,400,242</u>	<u>\$310,523</u>	<u>\$902,472</u>	<u>-</u>	<u>\$56,089,302</u>

These transfers resulted from transactions for goods and services among funds, debt service transfers, amounts needed to cover deficits in various Enterprise Funds and for capital improvements.

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**13. LITIGATION AND CLAIMS**

Various lawsuits are pending against the City of Monroe. Except as noted below, attorneys of the City are of the opinion that any judgment rendered in favor of the plaintiff will not materially affect the financial position of the City at April 30, 2008.

The City is a defendant in two separate suits involving the death of a citizen during a confrontation with Monroe City Police. Both suits have been filed on behalf of the person's adult and minor children. Counsel for the City believes there will be no liability to the City as a result of these suits.

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

**14. DEFERRED COMPENSATION PLANS**

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

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

Assets with a fair market value of \$1,755,191 are held by Public Employees Benefit Services Corporation, a deferred compensation center, and assets with a fair market value of \$244,861 are held by ICMA under agreement with the City.

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

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2008**

**15. ON-BEHALF PAYMENTS**

Certain City employees in the City Marshal's office, the Monroe Police Department and the Monroe Fire Department receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No.24, the City has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$1,732,999 and the related expenditures are as follows:

Marshal/Deputy Marshal	\$ 74,249
Monroe Police Department	819,350
Monroe Fire Department	839,400
Total	<u>\$ 1,732,999</u>

**16. RISK FINANCING ACTIVITIES**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. There were no major changes in insurance coverage for the year ended April 30, 2008. Certain risks of loss, such as surety bonding, transit liability and indemnity, and activities relating to the operations of Chennault Park, Selman Field Golf Course, the Monroe Civic Center, Louisiana Purchase Gardens and Zoo and Monroe Regional Airport are insured through purchase of commercial insurance with deductibles from \$0 to \$25,000 and coverage limits from \$1,000 (surety bonds) to \$64,000,000 (buildings and contents). Other risks of loss, including fleet comprehensive and liability, long-term disability and comprehensive general liability, are entirely self-insured. Workers compensation losses are self insured up to \$250,000 per occurrence, with excess loss policies in force for claims in excess of the self insured retention. There were no settlements that exceeded insurance coverage for the past three years. All of the foregoing risk financing activities are accounted for in the governmental and proprietary fund types. Long-term liabilities that are covered by structured settlements which are not expected to be liquidated with expendable available financial resources in the governmental funds have been recorded in the General Long-term Obligations Account Group at estimated present value. Other long-term claims and judgments payable recorded in the General Long-term Obligations Account Group, primarily disability and workers' compensation claims, are recorded using actuarial methods. Changes in the claims liability for the year ended April 30, 2008, are as follows:

Balance, April 30, 2007	\$ 7,112,252
Current year claims and changes in estimates	1,028,231
Claims paid	<u>(286,696)</u>
Balance, April 30, 2008	<u>\$ 7,853,787</u>



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

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2008**

Included in current year claims and changes in estimates are amounts related to workers' compensation claims for incurred but not reported claims (IBNR). IBNR claims include known loss events which are expected to be presented as claims, unknown loss events that are expected to become claims and expected future developments on claims already reported. Actuarial methods were employed to determine the IBNR reserve at April 30, 2008, which was calculated to be approximately \$2 million and covers claim years since April 30, 1979.

**17. JACKSON STREET ANNEX FIRE LOSS (UPDATE)**

On February 8, 2007, the City of Monroe incurred a loss by fire at the Jackson Street Annex. The City estimates the full amount of the loss to be \$1,047,050. Reimbursements received through April 30, 2008, are \$566,309. The remaining expected reimbursement totals \$480,741.

**18. PASSENGER FACILITY CHARGE-MONROE REGIONAL AIRPORT**

On January 23, 2003, the Monroe Regional Airport (Airport) received approval from the Federal Aviation Administration (FAA) to impose a \$4.50 passenger facility charge (PFC) in accordance with Section 158.29 of the FAA Regulations (Title 14, Code of Federal Regulations, Part 158). On December 20, 2005, the Airport received approval to continue collecting the charge through September 1, 2008.

FAA regulations require that PFC revenues be recognized and reported as non-operating revenues in the year the fees are remitted by the air carriers (cash basis of accounting). Likewise, payments to vendors are also reported when disbursed, not when incurred. However, for financial reporting purposes, GAAP requires that these revenues and expenses be recorded on the modified accrual basis of accounting.

FAA regulations also require certain financial statement disclosures with regard to passenger facility charges. Any PFC revenue received, but not yet spent, along with interest income, is classified as restricted net assets on the Statement of Net Assets.

The FAA approved a total collection of \$1,134,672, from April 1, 2003 until January 31, 2006 for three approved projects. On December 20, 2005, the FAA approved collections of \$720,000 for one additional project. These projects as well as the amounts disbursed and the remaining dollars available are as follows:

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

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2008**

Description	Project Amount	Disbursements	Available
Aircraft loading equipment improvement	\$ 641,748	\$ 525,404	\$ 116,344
Rehabilitate airfield lighting	452,224	370,244	81,980
PFC application professional fees	40,700	40,700	-
Passenger terminal scoping and planning study	720,000	463,510	256,490
Total	<u>\$ 1,854,672</u>	<u>\$ 1,399,858</u>	<u>\$ 454,814</u>

Since the inception of the PFC, the Airport has recorded the following revenues / receipts and expenses / disbursements through fiscal year 2008 resulting in a restriction of net assets from passenger facility charges as follows:

	Accrual Basis	Cash Basis
PFC revenues / receipts	\$ 2,034,101	\$ 2,034,101
Interest earnings	34,501	34,501
Total revenues / receipts	<u>2,068,602</u>	<u>2,068,602</u>
Expenses / disbursements for PFC projects	<u>(1,399,858)</u>	<u>(1,339,173)</u>
Net PFC cash, April 30, 2008		\$ <u>729,429</u>
Net assets restricted for PFC, April 30, 2008	<u>\$ 668,744</u>	

Any remaining funds after the completion of the projects will require a plan for the use of this revenue be submitted to the FAA for review and concurrence.

**REQUIRED SUPPLEMENTAL INFORMATION  
(PART B)**

**CITY OF MONROE**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**In Fund Balances - Budget and Actual**  
**For the Year Ended April 30, 2008**  
**(Unaudited)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
<b>Taxes</b>				
General property taxes	\$ 3,884,837	\$ 3,885,626	\$ 3,993,750	\$ 108,124
1974 Recreational maintenance taxes	657,380	673,891	692,192	18,301
1974 Public safety taxes	370,651	379,960	390,284	10,324
1974 Drainage taxes	458,058	469,573	482,341	12,768
Capital improvement tax	1,216,853	1,247,415	1,281,305	33,890
Police department tax	562,969	577,109	592,796	15,687
Fire department tax	562,969	577,109	592,796	15,687
Beer tax	78,822	78,822	75,506	(3,316)
Tobacco tax		66,521	66,521	
General sales taxes	29,783,863	32,000,000	32,594,035	594,035
Liquor Licenses	76,400	76,400	75,544	(856)
Occupational Licenses	2,291,900	2,458,875	2,514,322	55,447
Video Bingo License		3,650	4,170	520
Building permits	81,606	91,700	93,614	1,914
Sewer permits	21,497	65,850	60,046	(5,804)
Plumbing permits	32,240	46,150	42,613	(3,537)
Electrical permits	26,794	41,000	38,340	(2,660)
Gas permits	14,539	11,700	11,145	(555)
Heat and air conditioning permits	13,520	15,650	16,082	432
Mobile sign permits	1,545	7,500	7,485	(15)
Off Prem Sign			75	75
Culvert/Drainage Project Permit	3,175	3,175	2,650	(525)
Unrefunded bid deposits		450	450	
Franchise fees	763,375	763,375	807,463	44,088
Parking permit sales		230	230	
Federal grants		168,880	354,455	185,575
State grants - Supplemental Pay	1,472,400	1,783,794	1,732,999	(50,795)
Signal Light Reimbursement	190,320	186,660	186,660	
Video Bingo		300,000	434,518	134,518
Copy Charge		194	218	24
Sales tax commission - School Board	359,400	412,260	426,358	14,098
Sales tax commission - West Monroe	51,000	51,000	51,000	
Sales tax commission - Police Jury	37,800	37,800	37,800	
Sales tax commission - Sterlington	1,800	1,800	2,205	405
Sales tax commission - Richwood	180	180	180	
Sales tax commission - Handist	84,300	93,475	93,626	151
Sales tax commission - Fire	25,000	25,000	22,814	(2,186)
Sales tax commission - Police	25,000	25,000	22,814	(2,186)
Sales tax commission - Ouachita Parish Sheriff's Office			17,669	469
Sales tax commission - Hotel/Motel	4,000	4,000	4,000	
Commissions		756	901	145
City sanitation service	2,993,000	2,993,000	3,009,243	16,243
Recreation department revenue	69,572	91,408	103,348	11,940
HIDTA			74,456	74,456
NSF Fees		15,550	17,036	1,486
Grass cutting fees	8,225	75,797	77,476	1,679
City Court civil fees	151,000	151,000	187,218	36,218
Community policing fee	143,815	133,615	143,454	9,839
Appearance & surrender fee	60,000	79,250	80,885	1,635
Zoning income	74,430	21,050	30,422	9,372
Entergy franchise fees	1,955,000	2,060,000	2,353,143	293,143
Cemetery lots	21,700	21,700	26,500	4,800
Golf course fees	497,642	419,875	377,095	(42,780)
American Pmt System Fees (BellSouth commissions)	31,750	19,050	18,537	(313)
Postage	8,700	8,700	7,425	(1,275)
Legal & other Professional	82,000	82,000	76,585	(5,415)
DWI Prob. Fin		2,000	2,022	22
False alarms fines	20,000	22,825	23,125	300
City Court fines	794,165	794,165	779,579	(14,586)
Parking fines	50,000	70,700	71,221	521
Ticket review fee	1,950	1,950	1,320	(630)
Rental income	133,936	133,936	140,348	6,412
Rental land lease	16,447	16,447	12,383	(4,064)
Interest income	208,300	330,000	406,112	76,112
Royalty income		7,175	7,218	43
Municipal golf course rent	12,000	13,100	13,100	
Donations designated MPD		5,750	6,226	476
OP Bicentennial Donations		2,500	2,500	
Miscellaneous revenue	89,000			
Cash over/short			131	131
Contributions & Donations		2,000	2,904	904
Insurance proceeds		101,449	101,449	
Penalty and interest	25,800	17,000	24,515	7,515
Fire reports			95	95
K-9 donations		14,376	24,561	10,185
Police miscellaneous	60,000	84,678	83,356	(1,322)
<b>Total revenues</b>	<b>50,672,635</b>	<b>54,441,776</b>	<b>56,108,960</b>	<b>1,667,184</b>

**CITY OF MONROE**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**In Fund Balances - Budget and Actual**  
**For the Year Ended April 30, 2008**  
**(Unaudited)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Legislative division - council and staff	290,137	290,834	262,774	28,060
Executive division - chief executive and staff	467,266	620,011	517,254	102,757
Judicial division	2,038,889	2,074,890	2,104,416	(29,526)
Legal division	649,185	657,311	608,505	48,806
Administration division	6,592,213	6,949,653	6,801,236	148,417
Police division	11,361,690	11,782,042	12,096,718	(314,676)
Fire division	11,849,806	11,461,083	11,429,729	31,354
Public works division	6,540,834	8,526,664	8,897,900	(371,236)
Engineering division	1,000,737	1,004,335	908,696	95,639
Planning and urban development division	841,941	868,413	876,317	(7,904)
Culture & recreation	4,010,249	3,083,283	3,052,891	30,392
Debt Services				
General interest expense	175,401	84,676	88,310	(3,634)
Capital leases	277,449	277,449	277,449	
Civic Center Roof	260,000	260,000	260,000	
Swimming pool renovations		132,000	132,000	
Claims and judgments	200,000	200,000	290,561	(90,561)
Total debt service	912,850	954,125	1,048,320	(94,195)
Capital Expenditures	1,251,280	1,273,949	1,151,461	122,488
Total expenditures	47,007,077	49,546,593	49,756,217	(327,751)
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>3,665,558</b>	<b>4,895,183</b>	<b>6,352,743</b>	<b>1,339,433</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets		53,206	53,206	
Total		53,206	53,206	
Transfers in:				
Inactive Special Revenue Funds		730	28,589	27,859
Kansas Lane Service Road			453,903	453,903
Administrative Economic Development		125,000	125,000	
Monroe Regional Airport		276,247	310,523	34,276
Total transfers in	280,237	401,977	918,015	516,038
Transfers out:				
Prisoner housing	(414,963)	(505,853)	(551,673)	(45,820)
Police and Fire pension	(823,168)	(823,168)	(814,980)	8,188
Louisiana Purchase Gardens and Zoo		(332,726)	(314,290)	18,436
Monroe Transit System	(1,898,992)	(1,881,676)	(1,735,831)	145,845
Civic Center	(10,011)	(486,636)	(301,237)	185,399
Livestock Arena	(2,500)	(2,500)	(1,976)	524
Central Shop and Warehouse	(416,486)	(423,378)	(584,805)	(161,427)
DeltaFest		(120,000)	(173,647)	(53,647)
Capital			(553,207)	(553,207)
I-20 Capital Project			(2,227)	(2,227)
Insurance Fund	(13,000)	(163,000)	(380,570)	(417,570)
Historic Preservation Grant		(6,500)	(6,642)	(142)
OCA Walking Trail			(3,000)	(3,000)
Martin Luther King			(2,054)	(2,054)
Debt Service	(141,275)			
Community Development Block Grant	(70,000)	(98,609)	(105,312)	(6,703)
Video bingo revenue to capital		(203,206)	(217,259)	(14,053)
Video bingo revenue to insurance			(217,259)	(217,259)
Economic Development	(155,000)		(1,000,000)	(1,000,000)
Total transfers out	(3,945,795)	(5,047,252)	(7,165,969)	(2,118,717)
Total other financing sources (uses)	(3,665,558)	(4,592,069)	(6,194,748)	(1,602,679)
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>		<b>303,114</b>	<b>157,995</b>	<b>(263,246)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>2,922,913</b>	<b>11,661,124</b>	<b>11,661,124</b>	
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 2,922,913</b>	<b>\$ 11,964,238</b>	<b>\$ 11,819,119</b>	<b>\$ (263,246)</b>

**CITY OF MONROE**  
**Capital Infrastructure Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**For the Year Ended April 30, 2008**  
**(Unaudited)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Sales Tax -Street Improvement	\$ 12,056,582	\$ 12,056,582	\$ 13,571,310	\$ 1,514,728
Interest income	150,000	150,000	409,919	259,919
Total revenues	<u>12,206,582</u>	<u>12,206,582</u>	<u>13,981,229</u>	<u>1,774,647</u>
<b>EXPENDITURES</b>				
Current:				
Public works	1,001,488	1,001,488	867,140	134,348
Capital Outlay	23,500	23,500		23,500
Total expenditures	<u>1,024,988</u>	<u>1,024,988</u>	<u>867,140</u>	<u>157,848</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	11,181,594	11,181,594	13,114,089	1,932,495
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(11,851,693)	(11,851,693)	(11,310,096)	541,597
Total other financing sources (uses)	<u>(11,851,693)</u>	<u>(11,851,693)</u>	<u>(11,310,096)</u>	<u>541,597</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	(670,099)	(670,099)	1,803,993	2,474,092
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>7,865,823</u>	<u>10,131,059</u>	<u>10,131,059</u>	<u></u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 7,195,724</u>	<u>\$ 9,460,960</u>	<u>\$ 11,935,052</u>	<u>\$ 2,474,092</u>

