

CITY OF WEST MONROE, LOUISIANA
FINANCIAL REPORT

For the Year Ended June 30, 2018



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FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

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CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying 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 the City of West Monroe, Louisiana (which is "the City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and aggregate remaining fund information of the City as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 27 to the financial statements, the City adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in 2018. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net OPEB liability and related ratios, schedule of proportionate share of net pension liability, and the schedule of employer's pension contribution on pages 4 through 12 and 63 through 70, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and the schedule of compensation, reimbursements, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and Schedule of Expenditures of Federal Awards are fairly stated in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
November 30, 2018

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

CITY OF WEST MONROE, LOUISIANA

Management's Discussion and Analysis Year Ended June 30, 2018

As management of the City of West Monroe, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter and the accompanying basic financial statements. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

FINANCIAL HIGHLIGHTS

- The assets of the City of West Monroe, on a government-wide basis, exceeded its liabilities at the close of the fiscal year by \$20,609,664 (net position).
- At the end of the current fiscal year, the City of West Monroe's governmental funds reported combined ending fund balances of \$9,173,725.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$5,593,983, or 26% of the total general fund expenditures.
- The general fund reported a surplus of \$2,051,235 before transfers, and a surplus of \$77,607 after transfers.
- The City completed many projects that included improvements to infrastructure. The additions and improvements to the City's Capital Assets totaled \$6,449,775 in the current year.
- The City's bonded debt had a net decrease of \$2,005,000. Total bonded debt at 6/30/2018 was \$28,419,000.
- During the current fiscal year, the Governmental Accounting Standards Board issued Statement 75 (to replace the requirements of GASB Statement 45) which improves the accuracy and relevancy of financial reporting for other postemployment benefits (OPEB). The implementation of Statement 75 required restatement of the net position at the beginning of the year. The effect of adopting GASB 75 was a reduction of net position, and conversely an increase in OPEB liability, of \$5,223,200. All prior period amounts and year to year changes will reflect these changes as well. For more details, reference Note 27 in the Notes to the Financial Statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City of West Monroe as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position and the Statement of Activities, which are the government-wide statements, include

all of the government's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

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

Government-wide financial statements include not only the City of West Monroe itself (the primary government), but also a legally separate City Court and legally separate City Marshal for which the City of West 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

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

The City has three kinds of funds:

- Governmental funds – Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided on a subsequent page that explains the relationship (or differences) between the government-wide and fund statements.
- Proprietary funds – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short-term and long-term financial information. The City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but they provide more detail and additional information, such as cash flows. The City also uses

internal service funds (another kind of proprietary fund) to report activities that provide supplies and services for the City's other programs and activities – such as the Employees Health Insurance Fund.

- Fiduciary funds – Fiduciary funds are used to report assets held in a trustee or agency capacity for others outside the government. The City maintains a Cemetery Trust Fund and a Workers Compensation Reserve Fund. These activities are reported in a separate statement of fiduciary net assets. The City excludes this activity from its government-wide financial statements because the City cannot use these assets to finance its operations.

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's combined net position for the 2017-2018 fiscal year decreased by \$4,891,169. Table 1 shows the statement of net position for the year ending 2017 and the year ending 2018. The table also shows the net position for governmental activities, business type activities and combines them into the total primary government.

Statement of Net Position

The following table reflects the condensed statement of net position:

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

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2017	2018	2017	2018	2017	2018
ASSETS:						
Current and other assets	\$ 15.18	\$ 8.23	\$ 0.57	\$ 0.70	\$ 15.75	\$ 8.93
Capital Assets	44.18	43.33	25.79	27.96	69.97	71.29
Total Assets	<u>\$ 59.36</u>	<u>\$ 51.56</u>	<u>\$ 26.36</u>	<u>\$ 28.66</u>	<u>\$ 85.72</u>	<u>\$ 80.22</u>
LIABILITIES:						
Long-term debt outstanding	\$ 61.69*	\$ 58.54	\$ 4.63*	\$ 4.61	\$ 66.32*	\$ 63.15
Other liabilities	3.63	3.57	0.40	0.45	4.03	4.02
Total Liabilities	<u>\$ 65.32*</u>	<u>\$ 62.11</u>	<u>\$ 5.03*</u>	<u>\$ 5.06</u>	<u>\$ 70.35*</u>	<u>\$ 67.17</u>
DEFERRED INFLOWS OF RESOURCES:						
Deferred Inflows	\$ 1.17	\$ 1.54	\$ 0.09	\$ 0.12	\$ 1.26	\$ 1.66
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred Outflows	\$ 10.31	\$ 8.21	\$ 1.08	\$ 1.00	\$ 11.39	\$ 9.21
NET POSITION:						
Invested in Capital Assets						
Net of debt	\$ 10.36*	\$ 17.85	\$ 23.09*	\$ 27.05	\$ 33.45*	\$ 44.90
Restricted	-	-	.08	.08	.08	.08
Unrestricted	<u>\$ (7.18)</u>	<u>\$ (21.73)</u>	<u>\$ (0.85)*</u>	<u>\$ (2.65)</u>	<u>\$ (8.03)</u>	<u>\$ (24.38)</u>
Total Net Position	<u>\$ 3.18*</u>	<u>\$ (3.88)</u>	<u>\$ 22.32*</u>	<u>\$ 24.48</u>	<u>\$ 25.50*</u>	<u>\$ 20.60</u>

Net position (assets less liabilities) may serve over time as a useful indicator of a government's financial position. The City of West Monroe's assets exceeded liabilities by \$20.60 million at the close of the fiscal year.

Eighty thousand of the City's net position is subject to restrictions.

Governmental Activities

Net position of the City's governmental activities decreased from \$3.18 million to \$(3.88) million.

Business-type Activities

Net position of the City's business-type activities increased from \$22.32 million to \$24.48 million.

Statement of Activities

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

TABLE 2
CHANGES IN NET POSITION
(in Millions)

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2017	2018	2017	2018	2017	2018
REVENUES:						
Program Revenues						
Charges for services	\$ 4.41	\$ 4.18	\$ 4.27	\$ 4.30	\$ 8.68	\$ 8.48
Operating grants and contributions	3.05	2.99			3.05	2.99
Capital grants and contributions	0.55	3.07			0.55	3.07
General Revenues						
Property Taxes	1.28	1.33			1.28	1.33
Other taxes	22.92	22.68			22.92	22.77
Intergovernmental	0.17	0.05			0.17	0.05
Franchise	0.80	0.83			0.80	0.83
Miscellaneous	-	.09			-	-
Sale of Assets	-	0.10				0.10
Interest earned	0.13	0.05			0.13	0.05
Capital contributions	-	-	5.00	3.96	5.00	3.96
Total Revenues	\$ 33.31	\$ 35.37	\$ 9.27	\$ 8.26	\$ 42.58	\$ 43.63
EXPENSES:						
General government	\$ 10.46	\$ 9.06			\$ 10.46	\$ 9.06
Public safety	14.76	15.02			14.76	15.02
Public works	5.06	5.18			5.06	5.18
Culture and recreations	4.91	5.36			4.91	5.36
Urban Development	1.11	1.38			1.11	1.38
Health and welfare	4.58	4.14			4