**OTHER SUPPLEMENTAL INFORMATION**

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**April 30, 2008**

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,663,616	\$ 8,224,219	\$ 17,539,622	\$ 36,427,457
Receivables	870,743	831,271	1,314,415	3,016,429
Due from other funds	886,704	146,070	1,645,897	2,678,671
Prepaid expenses & other assets, net	862,715			862,715
<b>Total Assets</b>	<b>\$ 13,283,778</b>	<b>\$ 9,201,560</b>	<b>\$ 20,499,934</b>	<b>\$ 42,985,272</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts and retainage payable	\$ 702,676		\$ 1,834,537	\$ 2,537,213
Due to other funds	439,085		1,766,003	2,205,088
Deferred revenue	576,901	\$ 8,667	7,320	592,888
Other current liabilities	33,869			33,869
<b>Total Liabilities</b>	<b>1,752,531</b>	<b>8,667</b>	<b>3,607,860</b>	<b>5,369,058</b>
<b>Fund Balances</b>				
Reserved for				
Debt service		9,192,893		9,192,893
Capital improvements			16,892,074	16,892,074
Unreserved	11,531,247			11,531,247
<b>Total Liabilities and Fund Balances</b>	<b>\$ 13,283,778</b>	<b>\$ 9,201,560</b>	<b>\$ 20,499,934</b>	<b>\$ 42,985,272</b>



**Monroe, Louisiana**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended April 30, 2008**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes				
Ad valorem	\$	\$ 220,945		\$ 220,945
Sales	6,614,512	3,475,212		10,089,724
Fees, charges and commissions for services	142,778		\$ 151,353	294,131
Use of money and property	309,177	273,730	782,723	1,365,630
Other revenues	292,797		126,515	419,312
Fines and forfeitures	145,834			145,834
Intergovernmental				
Federal	1,500,264		2,883,003	4,383,267
State	203,741		777,310	981,051
Local	1,125		405,371	406,496
Total revenues	<u>9,210,228</u>	<u>3,969,887</u>	<u>5,126,275</u>	<u>18,306,390</u>
<b>EXPENDITURES</b>				
Current				
General government				
Judicial	166,904			166,904
Financial administration	133,420		1,475,552	1,608,972
Public safety				
Police	3,925,642			3,925,642
Fire	3,583,273			3,583,273
Public works	78,802		271,021	349,823
Culture and recreation	248,450		1,144,652	1,393,102
Planning and urban development	1,483,372			1,483,372
Economic development and assistance	619,671			619,671
Capital expenditures	1,027,660		11,567,396	12,595,056
Debt service				
Principal	140,923	6,475,000		6,615,923
Interest	24,573	1,365,255		1,389,828
Total operating expenses	<u>11,432,690</u>	<u>7,840,255</u>	<u>14,458,621</u>	<u>33,731,566</u>
Excess (deficiency) of revenues over expenditures	(2,222,462)	(3,870,368)	(9,332,346)	(15,425,176)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of debt	3,000,000		41,572,175	44,572,175
Sale of assets			160,700	160,700
Transfers in	2,659,794	6,358,287	2,667,233	11,685,314
Transfers out	(233,576)	(1,003,637)	(35,163,030)	(36,400,243)
Total other financing sources/(uses)	<u>5,426,218</u>	<u>5,354,650</u>	<u>9,237,078</u>	<u>20,017,946</u>
Net changes in fund balances	3,203,756	1,484,282	(95,268)	4,592,770
Fund balances - beginning	<u>8,327,491</u>	<u>7,708,611</u>	<u>16,987,342</u>	<u>33,023,444</u>
Fund balances - ending	<u>\$ 11,531,247</u>	<u>\$ 9,192,893</u>	<u>\$ 16,892,074</u>	<u>\$ 37,616,214</u>

**NONMAJOR SPECIAL REVENUE FUNDS**

**CITY OF MONROE**  
 Monroe, Louisiana  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 Special Revenue Funds  
 April 30, 2008

	Fire Department Insurance	Community Development Blk	Urban Development Action	Rental Rehab	Economic Development CDBG	Emergency Shelter	CDBG Home	CDBG Loan	City Prosecuting Attorney
<b>ASSETS</b>									
Cash and cash equivalents	\$ 317,308	\$ 187,578	\$ 18,190	\$ 6,384	\$ 10,835	\$ 1,879	\$ 44,316	\$ 60,578	\$ 73,284
Receivables	81,724	68,330		173,059			2,789	4,018	350
Due from other funds				198,610			31,072	119,065	
Prepaid expenses & other assets, net									
<b>Total Assets</b>	<b>\$ 399,032</b>	<b>\$ 255,908</b>	<b>\$ 18,190</b>	<b>\$ 378,053</b>	<b>\$ 10,835</b>	<b>\$ 1,879</b>	<b>\$ 78,177</b>	<b>\$ 183,661</b>	<b>\$ 73,634</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities</b>									
Accounts and retainage payable	\$ 1,295	\$ 37,910					\$ 13,367		
Due to other funds		204,162					25,105	\$ 51,871	
Deferred revenue				\$ 205,301			25,488	46,995	
Other current liabilities		13,836		2,821			14,217	2,380	\$ 263
<b>Total Liabilities</b>	<b>1,295</b>	<b>255,908</b>		<b>208,122</b>			<b>78,177</b>	<b>101,246</b>	<b>263</b>
Fund Balance - Unreserved:	397,737		\$ 18,190	169,931	\$ 10,835	\$ 1,879		82,415	73,371
<b>Total Fund Balances</b>	<b>397,737</b>		<b>18,190</b>	<b>169,931</b>	<b>10,835</b>	<b>1,879</b>		<b>82,415</b>	<b>73,371</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 399,032</b>	<b>\$ 255,908</b>	<b>\$ 18,190</b>	<b>\$ 378,053</b>	<b>\$ 10,835</b>	<b>\$ 1,879</b>	<b>\$ 78,177</b>	<b>\$ 183,661</b>	<b>\$ 73,634</b>

**CITY OF MONROE**  
 Monroe, Louisiana  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 Special Revenue Funds  
 April 30, 2008

	MPD Youth	DARE Program	Delta Fest	Prisoner Housing	Diversion Program	Drug Seizure Forfeiture	Friends of City Employees	China Delegation Trip	Peer Mediation
<b>ASSETS</b>									
Cash and cash equivalents	\$ 906	\$ 74,476			\$ 206,811	\$ 63,712	\$ 589	\$ 682	\$ 10,529
Receivables		7,096		6,900		4,004			
Due from other funds				52,432					
Prepaid expenses & other assets, net			\$ 52,825						
<b>Total Assets</b>	\$ 906	\$ 81,572	\$ 52,825	\$ 59,332	\$ 206,811	\$ 67,716	\$ 589	\$ 682	\$ 10,529
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities</b>									
Accounts and retainage payable			\$ 250	\$ 52,432					\$ 6,654
Due to other funds									
Deferred revenue									
Other current liabilities									
<b>Total Liabilities</b>			250	52,432					6,654
<b>Fund Balance - Unreserved:</b>									
	\$ 906	\$ 81,572	\$ 52,575	6,900	\$ 206,811	\$ 67,716	\$ 589	\$ 682	\$ 3,875
<b>Total Fund Balances</b>	906	81,572	52,575	6,900	206,811	67,716	589	682	3,875
<b>Total Liabilities and Fund Balances</b>	\$ 906	\$ 81,572	\$ 52,825	\$ 59,332	\$ 206,811	\$ 67,716	\$ 589	\$ 682	\$ 10,529

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**Special Revenue Funds**  
**April 30, 2008**

	Police Salary Sales Tax	Fire Salary Sales Tax	PTFA	Justice Assistance Grant	Downtown Economic Develop	Admin Economic Develop	HOME Program Loans	Repairs & Maintenance	Capital
<b>ASSETS</b>									
Cash and cash equivalents	\$ 799,366	\$ 973,454	\$ 1,004,434	\$ 46,016	\$ 62,134	\$ 1,972,714	\$ 50,288	\$ 585,833	\$ 4,236,155
Receivables	259,098	259,098			1,595				
Due from other funds						500,000	2,254		2,098
Prepaid expenses & other assets, net							290,514		163,497
<b>Total Assets</b>	<b>\$ 1,058,464</b>	<b>\$ 1,232,552</b>	<b>\$ 1,004,434</b>	<b>\$ 46,016</b>	<b>\$ 63,729</b>	<b>\$ 2,472,714</b>	<b>\$ 343,056</b>	<b>\$ 585,833</b>	<b>\$ 4,403,750</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities</b>									
Accounts and retainage payable				\$ 25,948		\$ 25,000			\$ 535,913
Due to other funds						30,000	\$ 33,142		
Deferred revenue				20,068			262,650		
Other current liabilities							352		
<b>Total Liabilities</b>				<b>46,016</b>		<b>55,000</b>	<b>296,144</b>		<b>535,913</b>
<b>Fund Balance - Unreserved:</b>									
Total Fund Balances	\$ 1,058,464	\$ 1,232,552	\$ 1,004,434		\$ 63,729	2,417,714	46,912	\$ 585,833	3,867,837
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,058,464</b>	<b>\$ 1,232,552</b>	<b>\$ 1,004,434</b>	<b>\$ 46,016</b>	<b>\$ 63,729</b>	<b>\$ 2,472,714</b>	<b>\$ 343,056</b>	<b>\$ 585,833</b>	<b>\$ 4,403,750</b>

**CITY OF MONROE**  
 Monroe, Louisiana  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 Special Revenue Funds  
 April 30, 2008

	LA Pilot Grant	Airport Marketing Grant	GOBSEP- Code Enforcement	Demolition	Special Revenue Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 15,000	\$ 9,271	\$ 80,082	\$ 77,788	\$ 10,663,616
Receivables		5,626			870,743
Due from other funds					886,704
Prepaid expenses & other assets, net			5,132		862,715
<b>Total Assets</b>	<b>\$ 15,000</b>	<b>\$ 14,897</b>	<b>\$ 85,214</b>	<b>\$ 77,788</b>	<b>\$ 13,283,778</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts and retainage payable		\$ 5,152	\$ 5,409		702,676
Due to other funds	\$ 15,000		79,805		439,085
Deferred revenue		9,745			576,901
Other current liabilities					33,869
<b>Total Liabilities</b>	<b>15,000</b>	<b>14,897</b>	<b>85,214</b>		<b>1,752,531</b>
<b>Fund Balance - Unreserved:</b>					
				\$ 77,788	11,531,247
<b>Total Fund Balances</b>				<b>77,788</b>	<b>11,531,247</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,000</b>	<b>\$ 14,897</b>	<b>\$ 85,214</b>	<b>\$ 77,788</b>	<b>\$ 13,283,778</b>

**CITY OF MONROE**  
 Monroe, Louisiana  
 Combining Schedule of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Special Revenue Funds  
 For the Year Ended April 30, 2008

	Fire Department Insurance	Community Development Bik	Urban Development Action	Rental Rehab	Economic Development CDBG	Emergency Shelter	Martin Luther King Day	CDBG Home	CDBG Loan
<b>REVENUES</b>									
Taxes									
Sales									
Fees, charges and commissions for services									
Use of money and property									
Office revenues		\$ 49,657		\$ 695				\$ 19	\$ 3,325
Fines and Forfeitures									18,799
Intergovernmental									
Federal grants		804,356			\$ 55,150			435,044	
State grants	\$ 203,741								
Local grants									
<b>Total Revenues</b>	<b>203,741</b>	<b>854,013</b>		<b>695</b>	<b>55,150</b>			<b>435,063</b>	<b>22,124</b>
<b>EXPENDITURES</b>									
Current:									
General government:									
Judicial									
Financial administration									
Public safety									
Police									
Fire	83,910								
Public works									
Culture and recreation							\$ 2,054		
Planning and urban development		959,125				61,773		435,063	1,227
Economic development and assistance									
Capital outlay									
Debt service:									
Debt service principle									
Debt service interest									
<b>Total Expenditures</b>	<b>83,910</b>	<b>959,125</b>				<b>61,773</b>	<b>2,054</b>	<b>435,063</b>	<b>1,227</b>
Excess (deficiency) of revenues over (under) expenditures	119,831	(105,312)		695		(6,623)	(2,054)		20,897
<b>Other Financing Sources (Uses)</b>									
Bond proceeds									
Transfers in		105,312					2,054		
Transfers out									
<b>Total Other Financing Sources (Uses)</b>		<b>105,312</b>					<b>2,054</b>		
Net changes in fund balances	119,831			695		(6,623)			20,897
Fund balances - beginning	277,906		\$ 18,190	\$ 169,236	\$ 10,835	8,902			61,518
Fund balances - ending	\$ 397,737		\$ 18,190	\$ 169,931	\$ 10,835	\$ 1,879			\$ 82,415

**CITY OF MONROE**  
 Monroe, Louisiana  
 Combining Schedule of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Special Revenue Funds  
 For the Year Ended April 30, 2008

	City Prosecuting Attorney	MFD Youth	DARE Program	Delta Fest	Prisoner Housing	Diversion Program	Problem Solving Grant	Drug Seizure Forfeiture	Friends of City Employees
<b>REVENUES</b>									
Taxes									
Sales									
Fees, charges and commissions for services			\$ 44,345			\$ 81,250			
Use of money and property			7,260						
Other revenues	\$ 13,700		20,622		\$ 85,560			\$ 46,574	\$ 2,645
Fines and Forfeitures									
Intergovernmental									
Federal grants			\$ 44,233						
State grants									
Local grants									
Total Revenues	13,700		44,233	72,227	85,560	81,250		46,574	2,645
<b>EXPENDITURES</b>									
Current:									
General government						166,904			
Judicial									
Financial administration									
Public safety		\$ 106	4,954		630,333			3,531	
Police									
Fire									
Public works									
Culture and recreation									
Planning and urban development				243,299					3,097
Economic development and assistance									
Capital outlay									
Debt service:									
Debt service principle									
Debt service interest									
Total Expenditures		106	4,954	243,299	630,333	166,904		3,531	3,097
Excess (deficiency) of revenues over (under) expenditures	13,700	(106)	39,279	(171,072)	(544,773)	(85,654)		43,043	(452)
<b>Other Financing Sources (Uses)</b>									
Fund proceeds									
Transfers in									
Transfers out							\$ (27,846)		
Total Other Financing Sources (Uses)							(27,846)		
Net changes in fund balances	13,700	(106)	39,279	52,575	6,900	(85,654)	(27,846)	43,043	(452)
Fund balances - beginning	59,671	1,012	42,293		292,465		27,846	24,673	1,041
Fund balances - ending	\$ 73,371	\$ 906	\$ 81,572	\$ 52,575	\$ 6,900	\$ 206,811		\$ 67,716	\$ 589



**CITY OF MONROE**  
 Monroe, Louisiana  
 Combining Schedule of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Special Revenue Funds  
 For the Year Ended April 30, 2008

	China Delegation Trip	Peer Mediation	Police Salary Sales Tax	Fire Salary Sales Tax	PTFA	Justice Assistance Grant	Hurricane Katrina Relief	Downtown Economic Develop	Admin Economic Develop
<b>REVENUES</b>									
Taxes									
Sales			\$ 3,307,256	\$ 3,307,256				\$ 2,640	\$ 65,353
Fees, charges and commissions for services									
Use of money and property									
Other revenues			35,574	50,843	42,475	4,128		3,390	94,523
Fines and Forfeitures									
Intergovernmental									
Federal grants		295				65,340			
State grants									
Local grants									
<b>Total Revenues</b>		295	3,342,830	3,358,099	42,475	69,468		6,030	159,876
<b>EXPENDITURES</b>									
Current:									
General government									
Judicial									
Financial administration							\$ 10		
Public safety									
Police		295	3,284,696	3,499,363		1,727			
Fire									
Public works									
Culture and recreation									
Planning and urban development									
Economic development and assistance	\$ 1,019				179,213	67,836		24,607	401,690
Capital outlay									
Debt service:									
Debt service principle									
Debt service interest									
<b>Total Expenditures</b>	1,019	295	3,284,696	3,499,363	179,213	69,563		24,607	401,690
Excess (deficiency) of revenues over (under) expenditures	(1,019)		58,134	(141,264)	(136,738)	(95)	(10)	(18,577)	(241,814)
<b>Other Financing Sources (Uses)</b>									
Bond proceeds									1,000,000
Transfers in									(202,000)
Transfers out									795,000
<b>Total Other Financing Sources (Uses)</b>									795,000
<b>Net changes in fund balances</b>	(1,019)		58,134	(141,264)	(136,738)	(95)	(740)	(18,577)	553,186
<b>Fund balances - beginning</b>	1,701	3,875	1,000,330	1,373,816	1,141,172	95	740	82,306	1,864,528
<b>Fund balances - ending</b>	\$ 682	\$ 3,875	\$ 1,058,464	\$ 1,232,552	\$ 1,004,434		\$ 63,729	\$ 63,729	\$ 2,417,714

CITY OF MONROE  
Monroe, Louisiana

Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Special Revenue Funds  
For the Year Ended April 30, 2008

	HOME Program Loans	Repairs & Maintenance	Capital	LA Flor Grant	Historic Revitalization	Airport Marketing Grant	GOHSEP- Code Enforcement	Demolition	Special Revenue Total
<b>REVENUES</b>									
Taxes									
Sales									
Fees, charges and commissions for services									
Use of money and property	\$ 9,072	\$ 26,371	\$ 64,776					\$ 14,543	\$ 6,614,512
Other revenues	22,693		79,754						142,778
Fines and Forfeitures									309,177
Intergovernmental									292,797
Federal grants				\$ 4,015	\$ 6,500	\$ 5,626	\$ 79,705		145,834
State grants									1,500,264
Local grants						1,125			203,741
									1,125
<b>Total Revenues</b>	<b>31,765</b>	<b>26,371</b>	<b>144,530</b>	<b>4,015</b>	<b>6,900</b>	<b>6,751</b>	<b>79,705</b>	<b>14,543</b>	<b>9,210,228</b>
<b>EXPENDITURES</b>									
Current:									
General government									166,904
Judicial									133,420
Financial administration		133,410							
Public safety									3,925,642
Police									3,583,273
Fire									78,802
Public works				4,015		6,751			248,450
Culture and recreation									1,483,372
Planning and urban development					13,142		25,984		619,671
Economic development and assistance									1,027,660
Capital outlay			966,103						140,923
Debt service:			140,923						24,573
Debt service principal									
Debt service interest									
		133,410	1,139,635	4,015	13,142	6,751	79,705		11,432,690
<b>Total Expenditures</b>	<b>31,765</b>	<b>(107,039)</b>	<b>(995,103)</b>		<b>(6,642)</b>			<b>14,543</b>	<b>(2,222,462)</b>
Excess (deficiency) of revenues over (under) expenditures									
<b>Other Financing Sources (Uses)</b>									
Bond proceeds			3,008,000						3,000,000
Transfers in			770,466		6,642				2,699,794
Transfers out									(233,576)
<b>Total Other Financing Sources (Uses)</b>			<b>3,770,466</b>		<b>6,642</b>				<b>5,496,218</b>
<b>Net changes in fund balances</b>	<b>31,765</b>	<b>(107,039)</b>	<b>2,775,361</b>					<b>14,543</b>	<b>3,203,756</b>
<b>Fund balances - beginning</b>	<b>15,147</b>	<b>692,872</b>	<b>1,092,476</b>					<b>63,245</b>	<b>8,327,491</b>
<b>Fund balances - ending</b>	<b>\$ 46,912</b>	<b>\$ 585,833</b>	<b>\$ 3,867,837</b>					<b>\$ 77,788</b>	<b>\$ 11,531,247</b>

**NONMAJOR DEBT SERVICE FUNDS**

**CITY OF MONROE**  
 Monroe, Louisiana  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 Debt Service Funds  
 For the Year Ended April 30, 2008

	City Court & Jail Improvement	I-20 Economic District	Tower Dr Economic District	Police and Fire Pension	Debt Service Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 320,497	\$ 6,407,215	\$ 1,336,521	\$ 59,986	\$ 8,724,219
Receivables	8,667	562,627	239,977		831,271
Due from other funds		146,070			146,070
<b>Total Assets</b>	<b>\$ 329,164</b>	<b>\$ 7,215,912</b>	<b>\$ 1,596,498</b>	<b>\$ 59,986</b>	<b>\$ 9,201,560</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Deferred revenue	\$ 8,667				\$ 8,667
<b>Total Liabilities</b>	<b>8,667</b>				<b>8,667</b>
<b>Fund Balances</b>					
Reserved for debt service	320,497	\$ 7,215,912	\$ 1,596,498	\$ 59,986	\$ 9,192,893
<b>Total Fund Balances</b>	<b>320,497</b>	<b>7,215,912</b>	<b>1,596,498</b>	<b>59,986</b>	<b>9,192,893</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 329,164</b>	<b>\$ 7,215,912</b>	<b>\$ 1,596,498</b>	<b>\$ 59,986</b>	<b>\$ 9,201,560</b>

**CITY OF MONROE**  
Monroe, Louisiana

**Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds**

Debt Service Funds  
For the Year Ended April 30, 2008

	City Court & Jail Improve	L-26 Economic District	Tower Dr Economic District	Police and Fire Pension	Debt Service Total
\$ 220,945	\$ 2,499,043	\$ 976,169			\$ 220,945
	213,640	50,691	\$ 9,399		3,475,212
<u>220,945</u>	<u>2,712,683</u>	<u>1,026,860</u>	<u>9,399</u>		<u>3,982,887</u>
155,000	1,065,000	4,600,000	655,000	6,475,000	6,475,000
13,603	771,311	404,972	175,167	1,365,255	1,365,255
168,603	1,836,311	5,004,972	830,167	7,840,255	7,840,255
92,340	876,172	(3,978,112)	(820,768)	(3,870,368)	(3,870,368)
		5,543,307	814,980	6,358,287	6,358,287
		(1,003,637)		(1,003,637)	(1,003,637)
		4,539,670	814,980	5,354,650	5,354,650
52,340	876,172	561,558	(5,788)	1,484,282	1,484,282
268,157	6,339,740	1,034,940	65,774	7,708,611	7,708,611
<u>\$ 320,497</u>	<u>\$ 7,215,912</u>	<u>\$ 1,596,498</u>	<u>\$ 59,986</u>	<u>\$ 9,192,893</u>	<u>\$ 9,192,893</u>

**REVENUES**

Taxes  
Aid valorem  
Sales  
Use of money and property

Total Revenues

**EXPENDITURES**

Debt service:  
Debt service principle  
Debt service interest

Total Expenditures

Excess (deficiency) of revenues  
over (under) expenditures

**Other Financing Sources (Uses)**

Transfers in  
Transfers out

Total Other Financing Sources (Uses)

Net changes in fund balances

Fund balances - beginning

Fund balances - ending

**NONMAJOR CAPITAL PROJECTS FUNDS**

CITY OF MONROE  
 Monroe, Louisiana  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 Capital Projects Funds  
 April 30, 2008

	N. 18TH Street Extension	Taxiway C Reconstruction	Ph III Air Industrial Prk	Tower Drive	Airport Industrial Park	Kansas Lane Service Road	Swimming Pool Renovations	Street Construction	Collection System Improve
<b>ASSETS</b>									
Cash and cash equivalents	\$ 104,714	\$ 6,099	\$ 140,664	\$ 6,661,298	\$ 252,654	\$ 5,241	\$ 13	\$ 7,157,869	\$ 835,782
Receivables						448,662			
Due from other funds									
<b>Total Assets</b>	<b>\$ 104,714</b>	<b>\$ 6,099</b>	<b>\$ 140,664</b>	<b>\$ 6,661,298</b>	<b>\$ 252,654</b>	<b>\$ 453,903</b>	<b>\$ 13</b>	<b>\$ 7,157,869</b>	<b>\$ 835,782</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities</b>									
Accounts and retainage payable		\$ 6,099		\$ 80,325	\$ 25,684			\$ 919,824	\$ 250,057
Due to other funds				137,487	104,028	\$ 453,903	\$ 13		
<b>Total liabilities</b>		<b>6,099</b>		<b>217,812</b>	<b>129,712</b>	<b>453,903</b>	<b>13</b>	<b>919,824</b>	<b>250,057</b>
<b>Fund Balances</b>									
Reserved for capital improvements	\$ 104,714		\$ 140,664	6,443,486	122,942			6,238,045	585,725
<b>Total fund balances</b>	<b>104,714</b>		<b>140,664</b>	<b>6,443,486</b>	<b>122,942</b>			<b>6,238,045</b>	<b>585,725</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 104,714</b>	<b>\$ 6,099</b>	<b>\$ 140,664</b>	<b>\$ 6,661,298</b>	<b>\$ 252,654</b>	<b>\$ 453,903</b>	<b>\$ 13</b>	<b>\$ 7,157,869</b>	<b>\$ 835,782</b>

CITY OF MONROE  
 Monroe, Louisiana  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 Capital Projects Funds  
 April 30, 2008

	Fire/Drainage Improvement	Water System Improvements	Passenger Facility Charge	Forsythe Park Tennis	Reliab Airfield Lighting	Masur Museum Renovations	Civic Center Improvements	US 165 Business Connector	OCA Walking Trail
ASSETS									
Cash and cash equivalents	\$ 901,333		\$ 729,429	\$ 215,461	\$ 510,179		\$ 359,592	\$ 21,518	\$ 8,333
Receivables		\$ 837,168		30,000	391,112		378,227		
Due from other funds					14,459			163,494	
<b>Total Assets</b>	<b>\$ 901,333</b>	<b>\$ 837,168</b>	<b>\$ 729,429</b>	<b>\$ 245,461</b>	<b>\$ 915,750</b>	<b>\$ 174,519</b>	<b>\$ 737,819</b>	<b>\$ 185,012</b>	<b>\$ 8,333</b>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts and retainage payable	\$ 20,846		\$ 60,685	\$ 13,500	\$ 308,430		\$ 58,788	\$ 4,969	\$ 8,333
Due to other funds				231,961	600,000	\$ 163,494			
Deferred revenue					7,320				
<b>Total liabilities</b>	<b>20,846</b>		<b>60,685</b>	<b>245,461</b>	<b>915,750</b>	<b>163,494</b>	<b>58,788</b>	<b>4,969</b>	<b>8,333</b>
Fund Balances									
Reserved for capital improvements	880,487	837,168	668,744			11,025	679,031	180,043	
<b>Total fund balances</b>	<b>880,487</b>	<b>837,168</b>	<b>668,744</b>			<b>11,025</b>	<b>679,031</b>	<b>180,043</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 901,333</b>	<b>\$ 837,168</b>	<b>\$ 729,429</b>	<b>\$ 245,461</b>	<b>\$ 915,750</b>	<b>\$ 174,519</b>	<b>\$ 737,819</b>	<b>\$ 185,012</b>	<b>\$ 8,333</b>



**CITY OF MONROE**  
 Monroe, Louisiana  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 Capital Projects Funds  
 April 30, 2008

	Airport Terminal	Capital Projects Total
<b>ASSETS</b>		
Cash and cash equivalents		\$ 17,539,622
Receivables		1,314,415
Due from other funds	\$ 152,114	1,645,897
<b>Total Assets</b>	<b>\$ 152,114</b>	<b>\$ 20,499,934</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts and retainage payable	\$ 152,114	\$ 1,834,337
Due to other funds		1,766,003
Deferred revenue		7,320
<b>Total liabilities</b>	<b>152,114</b>	<b>3,607,660</b>
<b>Fund Balances</b>		
Reserved for capital improvements		16,892,074
<b>Total fund balances</b>		<b>16,892,074</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 152,114</b>	<b>\$ 20,499,934</b>

**CITY OF MONROE**  
 Monroe, Louisiana  
 Combining Schedule of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Capital Projects Funds  
 For the Year Ended April 30, 2008

	N. 18TH Street Extension	Ph III Air Industrial Park	Tower Drive	Airport Industrial Park	Kansas Lane Service Road	Swimming Pool Renovations	Street Construction	Collection System Improve	Water Improvements Ph I
<b>REVENUES</b>									
Fees, charges and commissions for services									
Use of money and property			\$ 195,913	\$ 8,743			\$ 346,721	\$ 128,410	
Other revenues									
Intergovernmental									
Federal grants									
State grants									
Local grants									
Total revenues			195,913	8,743			346,721	128,410	
<b>EXPENDITURES</b>									
Current									
General government									
Financial administration			768,557	5,131		\$ 10,382	474,600	2,000	\$ 214,882
Public works				14,451					
Culture and recreation			214,200	224,399			2,926,879	2,599,175	
Capital outlay			982,757	243,981		10,382	3,401,479	2,601,175	214,882
Total expenditures			1,967,514	473,562		20,744	6,803,958	5,203,350	2,429,764
Excess (deficiency) of revenues over (under) expenditures			(771,601)	(464,819)		(10,362)	(3,457,237)	(3,974,940)	(214,882)
<b>Other Financing Sources (Uses)</b>									
Bond proceeds			11,770,000	160,700			19,657,800	462,175	9,682,200
Sale of assets			1,003,637						
Transfers in			(5,543,307)		\$ (453,903)		(19,221,524)		(9,467,318)
Transfers out									
Total other financing sources (uses)			7,230,330	160,700	(453,903)	(13)	436,276	462,175	214,882
Net changes in fund balances			6,443,486	(74,538)	(453,903)	(10,395)	(2,618,482)	(2,010,590)	
Fund balances - beginning	\$ 104,714	\$ 140,664		197,480	453,903	10,395	8,856,527	2,596,315	
Fund balances - ending	\$ 104,714	\$ 140,664	\$ 6,443,486	\$ 122,942			\$ 6,238,045	\$ 585,725	

**CITY OF MONROE**  
 Monroe, Louisiana  
**Combining Schedule of Revenues, Expenditures,  
 and Changes in Fund Balances**  
 Nonmajor Governmental Funds  
 Capital Projects Funds  
 For the Year Ended April 30, 2008

	Asset Management System	Fire/Drainage Improvement	Water System Improvements	Passenger Facility Charge	Forsythe Park Tennis	Rehab Airfield Lighting	Masur Museum Renovations	Civic Center Improvements	US 165 Business Connector
<b>REVENUES</b>									
Fees, charges and commissions for services				\$ 151,353				\$ 41,993	
Use of money and property		\$ 37,567		23,376	\$ 126,515				
Other revenues									
Intergovernmental									
Federal grants						\$ 2,883,003			
State grants					192,000	149,775		378,227	
Local grants								405,371	
Total revenues		37,567		174,729	318,515	3,032,778		825,591	
<b>EXPENDITURES</b>									
Current									
General government									
Financial administration									
Public works	\$ 251,158			5,412				1,144,652	58,414
Culture and recreation		361,654		459,510	348,515	3,284,743		964,294	
Capital outlay									
Total expenditures	251,158	361,654		464,922	348,515	3,284,743		2,108,946	58,414
Excess (deficiency) of revenues over (under) expenditures	(251,158)	(324,087)		(290,193)	(30,000)	(251,965)		(1,283,355)	(58,414)
<b>Other Financing Sources (Uses)</b>									
Bond proceeds									
Sale of assets	251,158		\$ 837,168		30,000	251,965			225,000
Transfers in		(225,000)		(251,965)					
Transfers out									
Total other financing sources (uses)	251,158	(225,000)	837,168	(251,965)	30,000	251,965			225,000
Net changes in fund balances		(549,087)	837,168	(542,158)				(1,283,355)	166,586
Fund balances - beginning		1,429,574		1,210,902			\$ 11,025	1,952,385	13,457
Fund balances - ending	\$ 880,487	\$ 837,168	\$ 668,744				\$ 11,025	\$ 679,031	\$ 180,043

**CITY OF MONROE**  
 Monroe, Louisiana

**Combining Schedule of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nominal Governmental Funds  
 Capital Projects Funds  
 For the Year Ended April 30, 2008**

	OCA Walking Trail	Water Meter Replacement	Capital Projects Total
<b>REVENUES</b>			
Fees, charges and commissions for services		\$ 151,353	
Use of money and property		782,723	
Other revenues		126,515	
Intergovernmental			2,883,003
Federal grants	\$ 57,308		777,310
State grants			405,371
Local grants			
Total revenues	57,308		5,126,275
<b>EXPENDITURES</b>			
Current			
General government			1,425,552
Financial administration			271,021
Public works			1,144,652
Culture and recreation		65,305	11,567,396
Capital outlay	60,308		
Total expenditures	60,308	65,305	14,438,621
Excess (deficiency) of revenues over (under) expenditures	(3,000)	(65,305)	(9,332,346)
<b>Other Financing Sources (Uses)</b>			
Bond proceeds			41,572,175
Sale of assets			160,700
Transfers in	3,000	65,305	2,667,233
Transfers out			(35,163,030)
Total other financing sources (uses)	3,000	65,305	9,237,078
Net changes in fund balances			(95,268)
Fund balances - beginning			16,987,342
Fund balances - ending			\$ 16,892,074

**NONMAJOR ENTERPRISE FUNDS**

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Combining Schedule of Net Assets**  
**Nonmajor Enterprise Funds**  
**April 30, 2008**

	<u>Monroe Transit System</u>	<u>LA Purchase Gardens &amp; Zoo</u>	<u>Livestock Arena</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 2,600	\$ 2,500		\$ 5,100
Receivables	56,684	38,908	\$ 2,955	98,547
Inventories	103,537			103,537
Prepaid expenses & other assets, net		4,514		4,514
<b>Total current assets</b>	<u>162,821</u>	<u>45,922</u>	<u>2,955</u>	<u>211,698</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation				
Land	148,239			148,239
Buildings and improvements	1,992,692	2,162,068	495,977	4,650,737
Other improvements	167,393	1,006,716	44,382	1,218,491
Furniture & equipment	595,700	139,360	32,936	767,996
Vehicles	5,216,397			5,216,397
Zoo animals		87,695		87,695
Accumulated depreciation	<u>(5,156,521)</u>	<u>(2,433,539)</u>	<u>(573,295)</u>	<u>(8,163,355)</u>
<b>Total noncurrent assets</b>	<u>2,963,900</u>	<u>962,300</u>		<u>3,926,200</u>
<b>Total Assets</b>	<u>3,126,721</u>	<u>1,008,222</u>	<u>2,955</u>	<u>4,137,898</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts and retainage payable	131,745	36,326	513	168,584
Due to other funds		87		87
Deferred revenue		38,713	281	38,994
<b>Total current liabilities</b>	<u>131,745</u>	<u>75,126</u>	<u>794</u>	<u>207,665</u>
Noncurrent liabilities				
Compensated absences	288,318	57,614		345,932
<b>Total noncurrent liabilities</b>	<u>288,318</u>	<u>57,614</u>		<u>345,932</u>
<b>Total Liabilities</b>	<u>420,063</u>	<u>132,740</u>	<u>794</u>	<u>553,597</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	2,963,900	962,300		3,926,200
Unrestricted	<u>(257,242)</u>	<u>(86,818)</u>	2,161	<u>(341,899)</u>
<b>Total Net Assets</b>	<u>\$ 2,706,658</u>	<u>\$ 875,482</u>	<u>\$ 2,161</u>	<u>\$ 3,584,301</u>

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Combining Schedule of Revenues, Expenses,**  
**and Changes in Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended April 30, 2008**

	Monroe Transit System	LA Purchase Gardens & Zoo	Livestock Arena	Total
<b>Operating revenues</b>				
Charges for services				
Rent and fees		\$ 7,500	\$ 7,388	\$ 14,888
Fares	\$ 549,099			549,099
Advertising	51,658			51,658
Admissions		274,678		274,678
Concessions and rides		141,832		141,832
Other operating revenue	10,739	18,239		28,978
<b>Total operating revenues</b>	<b>611,496</b>	<b>442,249</b>	<b>7,388</b>	<b>1,061,133</b>
<b>Operating expenses</b>				
Salaries, wages, and benefits	2,006,778	1,003,813		3,010,591
Materials, repairs, and supplies	1,145,016	313,430	927	1,459,373
Utilities and communications	87,269	96,214	8,778	192,261
Depreciation and amortization	726,732	67,498	23,265	817,495
Insurance	228,093	22,291		250,384
Promoter's expenses		69,287		69,287
Other operating expenses	163,703	247,556		411,259
<b>Total operating expenses</b>	<b>4,357,591</b>	<b>1,820,089</b>	<b>32,970</b>	<b>6,210,650</b>
<b>Operating income (loss)</b>	<b>(3,746,095)</b>	<b>(1,377,840)</b>	<b>(25,582)</b>	<b>(5,149,517)</b>
<b>Nonoperating revenues (expenses)</b>				
Operating grants	2,353,531			2,353,531
Sale of assets	(3,387)	(4,672)	(1,724)	(9,783)
Property taxes		986,757		986,757
<b>Total nonoperating revenues (expenses)</b>	<b>2,350,144</b>	<b>982,085</b>	<b>(1,724)</b>	<b>3,330,505</b>
<b>Income (loss) before transfers</b>	<b>(1,395,951)</b>	<b>(395,755)</b>	<b>(27,306)</b>	<b>(1,819,012)</b>
<b>Other financing sources</b>				
Transfers in	1,735,831	314,290	1,976	2,052,097
<b>Change in net assets</b>	<b>339,880</b>	<b>(81,465)</b>	<b>(25,330)</b>	<b>233,085</b>
<b>Total net assets - beginning</b>	<b>2,366,778</b>	<b>956,947</b>	<b>27,491</b>	<b>3,351,216</b>
<b>Total net assets - ending</b>	<b>\$ 2,706,658</b>	<b>\$ 875,482</b>	<b>\$ 2,161</b>	<b>\$ 3,584,301</b>

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Combining Schedule of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended April 30, 2008**

	Monroe Transit System	LA Purchase Gardens & Zoo	Livestock Arena	TOTAL
<b>Cash flows from operating activities</b>				
Cash received from (returned to) customers	\$ 601,488	\$ 442,054	\$ 7,388	\$ 1,050,930
Cash payments to suppliers for goods and services	(1,590,654)	(823,618)	(9,364)	(2,423,636)
Cash payments to employees for services and benefits	(1,956,714)	(940,017)		(2,906,731)
Net cash provided by (used for) operating activities	<u>(2,955,880)</u>	<u>(1,321,581)</u>	<u>(1,976)</u>	<u>(4,279,437)</u>
<b>Cash flows from noncapital financing activities</b>				
Operating grants	2,353,530			2,353,530
Ad valorem taxes		986,757		986,757
Transfers in	1,735,831	314,290	1,976	2,052,097
Net cash provided by noncapital financing activities	<u>4,089,361</u>	<u>1,301,047</u>	<u>1,976</u>	<u>5,392,384</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition of capital assets	(1,133,581)	20,534		(1,113,047)
Net cash provided by (used for) financing activities	<u>(1,133,581)</u>	<u>20,534</u>		<u>(1,113,047)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(100)			(100)
<b>Cash and cash equivalents, May 1, 2007</b>	<u>2,700</u>	<u>2,500</u>		<u>5,200</u>
<b>Cash and cash equivalents, April 30, 2008</b>	<u>\$ 2,600</u>	<u>\$ 2,500</u>		<u>\$ 5,100</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities</b>				
Operating Income (loss)	\$ (3,746,095)	\$ (1,377,840)	\$ (25,582)	\$ (5,149,517)
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities</b>				
Depreciation	726,732	67,498	23,265	817,495
<b>Change in assets and liabilities</b>				
Accounts receivable	(29,711)	(5,838)		(35,549)
Due from other funds	19,702			19,702
Inventories	(6,415)			(6,415)
Prepaid expenses		1,560		1,560
Accounts payable	39,842	(15,604)	60	24,298
Due to other funds		87		87
Deferred revenue		5,643	281	5,924
Compensated absences	40,065	2,913		42,978
Net cash provided by (used for) operating activities	<u>\$ (2,955,880)</u>	<u>\$ (1,321,581)</u>	<u>\$ (1,976)</u>	<u>\$ (4,279,437)</u>



**PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS**

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Schedule of Net Assets**  
**Internal Service Funds**  
**April 30, 2008**

	<b>Employees' Group Insurance</b>	<b>Central Shop</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 455,959		\$ 455,959
Receivables	88,919	\$ 195	89,114
Due from other funds	797,829		797,829
Inventories		61,616	61,616
	<u>1,342,707</u>	<u>61,811</u>	<u>1,404,518</u>
Total current assets			
Noncurrent assets			
Capital assets, net of accumulated depreciation			
Land		45,000	45,000
Buildings and improvements		3,404,262	3,404,262
Other improvements		1,980	1,980
Furniture & Equipment		135,002	135,002
Vehicles		126,958	126,958
Accumulated depreciation		(968,973)	(968,973)
Total noncurrent assets		<u>2,744,229</u>	<u>2,744,229</u>
	<u>1,342,707</u>	<u>2,806,040</u>	<u>4,148,747</u>
Total Assets			
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable		18,596	18,596
Accrued liabilities	1,042,707		1,042,707
Due to other funds	300,000		300,000
Current portion of long-term debt		177,508	177,508
Total current liabilities	<u>1,342,707</u>	<u>196,104</u>	<u>1,538,811</u>
	<u>1,342,707</u>	<u>196,104</u>	<u>1,538,811</u>
Total liabilities			
<b>NET ASSETS</b>			
Unrestricted		<u>2,609,936</u>	<u>2,609,936</u>
Total Net Assets		<u>\$ 2,609,936</u>	<u>\$ 2,609,936</u>

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Net Assets**  
**Internal Service Funds**  
**For the Year Ended April 30, 2008**

	<u>Employees' Group Insurance</u>	<u>Central Shop</u>	<u>Total</u>
<b>Operating revenues</b>			
Charges for services	\$ 7,276,962	\$ 1,238,617	\$ 8,515,579
Total operating revenues	<u>7,276,962</u>	<u>1,238,617</u>	<u>8,515,579</u>
<b>Operating expenses</b>			
Benefits paid to participants	7,591,582		7,591,582
Salaries, wages and benefits		753,867	753,867
Utilities and communications		40,005	40,005
Depreciation and amortization		105,517	105,517
Repairs and maintenance		29,495	29,495
Shop expenses		748,724	748,724
Other operating expenses	3,102	20,846	23,948
Total operating expenses	<u>7,594,684</u>	<u>1,698,454</u>	<u>9,293,138</u>
Operating (loss)	(317,722)	(459,837)	(777,559)
<b>Nonoperating revenues (expenses)</b>			
Interest income	8,138		8,138
Interest expense		(11,805)	(11,805)
Total nonoperating revenues (expenses)	<u>8,138</u>	<u>(11,805)</u>	<u>(3,667)</u>
Income (loss) before other financing sources	<u>(309,584)</u>	<u>(471,642)</u>	<u>(781,226)</u>
<b>Other financing sources</b>			
Sale of assets		1,004	1,004
Transfers in	797,829	584,805	1,382,634
Total other financing sources	<u>797,829</u>	<u>585,809</u>	<u>1,383,638</u>
Change in net assets	488,245	114,167	602,412
Total net assets - beginning	<u>(488,245)</u>	<u>2,495,769</u>	<u>2,007,524</u>
Total net assets - ending	<u>\$ 2,609,936</u>	<u>\$ 2,609,936</u>	<u>\$ 2,609,936</u>

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Proprietary Fund Type - Internal Service Funds**  
**Combining Schedule of Cash Flows**  
**For the Year Ended April 30, 2008**

	Employees' Group Insurance	Central Shop	Total
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 6,406,996	\$ 1,238,422	\$ 7,645,418
Cash payments to suppliers for goods and services	(3,102)	(876,560)	(879,662)
Cash payments to participants for insurance benefits	(7,303,809)		(7,303,809)
Cash payments to employees for services and benefits		(753,868)	(753,868)
Net cash provided by (used for) operating activities	<u>(899,915)</u>	<u>(392,006)</u>	<u>(1,291,921)</u>
<b>Cash flows from noncapital financing activities</b>			
Transfers in	<u>797,829</u>	<u>584,805</u>	<u>1,382,634</u>
Net cash provided by noncapital financing activities	<u>797,829</u>	<u>584,805</u>	<u>1,382,634</u>
<b>Cash flows from capital and related financing activities</b>			
Acquisition of capital assets		(12,994)	(12,994)
Interest income	8,138		8,138
Principal paid on debt		(168,000)	(168,000)
Interest paid on debt		(11,805)	(11,805)
Net cash provided by (used for) financing activities	<u>8,138</u>	<u>(192,799)</u>	<u>(184,661)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(93,948)</b>		<b>(93,948)</b>
<b>Cash and cash equivalents, May 1, 2007</b>	<u>549,907</u>		<u>549,907</u>
<b>Cash and cash equivalents, April 30, 2008</b>	<u>\$ 455,959</u>		<u>\$ 455,959</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities</b>			
Operating Income (loss)	\$ (317,722)	\$ (459,837)	\$ (777,559)
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities</b>			
Depreciation		105,517	105,517
Changes in assets and liabilities			
Accounts receivable	(72,137)	(195)	(72,332)
Due from other funds	(797,829)		(797,829)
Inventories		(24,381)	(24,381)
Accounts payable	(12,227)	(13,109)	(25,336)
Due to other funds	300,000		300,000
Net cash provided by (used for) operating activities	<u>\$ (899,915)</u>	<u>\$ (392,005)</u>	<u>\$ (1,291,920)</u>

**OTHER MISCELLANEOUS SCHEDULES**

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

**SCHEDULE OF ASSESSED VALUATION  
AND AD VALOREM PROPERTY TAX LEVY  
FOR THE 2007 TAX ROLL**

Assessed Valuation	<u>\$ 372,317,557</u>
Tax Rate per thousand dollars (Mills)	<u>27.75</u>
Gross Tax Levy	\$ 10,331,812
Plus: Adjustments	11,146
Adjusted Tax Levy	<u>\$ 10,342,958</u>
Tax Collected	
2007 Tax Roll	\$ 10,059,251
Prior Years Tax Rolls	174,680
Total	<u>\$ 10,233,931</u>

<b>ALLOCATION OF TAXES COLLECTED</b>	<u><b>MILLS</b></u>	
General Fund	10.84	\$ 3,992,833
Recreation Center Maintenance	1.88	692,192
Public Safety	1.06	390,284
Drainage Maintenance	1.31	482,341
City Court Bonds	0.60	220,945
Civic Center Complex	2.68	986,757
Louisiana Purchase Gardens & Zoo	2.68	986,757
Capital Improvements	3.48	1,281,305
Police Department	1.61	592,796
Fire Department	1.61	592,796
Grasscutting Collections	-	10,425
Demolition Collections	-	4,500
Total	<u>27.75</u>	<u>\$ 10,233,931</u>

<b>GENERAL BONDED DEBT SUPPORTED BY TAX LEVY</b>	
City Court and Jail	<u>\$ 335,000</u>

**PERCENT OF BONDED DEBT TO ASSESSED VALUATION** 0.09%

**CITY OF MONROE**  
 Monroe, Louisiana  
 Schedule of Ad Valorem Taxes Receivable  
 As of April 30, 2008

Tax Year	Balance at April 30, 2007	2007 Tax Roll	Supplemental Assessments	Cancellations And Other Adjustments	Collections	Balance at 4/30/08	Allowance For Uncollectible Taxes	Estimated Collectible Taxes at 4/30/08
2001	\$ 184,375	\$ -	\$ -	\$ (184,375)	\$ -	\$ -	\$ -	\$ -
2002	-	-	601	270	(871)	-	-	-
2003	30,814	-	377	-	(663)	30,528	(27,475)	3,053
2004	234,278	-	-	(137)	(306)	233,835	(175,376)	58,459
2005	-	-	-	-	-	-	-	-
2006	191,865	-	-	(1,434)	(172,840)	17,591	(4,398)	13,193
2007	-	10,331,812	146,035	(34,889)	(10,059,251)	383,707	(57,556)	326,151
<b>Totals</b>	<b>\$ 641,332</b>	<b>\$ 10,331,812</b>	<b>\$ 147,013</b>	<b>\$ (220,365)</b>	<b>\$ (10,233,931)</b>	<b>\$ 665,661</b>	<b>\$ (264,805)</b>	<b>\$ 400,856</b>

**ALLOCATION OF FUNDS**

	Balance at April 30, 2007	Balance at April 30, 2008	Applicable Millages at 4/30/08	Applicable Millages as % of Total Millages
General Fund	\$ 272,206	\$ 314,762	21.79	78.52%
Debt Service Funds:				
Pub. Imp. Bonds - Court	7,404	8,667	0.60	2.16%
Enterprise Funds:				
Civic Center	33,069	38,713	2.68	9.66%
La. Purchase Gardens & Zoo	33,069	38,713	2.68	9.66%
<b>Totals</b>	<b>\$ 345,748</b>	<b>\$ 400,856</b>	<b>27.75</b>	<b>100.00%</b>

**CITY OF MONROE**  
 Monroe, Louisiana  
 Schedule of Insurance  
 April 30, 2008  
 (unaudited)

INSURER	ASSETS COVERED	RISK COVERED	LIMITS OF COVERAGE	DEDUCTIBLE	EXPIRATION DATE
Ace Property & Casualty	Monroe Municipal Airport	General Aggregate	\$10,000,000	N/A	06/07/09
		Property damage liability	10,000,000	N/A	
		Single limit bodily injury	10,000,000	N/A	
		Personal & advertising injury	5,000,000	N/A	
		Medical expense limit (any one person)	5,000	N/A	
		Fire damage	100,000	N/A	
		Hangarkeeper's liability	10,000,000	1000	
		Each aircraft	10,000,000	1000	
		Each occurrence			
James Rivers Insurance Co	Black Bayou	General Aggregate	2,000,000	5000	07/30/08
		Products	included		
		Personal Injury	1,000,000		
		Each Occurrence	1,000,000		
Continental Casualty	Communication Tower	Fire Damage	50,000		
		Fire, Vandalism, Explosion, & Collapse	111,326	1000	10/28/08
				5000/lightning	
Scottsdale Insurance Company	Citennaut Park & Golf Course	General liability	4,000,000	500	05/23/08
		Personal & advertising injury	1,000,000	500	
		Each occurrence	1,100,000	500	
		Medical Expense-Each	5,000		
Scottsdale Insurance Company	Seaman Field Golf Course	General liability	4,000,000	500	05/23/08
		Personal & advertising injury	1,000,000		
		Each occurrence	1,000,000		
		Medical Expense-Each	5,000		
Great Amer. Insurance Co.	Golf Carts	General Liability	318,179	500	06/12/08
St. Paul's Travelers	Employees @ various locations	Dishonesty Bond	100,000		12/15/08
Travelers Property Casualty	David Barnes	Surety bond coverage as secretary-treasurer and tax collector of the City of Monroe & Ouachita Parish Police Jury, respectively	50,000	N/A	01/10/09
Travelers Property Casualty	David Barnes	Surety bond as collector of sales and use tax of the city school board of Monroe & Ouachita Parish School Board	50,000	N/A	01/10/09



**CITY OF MONROE**  
 Monroe, Louisiana  
 Schedule of Insurance  
 April 30, 2008  
 (unaudited)

INSURER	ASSETS COVERED	RISK COVERED	LIMITS OF COVERAGE	DEDUCTIBLE	EXPIRATION DATE
Travelers Property Casualty	David Barnes	Surety bond as collector for the City of West Monroe	50,000	N/A	01/10/09
Travelers Property Casualty	David Barnes	Surety bond as secretary-treasurer of City of Monroe	100,000	N/A	01/10/09
St. Paul Surety	David Barnes	Surety bond as tax collector for Town of Richwood & Town of Sterlington	100,000	N/A	03/15/09
Scottsdale Insurance Company	General Liability & Employers Liability	Bell South Payment Drop-off Liability Each Accident Aggregate Limit	1,100,000 1,000,000 4,000,000	N/A	07/09/08
Hanover	Various Bldgs. EDP	Blanket Bldg & Contents Wind & Hail	64,055,902 1,249,000	2500 25,000 1000	01/15/09
Hanover	Monroe Civic Center	Blanket Building Coverage	36,275,200		08/16/08
James River Insurance Company	Monroe Civic Center	General Liability: General-aggregate Products-completed operations aggregate Personal and advertising injury limit Each occurrence Fire/Damage Limit Medical Expenses Limit Liquor Liability Each Commou Cause Liquor Liability Aggregate	2,000,000 2,000,000 1,000,000 1,000,000 100,000 5,000 1,000,000 1,000,000	5000	03/01/09
James River Insurance Company	Monroe Civic Center Tenants Policy	Personal & Advertising Injury General Aggregate Products & Completed Operations Aggregate Each Occurrence Limit Damage to Premises Rented	1,000,000 2,000,000 2,000,000 1,000,000 50,000		03/01/09
Great American Insurance	Marquee Sign	Liability	156,000		06/03/08
Scottsdale Insurance Company	LA Purchase Gardens & Zoo	General Aggregate Operations Aggregate Property Damage Personal Injury	1,000,000 1,000,000 1,050,000 100,000	500 500 500 500	08/20/08

**CITY OF MONROE**  
 Monroe, Louisiana  
 Schedule of Insurance  
 April 30, 2008  
 (unaudited)

INSURER	ASSETS COVERED	RISK COVERED	LIMITS OF COVERAGE	DEDUCTIBLE	EXPIRATION DATE
St. Paul's Travelers	Boiler & Machinery @ pump stations & various locations	Comprehensive	25,000,000	2500	04/01/09
St. Paul's Travelers	Monroe Transit System	General liability Personal & advertising injury Each Occurrence Limit	5,000,000 5,000,000 5,000,000	2500	10/01/07
Safety National	Workers Comp & Employers Liability	Employer's Liability Maximum Limit of Indemnity per Occurrence Maximum Limit of Indemnity per Occurrence Self-insured Retention per occurrence	1,000,000 25,000,000	1,250,000	05/01/08
Republic Vanguard Insurance Co.	Fire Department Mobile Unit	Combined Liability	1,000,000		08/21/08
Essex Ins Co.	Fire Dept. Mobile Unit	Liability	1,000,000 50,000 1,000,000 1,000,000		08/21/08
Great American Insurance Capital Specialty Insurance Corp	Fire Department Mobile Unit Welcome to Monroe Sign	Liability General Liability	33,574 2,000,000 1,000,000 5,000	500	08/21/08 01/24/09
Lloyd's, London	Cooley House	Building	200,000		08/15/08

**CITY OF MONROE**  
 Monroe, Louisiana  
 Schedule of Long-term Obligations  
 For the Year Ended April 30, 2008

**GOVERNMENTAL ACTIVITIES**

**General Obligation Bonds:**  
 Public Improvements:  
 Refunding Bonds, 2003 (Court and Jail)  
 Total General Obligation Bonds

Issue Dates	Interest Rates	Original Amount	Balance April 30, 2007	Issued	Retired	Balance April 30, 2008	Principal Maturity Schedule For Future Years
2003	2.75% - 3.10%	\$ 1,060,000	\$ 490,000	\$ -	\$ 155,000	\$ 335,000	\$165,000 - \$170,000 to March 1, 2010
		1,060,000	490,000	-	155,000	335,000	

**Tax Increment Bonds:**

Tower Drive  
 Tower Drive  
 Tower Drive  
 Tower Drive  
 Tower Drive  
 I-20 Development  
 I-20 Development  
 Total Tax Increment Bonds

1997	5.21%	6,000,000	515,000	-	515,000	-	
1999	5.00%	1,000,000	200,000	-	200,000	-	
2000	6.95%	3,000,000	2,370,000	-	2,370,000	-	
2002	5.83%	1,000,000	835,000	-	-	-	
2007	4.125% - 5.00%	11,770,000	-	11,770,000	680,000	11,090,000	\$445,000 - \$930,000 to March 1, 2025
2003	3.10% - 4.75%	16,000,000	13,040,000	-	795,000	12,245,000	\$820,000 - \$1,280,000 to March 1, 2021
2005	4.23% - 4.60%	5,000,000	4,640,000	-	270,000	4,370,000	\$280,000 - \$465,000 to March 1, 2020
		43,770,000	21,600,000	11,770,000	5,665,000	27,705,000	

**Certificates of Indebtedness:**

Certificates of Indebtedness-Civic Center Roof  
 Refunding Cert of Indebt (Swimming Pool)  
 Total Certificates of Indebtedness

2004C	3.75%	2,550,000	2,055,000	-	260,000	1,795,000	\$270,000 - \$330,000 to April 2014
2004A	3.45%	633,532	265,492	-	132,000	133,492	\$ 511,000 to April 1, 2009
		3,183,532	2,320,492	-	392,000	1,928,492	

**Sales Tax Bonds:**

Series 2001 (Streets)  
 Series 2002 (Streets/Sewer)  
 Series 2002A (Fire/Drainage)  
 Series 2003 (Streets)  
 Series 2006 (DHH) (Water)  
 Total Sales Tax Bonds

2001	4.00% - 5.75%	25,000,000	20,820,000	-	20,820,000	-	
2002	4.00% - 7.00%	26,000,000	23,440,000	-	10,195,000	13,245,000	\$755,000 - \$1,335,000 to July 1, 2020
2002A	3.45% - 4.80%	15,000,000	14,570,000	-	120,000	14,450,000	\$125,000 - \$1,835,000 to July 1, 2027
2003	3.25% - 5.50%	22,400,000	20,725,000	-	600,000	20,125,000	\$625,000 - \$1,725,000 to July 1, 2027
2006	3.45%	3,000,000	2,833,861	166,139	-	3,000,000	\$105,000 - \$205,000 to July 1, 2028
		91,400,000	82,388,861	166,139	31,735,000	50,820,000	

**Refunding Bonds:**

Series 1998A (Fire and Police Pension)  
 Series 2007 A (Streets/Sewer)  
 Total Refunding Bonds

1998	4.80% - 5.05%	7,565,000	3,405,000	-	655,000	2,750,000	\$335,000 - \$725,000 to March 1, 2013
2007	4.002%	29,340,000	29,340,000	29,340,000	-	29,340,000	\$1,140,000 - \$3,280,000 to July 2026
		36,905,000	34,050,000	29,340,000	655,000	32,050,000	

**Utility Revenue Bonds:**

Series 2001 - DEQ (Sewer)  
 Series 2003 - DEQ (Sewer)  
 Series 2005 DEQ (Sewer)  
 Total Utility Revenue Bonds

2001	3.45%	24,500,000	21,673,597	-	930,700	20,742,897	\$1,105,000 - \$1,905,000 to June 30, 2023
2003	3.45%	10,000,000	8,945,000	-	380,000	8,565,000	\$395,000 - \$710,000 to June 1, 2023
2005	3.45%	11,000,000	3,367,403	296,036	-	3,663,439	\$370,000 - \$775,000 to July 1, 2027
		45,500,000	33,986,000	296,036	1,310,700	32,971,336	

**CITY OF MONROE**  
 Monroe, Louisiana  
 Schedule of Long-term Obligations  
 For the Year Ended April 30, 2008

	Issue Dates	Interest Rates	Original Amount	Balance April 30, 2007	Issued	Retired	Balance April 30, 2008	Principal Maturity Schedule For Future Years
<b>Other:</b>								
Claims and Judgments			-	7,112,252	1,028,231	286,696	7,833,787	
Capital Lease (Energy Performance Equipment)		4.75%-5.59%	-	2,355,992	-	137,562	2,493,430	\$149,131 - \$249,492 to March 1, 2021
Notes Payable	2007	3.88%	-	-	3,000,000	140,923	2,859,077	\$139,100 - \$163,907 to November 15, 2012
Accrued Vacation and Sick Pay			-	5,099,221	876,077	1,060,076	4,915,222	
Total Other			-	14,807,465	4,904,308	1,623,237	18,088,536	
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>								
			192,480,532	158,997,818	17,136,483	41,537,957	134,596,344	
<b>INTERNAL SERVICE FUND</b>								
Refunding COI (Central Warehouse and Shop)	2004A	3.45%	816,468	345,508	-	168,000	177,508	B See Amortization above 2004A
Total Internal service fund debt			816,468	345,508	-	168,000	177,508	
<b>BUSINESS TYPE ACTIVITIES</b>								
<b>CIVIC CENTER</b>								
Taxable Refunding Certificates of Indebtedness	2004B	6.00%	173,000	76,000	-	37,000	39,000	\$39,000 in April 2009
Total Civic Center			173,000	76,000	-	37,000	39,000	
<b>SEWER DEPARTMENT</b>								
Utility Revenue Bonds:								
Series 2001 - DEQ	2001 A	3.45%	2,500,000	2,486,403	-	94,300	2,392,103	A See Amortization above 2001 - DEQ
Total Sales Tax Bonds			2,500,000	2,486,403	-	94,300	2,392,103	
<b>ALL DEPARTMENTS</b>								
<b>Other:</b>								
Accrued Vacation and Sick Pay			-	948,319	630,435	488,649	1,110,105	
<b>TOTAL BUSINESS TYPE ACTIVITIES</b>			\$ 3,489,468	\$ 3,856,230	\$ 630,435	\$ 787,949	\$ 3,718,716	

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

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

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

**SUPPLEMENTAL INFORMATION SCHEDULES**

**As of and For the Year Ended April 30, 2008**

**COMPENSATION PAID TO COUNCIL MEMBERS**

The schedule of compensation paid to council members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the council members is included in the legislative expenditures of the General Fund. In accordance with Section 2-05 of the Home Rule Charter of the City of Monroe, the council, through Ordinance 10312, has set compensation of council members at \$1,000 per month. In addition to the compensation paid all council members, the chairperson of the council receives an additional \$500 per month to perform the duties of that office.

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Schedule of Compensation Paid to Council Members**  
**For the Year Ended April 30, 2008**

Jay Marx	District 1	\$ 12,461
Ben Katz	District 2	12,461
Arthur Gilmore	District 3	12,461
Robert Stevens, Chairman	District 4	18,693
Robert Johnson	District 5	12,461
Total		<u>\$ 68,537</u>

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

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)  
Francis I. Huffman, CPA  
Philip A. Ragsdale, CPA  
David Ray Soignier, CPA, MBA

John Herman, CPA  
Lynn Andries, CPA  
Esther Atteberry, CPA  
Sandra Harrington, CPA

## 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

### City of Monroe Monroe, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Monroe, Louisiana (the City), as of and for the year ended April 30, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 31, 2008. 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*

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will



**City of Monroe  
Monroe, Louisiana**

not be prevented or detected by the City's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questions Costs listed as 08-01 through 08-09 to be significant deficiencies in the internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider all of the significant deficiencies described above, to be material weaknesses.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 08-01 through 08-03 and items 08-07 and 08-09.

We noted certain matters that we reported to management of the City in a separate letter dated October 31, 2008.

The City's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City's response and, accordingly, we express no opinion on it.

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

*Huffman, Hoffman, Reynolds & Squires*

**(A Professional Accounting Corporation)**

**October 31, 2008**

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

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

City of Monroe  
Monroe, Louisiana

### *Compliance*

We have audited the compliance of City of Monroe, Louisiana (the City) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended April 30, 2008. The City's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended April 30, 2008.

City of Monroe  
Monroe, Louisiana

*Internal Control Over Compliance*

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in internal control over compliance 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 noncompliance with a type of noncompliance requirement of a Federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the City's internal control

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected by the City's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

*Huffman, Roydale & Sonrise*

(A Professional Accounting Corporation)

October 31, 2008

City of Monroe, Louisiana  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended April 30, 2008

Federal Grantor / Pass-Through Grantor / Program Title	CFDA No.	Pass-Through Grant Number	Grant Identification Number	Federal Expenditures
<b>U. S. Department of Housing and Urban Development</b>				
<b>Direct:</b>				
Community Development Block Grant - 2007	14.218	N/A	B-07-MC-22-0005	\$ 197,125
Community Development Block Grant - 2006	14.218	N/A	B-06-MC-22-0005	337,733
Community Development Block Grant - 2004	14.218	N/A	B-04-MC-22-0005	69,498
Home Investment Partnership Grant - 2005	14.239	N/A	M-05-MC-22-0206	263,346
Home Investment Partnership Grant - 2006	14.239	N/A	M-06-MC-22-0206	171,698
<b>Pass-Through Programs:</b>				
Emergency Shelter Grants Program - 2003	14.231	624489	N/A	55,150
<b>Total Dept. Housing &amp; Urban Development</b>				<b>1,294,550</b>
<b>U. S. Department of Justice</b>				
<b>Direct:</b>				
Office of Justice Program (JAG)-05	16.738	N/A	2005-DJ-RX-0430	65,340
Bulletproof Vest Partnership Program	16.607	N/A		19,915
<b>Pass-Through Programs:</b>				
DARE Program Fund	16.579	E08-2-007	N/A	44,233
Project Safe Neighborhoods Peer Mediation Program	16.609	F03-8-002	N/A	295
<b>Total Department of Justice</b>				<b>129,783</b>
<b>U. S. Department of Transportation</b>				
<b>Direct:</b>				
<b>Airport Improvement Program:</b>				
Rehab Airfield Lighting	20.106	N/A	DTFAWA-06-A-00015	155,937
Rehab Airfield Lighting	20.106	N/A	3-22-0033-021-2003	323,954
Airport Lighting Renovations	20.106	N/A	3-22-0033-022-2006	689,387
Runway 04/22	20.106	N/A	3-22-0033-023-2006	418,294
Rehab Airfield Lighting-Phase III	20.106	N/A	3-22-0033-024-2007	1,295,431
Small Community Air Service Development Program	20.930	N/A	WAG2006-8-8-012	5,626
<b>Federal Transit Authority Program:</b>				
Capital (Buses)	20.507	N/A	LA-03-0114-00	719,260
Capital, Operating and Planning	20.507	N/A	LA-48-X001-00	67,278
Capital, Operating and Planning	20.507	N/A	LA-90-X248-00	26,776
Capital and Operating	20.507	N/A	LA-90-X263-00	150,622
Capital, Operating and Planning	20.507	N/A	LA-90-X275-00	19,485
Capital, Operating and Planning	20.507	N/A	LA-90-X285-00	425,968
Capital, Operating and Planning	20.507	N/A	LA-90-X302-00	162,431
Capital and Operating	20.507	N/A	LA-90-X319-01	600,000
<b>Pass-Through Programs:</b>				
State and Community Highway Safety	20.600	PT 07-31-00	N/A	14,597
State and Community Highway Safety	20.600	PT 08-37-00	N/A	6,998
<b>Total Department of Transportation</b>				<b>5,082,044</b>
<b>Environmental Protection Agency</b>				
<b>Pass-Through Programs:</b>				
Capitalization Grants for Clean Water State Revolving Funds	66.468	N/A	N/A	296,036
Capitalization Grants for Clean Water State Revolving Funds	66.468	N/A	N/A	166,138
<b>Total Environmental Protection Agency</b>				<b>462,174</b>
<b>U. S. Department of Homeland Security</b>				
<b>Direct:</b>				
Assistance to Firefighters Grant	97.044	N/A	EMW-2006-FG-08322	148,830
<b>Pass-Through Programs:</b>				
Hazard Mitigation Project-LA Pilot Planning	97.039	1607-073-0005	N/A	4,015
Uniform Construction Code Implementation	97.039	1603-DR-LA-0802	N/A	79,705
State Homeland Security Program	97.067	2005-GE-T5-004	N/A	88,860
State Homeland Security Program	97.067	2006-GE-T5-0069	N/A	97,000
<b>Total U. S. Department of Homeland Security</b>				<b>418,260</b>
<b>U.S. Department of Culture, Recreation, and Tourism</b>				
<b>Pass-Through Programs:</b>				
Historic Districts Revitalization Plan	15.904	22-06-21521	N/A	6,500
<b>Total U.S. Department of Culture, Recreation, and Tourism</b>				<b>6,500</b>
<b>U.S. Department of Health and Human Services</b>				
<b>Pass-Through Programs:</b>				
ONDCP/HOTA	93.276	17PGCP502Z	N/A	74,456
<b>Total U.S. Department of Health and Human Services</b>				<b>74,456</b>
<b>Total Federal Expenditures</b>				<b>\$ 7,467,767</b>

See Notes to Schedule of Expenditures of Federal Awards

**CITY OF MONROE, LOUISIANA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED APRIL 30, 2008**

**Note 1 - General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance of the City of Monroe (the City) for the year ended April 30, 2008. All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed-through other government agencies.

**Note 2 - Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's primary government financial statements.

**Note 3 - Loans Outstanding**

The City has loans outstanding under Federal loan or loan guarantee award programs of \$593,938 at April 30, 2008.

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

The following reconciliation is provided to help the reader of the City's financial statements and supplementary information relate such information to the Schedule of Expenditures of Federal Awards for the year ended April 30, 2008:

	Federal Awards	Nonoperating Revenues - Operating Grants	Other Financing Sources	Total
<b>Revenues</b>				
General Fund	\$ 428,911	\$ -	\$ -	\$ 428,911
Special Revenue Funds	1,500,264	-	-	1,500,264
Capital Projects Funds	2,883,003	-	462,174	3,345,177
Enterprise Funds	-	2,171,820	-	2,171,820
<b>Total per Financial Statements</b>	<u>4,812,178</u>	<u>2,171,820</u>	<u>462,174</u>	<u>7,446,172</u>
Plus Expense Reimbursements	21,595	-	-	21,595
<b>Total per Schedule of Expenditures of Federal Awards</b>	<u>\$ 4,833,773</u>	<u>\$ 2,171,820</u>	<u>\$ 462,174</u>	<u>\$ 7,467,767</u>

**CITY OF MONROE, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED APRIL 30, 2008**

**Note 5 - Funds Provided to Subrecipients**

Of the Federal expenditures presented on this schedule, the City provided \$191,780 through the Community Development Block Grants, Home Investment Partnership Grants and the Emergency Shelter Grant Programs to subrecipients.

**Note 6 - Noncash Activity**

The City received equipment and supplies valued at \$185,660, through the Ouachita Parish Office of Homeland Security and Emergency Preparedness Agency. These items were disbursed to the Monroe Police Department (\$128,582), the Monroe Fire Department (\$52,678) and the City of Monroe Public Works Department (\$4,400) for their use in handling emergency situations.

**CITY OF MONROE  
MONROE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED APRIL 30, 2008**

**Section I. Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: disclaimer on fiduciary funds of aggregate discretely presented component units; unqualified on all other opinion units.

Internal control over financial reporting:

- Material weaknesses identified?  X  Yes  \_\_\_  No
- Significant deficiencies identified that are not considered to be material weaknesses?  \_\_\_  Yes  X  No

Noncompliance material to financial statements noted?  X  Yes  \_\_\_  No

**Federal Awards**

- Material weaknesses identified?  \_\_\_  Yes  X  No
- Significant deficiencies identified that are not considered to be material weaknesses?  \_\_\_  Yes  X  None Reported

Type of auditors' report on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 501(a) of Circular A-133?  \_\_\_  Yes  X  No

**Identification of major programs:**

CFDA Number	Name of Federal Program
14.218	Community Development Block Grant
14.239	Emergency Shelter Grant Program
20.507	Federal Transit Authority
66.468	Capitalization Grant for Clean Water State Revolving Funds

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

Auditee qualified as low-risk auditee?                     Yes             No

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

**08-01 FUND RAISING ACTIVITIES**

**Finding:**

The City of Monroe Police Department (MPD) provides an officer and a vehicle to support the O.K. (Our Kids) Program of Monroe (OK). It appears that OK is a non-profit organization. Article 7 Section 14 of the Louisiana State Constitution prohibits governments from distributing public funds to other organizations without demonstrating a direct benefit to the government itself. In order to indicate the benefits of supporting a local organization, a municipality should enter into a formal agreement, such as a cooperative endeavor agreement, between the parties involved. No such agreement exists between the City/MPD and OK. Therefore, the City may be in violation of the Louisiana State Constitution.

In addition, as per an agreement between the City and OK, net proceeds from the Bayou Black Open Rodeo held in August 2007 were to be split evenly between the two parties. The total net income resulting from the rodeo was \$11,547. However, OK only received a \$2,500 payment in December 2007. This would indicate that OK is still owed \$3,274 for its half of the rodeo's income.

**Recommendation:**

We recommend a cooperative endeavor agreement be executed between the City of Monroe and OK. We further recommend that the City submit the remainder of the balance owed to the OK Program.

**Management's Corrective Action Plan:**

Legal and the Monroe Police Department will execute a cooperative endeavor agreement between the City of Monroe and the O.K. Program. Settlement of the Bayou Black Rodeo will be in accordance with the signed contract.

**08-02 PURCHASE OF IN-CAR VIDEO EQUIPMENT**

**Finding:**

At the April 27, 2007 City Council meeting, the council awarded a bid for the purchase of in-car video systems for the police department. The bid was for a one-year contract with an option to



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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED APRIL 30, 2008**

extend the contract for two additional twelve-month periods for equipment supplied on an as needed basis. According to the bid tabulation sheet, the winning bid was the lowest of six bids received.

During the year ended April 30, 2008, the City purchased thirty-three of the systems in two transactions at a total of \$125,765. A purchase order was issued on May 14, 2008 for an additional fifteen systems. This equipment was purchased in July 2008 at a cost of \$57,165, the same unit price as the bid price. However, the third purchase of fifteen systems was purchased from a vendor other than the one that was awarded the bid.

Louisiana Revised Statute 38:2212.1 requires, in part, that the purchase of materials and supplies exceeding \$20,000 be let by contract to the lowest responsible bidder who has bid according to the specifications as advertised. Purchasing the systems from a company that did not submit a bid is a violation of the state bid law.

**Recommendation:**

The City should purchase all materials and supplies exceeding \$20,000 from the vendor awarded the bid in accordance with the state public bid law.

**Management's Corrective Action Plan:**

With regard to the camera systems, Pro Surveillance Systems should have been the vendor. The vendor is researching the last two invoices to make sure it was invoiced correctly. A parent company provides the equipment to Pro Surveillance Solutions, and the equipment may have been invoiced directly from the parent company. MPD has done business only with the company that submitted the lowest bid.

**08-03 EMPLOYEES RENTAL OF CITY PROPERTY - ETHICS VIOLATION**

**Finding:**

During the year ended April 30, 2008, the City rented the Monroe Civic Center to a certain employee for the purpose of revenue producing activities. In addition, immediately following our audit year, the City again rented the Civic Center to a company owned by an employee and represented by the employee's spouse, again for revenue producing activities. Louisiana Revised Statute 42:1112A specifically prohibits public servants from participating in events in which they have a personal, substantial economic interest, involving the governmental entity of which they are agents. The aforementioned rentals constitute violations of the Louisiana Code of Governmental Ethics.

**Recommendation:**

We recommend that the City cease the practice of contracting with its employees or other individuals or entities related to employees that have a personal substantial economic interest.

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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**Management's Corrective Action Plan:**

Civic Center management will not knowingly rent any Civic Center facilities to public servants or their associates that have a personal substantive economic interest in the Civic Center.

**08-04 CIVIC CENTER TICKET ACCOUNTING**

**Finding:**

Initial ticket stub counts for the Bayou Black Open Rodeo event held on August 25, 2007, indicated 4,402 regular and 107 complimentary (4,509 in total) tickets collected at the door. Reports created by the Ticketmaster ticket generating program indicated sales of 3,273 regular tickets and 135 complimentary tickets for a total of 3,408 tickets distributed. This would indicate 1,101 more people attended the event than tickets sold or complimentary tickets available per the Ticketmaster audit report. After inquiry from the City's Internal Auditor, Monroe Civic Center employees recounted the ticket stubs. The recount indicated 3,200 regular tickets and 176 complimentary (3,376 total) tickets collected. While the recount does indicate fewer tickets collected than were sold, it also indicates the collection of more complimentary tickets than were properly issued. The failure to compare ticket collections to tickets sold and investigate any unusual variances is a breakdown in the control process for events.

**Recommendation:**

It is our recommendation that personnel at the Civic Center count the number of tickets collected after each event and compare them to the number of tickets sold. Any significant or unusual variances should be investigated and reported to the appropriate level of management.

**Management's Corrective Action Plan:**

The Civic Center recently installed the TicketMaster Scanning System which eliminates tearing and counting ticket stubs for the drop count. The tickets are now scanned and automatically counted eliminating human error in getting the drop count.

**08-05 CIVIC CENTER CONCESSIONS**

**Finding:**

Standard procedure for concession sales at events held at the Monroe Civic Center calls for the Concession Manager to obtain change funds from the Civic Center bank account in \$500 increments. The change funds are to be returned at the end of each day along with the day's collections and a revenue report supporting the amount remitted. However, at a Boat Show held from January 24 - 26, 2008, \$1,000 (representing 2 change funds) was withheld from the prior day's sales in lieu of depositing and reacquiring the change funds. At the end of the event, revenue reports for concession sales seemed to indicate a \$1,000 shortage between sales and amounts deposited. However, due to failure to follow procedure, there is a bit of ambiguity

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concerning the accuracy of the revenue reports and therefore, we could not determine if this was a bookkeeping error or a misappropriation of assets. The Civic Center has no procedures in place to reconcile proceeds from concessions with amounts deposited or compare sales to amounts of inventory consumed. This represents a deficiency in control procedures concerning sales and inventories at the Civic Center.

**Recommendation:**

We recommend that the City adopt and maintain a policy concerning the procurement, return, and reporting of all change funds at the Civic Center and any other venue. We further recommend that Civic Center personnel take inventory of concession items before and after each event and reconcile items sold to revenues deposited. In addition, should similar shortages arise in the future; we recommend that the issue be turned over to law enforcement personnel.

**Management's Corrective Action Plan:**

The Civic Center will follow all procedures in place for procurement, return, and reporting of all change funds. The Civic Center does take inventory of concession items before and after each event and reconciles items sold to revenues deposited. Should any similar problem with missing funds arise in the future the Civic Center will follow the procedures in place to audit the area in question, turn over the findings to the Director of Accounting, and contact law enforcement personnel.

**08-06 CIVIC CENTER EVENT PROMOTION AND CONTRACTUAL ISSUES**

**Finding:**

A concert was held on October 17, 2007, which was co-promoted by the City and Solo Entertainment, LLC (Solo). The City established a contract with Solo (Solo contract) and its representative on July 23, 2007. The terms of this contract stated that the City would pay one-half, \$27,500, of the artist's appearance fee as an advance deposit with Solo reimbursing the City at the conclusion of the show. This payment was made by the City on July 23, 2007 by electronic transfer. The Solo contract also stated that Solo would be responsible for providing all accommodations for the artist, additional lighting and sound equipment that may be necessary, advertising and promotion, facility rental, box office fees, security and additional manpower, occupational license fee, and any balance due to the artist. The Solo contract states that if the City were to incur these costs, the entire amount would be charged back to Solo with the addition of related coordination fees. On the day of the event the City of Monroe cashed a \$27,500 check and paid the remaining one-half (\$27,500) of the appearance fee to the artist in cash before the performance began. Internal Revenue Code requires a Form 1099 be issued to any individual, organization or company, that is not a corporation, if payments are made in a calendar year of \$600 or more. A Form 1099 was not issued by the City to the artist for \$27,500.

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There was also a contract (Multi contract) between the artist's agent, Multi Entertainment Group, Inc. (Multi) and Solo/the City as co-promoters. The signed contract was not included in the event folder. This contract was filed in the accounting department with supporting documentation for the check request.

Also associated with this event, the City paid \$2,500 to secure the concert date to an individual not named in either contract or as a representative of Solo

The City incurred all costs associated with holding the event. No representative for Solo was available after the event for settlement. In total, the event resulted in a net loss of approximately \$39,000. Of this amount, Solo owes the City approximately \$37,000. As of April 30, 2008 this amount was still unpaid.

The failure to obtain a signed contract for which the City is liable for performance demonstrates a lack of controls, which could result in numerous liabilities and possible losses to the City. The payment of fees to an unidentified third party demonstrates a deficiency in oversight and control procedures which could lead to the misappropriation of assets.

**Recommendation:**

As it relates to contractual issues, it is our recommendation that the City obtain valid, written contracts for all events for which it is an interested party. We further recommend that the City refrain from obligating itself, as a promoter or otherwise, for the lack of performance of others so as to limit the potential for liabilities and or losses.

We recommend the City never pay promoters, artists or any individual, corporation or organization in cash. Payments should be made by check or electronic funds transfer. The City should issue a 2007 Form 1099 to the artist for \$27,500.

In addition, as it relates to the specific concert mentioned above, we recommend that the City turn the issue over to its legal department to seek recompense for the amounts owed. We further recommend that the City obtain documentation indicating the need to pay the Promoter's Fee to the third party. If no such documentation can be obtained, we recommend that the City seek repayment from this individual.

**Management's Corrective Action Plan:**

Future concerts will follow the guidelines set by the City and the Civic Center to insure that the promoters are in contact with Civic Center management to secure all necessary documentation, deposits, etc. The Youth Coordinator and Civic Center management will work together to insure that future events do not experience these problems and work with the City's Legal Department to secure collection of the money owed by the promoter from this event.

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Future concerts will be coordinated through Civic Center management and all documentation will be kept in the event file.

Certain events with many participants, such as rodeos, motor sports, and concerts with multiple performers, do require that the promoters receive cash to pay performers, travel expenses, hotels, food, etc. Management will make sure the responsible party completes all necessary paperwork and issues 1099's as appropriate.

The City can refrain from promoting or co-promoting events but this will certainly limit the number of events coming to the Civic Center.

**08-07 CIVIC CENTER COMPENSATORY TIME**

**Finding:**

City of Monroe policy requires that each time an employee earns compensatory (comp) time the accrual must be approved by supervisory personnel. The comp time log sheets used by Monroe Civic Center employees and for the City's 2007 Delta Fest event state this fact on the face of the sheet. However, a review of five separate log sheets indicated that each page of the time log had one approval signature at the bottom of the page.

Also, time logs used for Delta Fest indicate that three employees met for three hours each and every Tuesday and Thursday during the 2007 calendar year, until the date of the event. This is not possible as two of the three employees recorded comp time accruals at separate events held at the same time on four separate occasions. In addition, on three occasions, employees recorded comp time accruals on days when one or more of them were on leave.

In addition, each entry on the Delta Fest log sheets for the previously mentioned employees indicated three hours worked resulting in five and one-half hours of comp time earned. City policy states that comp time is to be accrued at one and one-half times the actual hours worked. This would indicate that the employees would have earned four and one-half hours of comp time each day instead of the five and one-half hours that were recorded. Also, log sheets for one employee covered duplicate periods with one sheet including a week that was excluded from the other sheet.

Comp time records are maintained by each department and are not incorporated into the City's payroll system. In a memo to the Director of Community Affairs dated October 17, 2007, the Timekeeper for the Civic Center stated that until September 5, 2007 she had not entered any comp time for one of the previously mentioned employees since December 16, 2006 as she had not received any documentation for comp time accrual since that date. She went on to state that one of the previously mentioned employees instructed her to accrue 200 hours of comp time related to Delta Fest for himself and one of the other previously mentioned employees. No

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documentation was offered to support this accrual. The Timekeeper entered 200 hours into the system which resulted in an accrual of 300 (one and one-half times 200) hours of comp time. This accrual was later deleted from the system.

On September 12, 2007, the Director of Community Affairs approved payment for 120 comp time hours to all three employees under the premise that they were denied time off due to the requirements of their jobs. Payments for these amounts were made on November 2, 2007. No time, however, was deducted from the employees' comp time records to reflect the payment of these amounts. In a related matter, one of the previously mentioned employees received payment for comp time taken on at least two days which were also City holidays.

The facts presented above, along with the overall appearance of the forms, seem to indicate that all entries on the log sheets were filled out at the same time. This could be construed as falsifying public records, payroll fraud and/or malfeasance in office. In addition, the failure to obtain supervisory approval for comp time accruals, the recording of accrued comp time without supporting documentation, the payment for non-allowable compensatory time, and the failure to properly adjust comp time logs demonstrate a break down in the control and monitoring procedures related to the accurate recording of comp time.

**Recommendation:**

It is our recommendation that the City enforce the use of its standard forms and procedures for the accrual, approval, and recording of comp time. We also recommend that any unsupported comp time accruals be disallowed and removed from the system and that the City request reimbursement for payments of disallowed amounts. We further recommend that the City incorporate the comp time records into its normal payroll system in order to more accurately track time earned and used.

**Management's Corrective Action Plan:**

Management will instruct timekeepers to review the current compensatory time log system and deduct any time mentioned in the findings. Management will use the approved compensatory time forms and follow the new policy regarding DeltaFest.

**08-08 RECORDING OF COMPENSATORY TIME**

**Finding:**

During the course of our examination of compensatory time payments we noted that three employees were paid for 120 hours of leave which had been denied. In examining the time log listings of hours earned and used we noted that no entry had been posted for the accrual or use of the time for which these employees were paid. We then requested another listing and noticed that, originally, 300 hours were accrued for two employees and 262.50 hours for another employee. None of these accrued hours that had been posted on the original listing were on the

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second listing. We learned that, through a miscommunication, the timekeepers for these employees' department had deleted the original accruals, when they were told that the employees had been paid, instead of recording 120 hours used by each employee. In the resulting report, it appears that neither the accrual nor the payment ever happened. The fact that the system allows for entries to be deleted as these were indicates a control deficiency. Any use or payment of compensatory time should be entered as a separate entry showing the number of hours to be posted to the employees' records.

**Recommendation:**

We recommend that all timekeepers be instructed as to the proper procedures to post compensatory time used or paid to employees so that all time earned and used is accurately reported. In addition, we recommend that the recording of compensatory time be incorporated into the City's payroll system as all other leave benefits are.

**Management's Corrective Action Plan:**

The city is already in the process of incorporating the compensatory time-keeping into the payroll system. Timekeepers will be given additional training concerning the proper procedures for keeping compensatory time.

**08-09 ENERGY EFFICIENCY CONTRACT**

**Finding:**

Louisiana Revised Statute (R.S.) 33:4547.1.A provides, in part, that any political subdivision may enter into an energy efficiency contract for services and equipment. R.S. 33:4557.1.B requires that the payment obligation of the entity for each year be either set as a percentage of the annual energy cost savings attributable to the services or equipment under the contract guaranteed by the contractor to be less than the annual energy cost savings attributable to the services or equipment under the contract.

R.S. 33:4547.3 requires that when calculating "annual energy cost savings attributable to the services or equipment", maintenance savings be included. Maintenance savings means operating expenses eliminated and future capital replacement expenditures avoided as a result of new equipment installed or services performed by the contractor.

The City of Monroe entered into such an energy efficiency contract in 2003 and the contract was subsequently amended twice in 2004. The contract provides for Measured and Verified Energy Savings of approximately \$2,646,000. However there is no guaranteed operational and maintenance savings provided for in the contract and there is no requirement that the contractor reimburse the City for any deficiencies if actual operational and maintenance savings are not achieved. Instead, the contract contains an "Operational and LED Traffic Light Stipulated Savings" provision. This provision provides that "The Customer (City of Monroe) and the

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ESCO (Energy Service Company) agree to stipulate that the Operational and LED Traffic Light Stipulated Savings will be deemed to be achieved upon execution of this Agreement. Neither the Customer nor the ESCO will have any right to object to the use of such amounts as the Operational and LED Traffic Light Stipulated Savings in the calculation of Actual Annual Savings". The stipulated savings totaled approximately \$4,731,000

Because the contract does not require the Operational and LED Traffic Light savings to be measured and verified and does not provide for a guarantee if actual savings are not met, the contract is not in compliance with state law relating to energy efficiency contracts.

In opinion number 07-0002, the Louisiana Attorney General opined that because the contractor is not required to measure or verify the achievement of the stipulated savings and the contractor is not obligated to pay an amount equal to the deficiency if the stipulated savings are not met, the contract does not meet the statutory definition of a performance based energy contract.

In addition, in a lawsuit filed by the contractor against a parish school board in the 18<sup>th</sup> Judicial District Court, the court found that the contract was invalid because stipulated savings do not satisfy the statutory requirement of a guarantee for operation and maintenance savings. The contractor's requests for review and reversal by the First Circuit Court of Appeal and the Supreme Court were rejected, effectively ending all of the contractor's challenges.

**Recommendation:**

We recommend that the City's legal counsel review the energy efficiency contract to determine its compliance with state law. In addition, we recommend that the City renegotiate the contract to provide for guaranteed operational and maintenance savings, in compliance with state law. The City should also engage an independent consultant to monitor the contract throughout the life of the contract and ensure that terms of the contract are met. The costs of hiring the consultant should be provided for in the contract and be included in the calculations of the guaranteed savings.

**Management's Corrective Action Plan:**

The ESCO contract will be reviewed by Legal to determine what language will be used to meet the statutory definition of a performance-based contract and the contract will be amended accordingly.

**Section III: There are no findings or questioned costs for Federal Awards, including those specified by OMB Circular A-133.**



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**SUMMARY STATUS OF PRIOR YEAR FINDINGS**

The following is a summary of the status of the prior year findings included in the Luffey, Huffman, & Monroe, CPA's audit report and management letter dated October 31, 2007, covering the examination of the primary government financial statements of the City of Monroe (the City) as of and for the year ended April 30, 2007.

**07-01 COLLECTION OF TOWN OF RICHWOOD  
SEWERAGE TREATMENT CHARGES**

**Finding:**

Article 7, Section 14 of the Louisiana Constitution prohibits, among other things, the donation of public funds.

The debt owed by the Town of Richwood continues to grow and creates a situation in which the City is subsidizing the provision of sewerage treatment services to the Town. The failure of the Town to comply with the terms of the agreement is creating an undue burden on the City's ability to generate cash flows from the operations of its Enterprise Funds.

**Status:**

As of April 30, 2007 the Town of Richwood owed the City approximately \$638,000.00 despite payment by Richwood through the escrow account in Richwood's attorney's name and the \$5,000.00 monthly payment from the RCC account. The City was aware the costs were escalating because of the inaccurate sewage meter that registered not only sewage, but rainfall. It became known to the City in late 2007 that the Town of Richwood was capable of generating funds through a bond proposal and the Town contacted the City to negotiate a payment in full of the outstanding amount owed if the City could recalculate the outstanding amount due based upon a "water in, sewage out" method. After gaining additional information regarding the discrepancies in the metering process and assessing information from Greater Ouachita Water Company (the supplier of potable water to the Town of Richwood) it was determined that based upon the "water in, sewage out" method of payment, the sum of \$397,000.00 was a more accurate amount of monies owed to the City of Monroe. Based upon a lump sum settlement of \$397,000, the City of Monroe and the Town of Richwood signed a Compromise and Settlement Agreement in February 2008, which ended the lawsuit between the parties and paid all outstanding debt owed to the City as of March 1, 2008.

A subsequent agreement between the parties agreed to future distributions of funds collected by Greater Ouachita Water Company that essentially takes care of the collection of future billed amounts due. For further clarification, sewage fees paid by Richwood residential and commercial customers will be collected by Greater Ouachita Water Company and sent directly to the City of Monroe.

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**SUMMARY STATUS OF PRIOR YEAR FINDINGS**

**07-02 THEFT OF CITY FUNDS**

**Finding:**

In January 2007, the City became aware of a theft of \$3,683 of City funds by an employee of the Tax and Revenue Division. It appears that the employee would issue a refund check due to a taxpayer to a third person. That person would then cash the check and receive a small amount and give the remaining funds to an acquaintance of the employee. The employee was immediately terminated and the theft was reported to the Monroe Police Department and an investigation was commenced. As a follow up, the City's Accounting Department conducted an internal investigation and uncovered three additional incidents totaling \$15,606 of funds stolen in the same manner. Based on their investigation, the Monroe Police Department arrested the employee and one other person. The case is being prosecuted by the State's Attorney General's office.

A subsequent review of refunds indicates that there is still room for improvement in the controls and documentation related to refunds of property and sales taxes.

**Status:**

Most of the recommendations by the auditors have been implemented. While not all recommendations have been implemented due to shortage of personnel, the city believes with the controls being implemented, the risk for theft or fraud through the refund process will be greatly minimized.

**07-03 CITY COURT REVENUE**

**Finding:**

The City of Monroe has entered into an agreement with the Monroe City Court in which the Court agreed to pay the City \$125,000, in four equal installments, through February, 2007 for the purpose of assisting the City in providing housing for prisoners. The City received the full \$125,000 during the year ended April 30, 2007.

As a result of this agreement, the City has accepted funds which it is not legally entitled to and could possibly face a liability of having to return the \$125,000 to the Monroe City Court.

**Status:**

The City of Monroe did not request an Attorney General's opinion concerning this matter. However, the City paid back \$125,000 to the Monroe City Court.

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**SUMMARY STATUS OF PRIOR YEAR FINDINGS**

**07-04 LEGISLATIVE AUDITOR REPORT**

In addition to the above findings, the Louisiana Legislative Auditor issued a Compliance Audit report dated October 4, 2007 detailing certain matters regarding holiday pay, sales tax supplements and payroll policies and procedures.

**Status:**

According to Attorney General Opinion No. 07-0280, the City's contract does not violate Article VII, Section 14 of the Louisiana Constitution. Firefighters are being paid in accordance with the time actually worked and 6.5 hours will no longer be added to the employee's time.

**07-05 FEDERAL AVIATION ADMINISTRATION**

**Finding:**

During the course of our audit, several errors were noted in the City's requests for reimbursement from the FAA. For AIP Grant No. 3-22-0033-21, the City requested an incorrect amount, then requested the correct amount for the same construction costs. Because the error was corrected on subsequent requests and the funds were subsequently earned by the City, the \$221,397 was recorded as deferred revenue at April 30, 2007 and recognized as revenue when earned in fiscal year 2008. This also resulted in \$24,600 of state funds being deferred until earned.

**Status:**

Airport invoices have appropriate documentation before being paid. The next available requests for funds will correct the errors from previous requests. Grant accountant tracks the activity of the various grants concerning the airport with the use of spreadsheets. The Director of Accounting or her designee checks requests for funds in an effort to eliminate errors such as duplicate requests or requests from the wrong grant. The grant fund was reconciled in a timely manner.

**Finding:**

49 USC Sections 47107(b) and 47133 requires that airports receiving Federal financial assistance use airport revenue only for purposes related to the airport. For the year ended April 30, 2007, the Monroe Regional Airport transferred \$343,757 to the City of Monroe's General Fund to defray costs borne by the General Fund in support of airport operations. Although the services provided by the General Fund exceeded the amount transferred by the airport, the documentation to support these costs was not readily available.

**Status:**

The city has developed a cost allocation plan in order to document the costs incurred by the general fund on behalf of the airport. The city will update the plan as necessary.

**CITY OF MONROE  
MONROE, LOUISIANA**

**SUMMARY STATUS OF PRIOR YEAR FINDINGS**

**Finding:**

For the year ended April 30, 2006, the "Operating and Financial Summary" was filed electronically January 3, 2007. The airport had received an extension to file the report which is allowed if audited information is not available by the due date which is within 120 days of the fiscal year end. This report contains mistakes in that some items were reported on the wrong lines and some revenue and expense items were omitted. The City of Monroe has notified FAA of these errors and has been granted permission to submit amended reports. The "Financial Governmental Payment Report" has not been filed since the year ended April 30, 2004. The City is in the process of gathering data to file the reports through the current year.

**Status:**

Reports have been filed timely.

**Management Letter:**

**PLEGDED SECURITIES**

**Finding:**

At April 30, 2007, the City of Monroe maintained funds in JPMorgan Chase Bank totaling \$48,119,026. At the same time, Chase held Federal Depository Insurance and securities pledged in the City's name with a combined value of \$45,845,593 leaving a balance of \$2,273,433 of the City's funds uncollateralized at April 30, 2007. State law requires that all municipalities ensure that financial institutions holding public funds maintain securities pledged in the municipality's name for amounts in excess of FDIC.

**Status:**

Accounting periodically compares the balance of pledged securities with the total funds held at each financial institution. There have been no shortages of pledged securities this year.

**UTILITY RECEIVABLES**

**Finding:**

Due to a system failure in the Utility Department's software, the accounts receivable aging report approximately \$140,000 of accounts written off in the prior year remained on the current year report. Also, the report failed to include approximately \$160,000 of net transactions that had been posted to the general ledger. These errors were identified and corrected by the City's accounting department at year end. Failure of the software and/or system to maintain accurate supporting documentation could lead to the misstatement of revenue and receivable balances.

**CITY OF MONROE  
MONROE, LOUISIANA**

**SUMMARY STATUS OF PRIOR YEAR FINDINGS**

**Status:**

The city is not aware of any data loss this year.

**POLITICAL ADVERTISING**

**Finding:**

Louisiana Revised Statute 18:1470 provides that political campaign signs shall not be erected, displayed, or posted on any publicly owned property or right of way, or to or on any public utility pole or stanchion.

In November, 2005, the City of Monroe Transit System entered into an agreement with a commercial advertising agency for the sale of advertising on and in City owned buses and for the placement of courtesy benches at City bus stops.

Section 2.11 of the agreement states that political advertising shall be accepted on a prepaid, cash basis only, and shall be permitted on a first come, first serve basis. Many of the benches, although owned by the advertising agency, are placed on City right of way. Several buses and bus stop benches contain advertisements for political candidates which would appear to be in violation of Louisiana statutes.

The City requested an opinion from the Attorney General on June 7, 2007, seeking clarification on whether a public entity is in violation of any state law by entering into a lease with a private entity to raise revenue where political advertising is allowed on public property but has not received a response as of this date.

**Status:**

The City of Monroe sought a legal opinion from the Louisiana Attorney General regarding the legality of political advertising on City buses on June 7, 2007. I suspect that because of an ongoing political campaign the Attorney General held off on an opinion because the City of Monroe did not receive an opinion (No. 07-0160) until February 8, 2008. The Attorney General opined that political advertising on City owned buses was illegal. The AG failed to mention advertising on bus benches which were located within City right of ways, however, the advertising company has been notified that benches placed on City right of ways should not contain political advertising.

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)  
Francis I. Huffman, CPA  
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John Herman, CPA  
Lynn Andries, CPA  
Esther Atteberry, CPA  
Sandra Harrington, CPA

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

City of Monroe  
Monroe, Louisiana

### *Compliance*

We have audited the compliance of the City of Monroe (the City) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), for its passenger facility charge program for the year ended April 30, 2008. Compliance with the requirement of laws and regulations applicable to its passenger facility charge program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended April 30, 2008.

City of Monroe  
Monroe, Louisiana

*Internal Control Over Compliance*

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control compliance in accordance with the Guide.

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

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

*Jeffrey Huffman, Registered Accountant*

(A Professional Accounting Corporation)

October 31, 2008

**CITY OF MONROE**  
**PFC Revenue and Disbursement Schedule**  
**Monroe Regional Airport**  
**For the Year Ended April 30, 2008**

	<u>FY-07</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>	<u>FY-08</u>
	<u>Program Total</u>	<u>May-July</u>	<u>Aug-Oct</u>	<u>Nov-Jan</u>	<u>Feb-Apr</u>	<u>Total</u>
<u>Revenue</u>						
Collections	\$ 1,793,864	\$ 124,920	\$ 115,129	\$ 184	\$ 4	\$ 240,237
Interest	11,125	1,677	2,325	11,870	7,503	23,376
Total Revenue	1,804,989	126,597	117,454	12,054	7,507	263,613
<u>Disbursements</u>						
Application 03-01-C-00-MLU	560,730	166,612	176,576	222,508	212,747	778,443
Total Disbursements	560,730	166,612	176,576	222,508	212,747	778,443
Net PFC Revenue	1,244,259	(40,014)	(59,122)	(210,455)	(205,239)	(514,830)
PFC Account Balance (cash basis) \$	1,244,259	\$ 1,204,245	\$ 1,145,123	\$ 934,668	\$ 729,429	\$ 729,429



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## MANAGEMENT LETTER

To the Honorable City Council  
City of Monroe  
Monroe, Louisiana

In planning and performing our audit of the financial statements of the City of Monroe (the City) for the year ended April 30, 2008, we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the financial statements and not to provide assurance on the internal control structure or overall compliance with laws and regulations.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated October 31, 2008 on the financial statements of the City.

### GIFTS FROM VENDORS - ETHICS VIOLATION

#### Finding:

Louisiana Revised Statute (R.S.) 42:1115 (A) states, in part, that no public servant shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person or employee of such person, if such public servant knows or reasonably should know that such person has or is seeking to obtain contractual or other business or financial relationships with the public servant's agency. R.S. 42:1102 defines a thing of economic value, among other things, as money or any other thing having economic value, except promotional items having no substantial resale value.

A vendor doing business with the City of Monroe, apparently gave gift certificates which could be used to purchase merchandise from the vendor's catalog to some employees of the City and some to be used as door prizes for social events attended by City employees. The representative of the vendor informed us that he did not know how many of the certificates he gave but said that it was just a few. The value of the gift certificates is approximately \$50 each.

Also, during the year, the City and some of its departments held social events such as picnics, parties, etc. for its employees similar to the ones mentioned above. Because the Louisiana Constitution, prohibits the City from paying for such events with public funds, donations such as food, merchandise and/or money was received from vendors to facilitate these events. During the year ended April 30, 2008, the City received approximately \$10,200 of such donations. This too would appear to be a violation of R.S. 42:1115 (A).

**Recommendation:**

We recommend that no employee of the City should accept gifts or gift certificates from any vendor regardless of the value of the gift or their position within the City.

The City should not solicit donations of food, merchandise or money from vendors for its social events such as picnics and parties. If the City wants to hold social events such as the picnics or parties mentioned above, it would be proper for employees to contribute funds or supplies to provide for the events.

**Management's Corrective Action Plan:**

The City will cease soliciting funds from vendors and receiving gifts from vendors. The City will also request an Attorney General's opinion concerning certain types of events for employees and the proper way, if any, to fund them.

## **HANDLING OF MEMBERSHIP FEES**

**Finding:**

During the fiscal year ended April 30, 2008, the City opened the B. J. Washington Community Center (the Center). Control procedures for receipts at the Center call for the Center's Coordinator to accept all applications and fees from new members. Members are given a receipt and a copy of their application. Members were originally required to pay in cash at the Center, but are now required to pay by money order. A membership list is kept at the Center. Members are not required to present proof of membership to use the facilities. After fees are collected, City procedures call for the Coordinator to forward all applications, receipts, and money collected to the Administrative Assistant at the Benoit Community Center (Benoit). The Administrative Assistant gives a receipt, signed by both parties, to the Coordinator and places the funds in a safe at Benoit along with funds received from other parks and recreation centers. The Administrative Assistant keeps a copy of this receipt and also distributes duplicate copies to the Clerk and Assistant Director at Benoit. At the end of the week, the Administrative Assistant takes all funds from the safe, fills out a revenue report by location, and gives them to the Clerk. The Clerk fills out a deposit slip and gives it, along with the funds, to the Assistant Director. The Clerk also fills out a journal entry form used to record the revenues. The Assistant Director then deposits the funds at the bank and returns the verification slip to the Clerk. The Clerk then attaches a copy of the deposit slip to the revenue report and the journal entry and sends them to the Accounting Department.

During our walk through and physical examination of the records, it was noted that member receipts were sent to Benoit on only one occasion. On that occasion, the receipts sent were original receipts, indicating that the members never received a receipt. There were also several months in which no funds were forwarded from B.J. Washington.

There are several deficiencies in the control procedures associated with these transactions. First, while it is somewhat mitigated by the distribution of multiple copies of the receipt, the forwarding of the funds and paperwork to the Administrative Assistant appears to be an unnecessary step. This additional step offers more opportunities for the loss or mishandling of funds. Secondly, the failure to reconcile the membership roster to fees collected is a deficiency in the control process which would serve to verify the proper handling of funds at each step of the process. Finally, the failure to require proof of membership in order to use the facilities offers an opportunity for individuals to use the facilities without compensation to the City.

**Recommendation:**

We recommend that the City require users of the Center to provide proof of membership before using the facilities. We also recommend that the additional step of forwarding fees received to the Administrative Assistant be removed from the control process. Finally, we recommend that personnel outside the Center update the membership roster and reconcile it, on a monthly basis, to membership fees received.

**Management's Corrective Action Plan:**

The following recommendations will be implemented:

- Users of the center shall provide proof of membership before using the facilities.
- The step of forwarding fees to the Administrative Assistant will be removed from the control process.
- In all instances, members will receive original receipts for payment of membership fees. The Division secretary, located at Harvey H. Benoit Community Center (Administrative Headquarters), will update the membership roster and reconcile it, on a monthly basis, to membership fees received.

*Stacy Huffman Reynolds, CPA*

(A Professional Accounting Corporation)

October 31, 2008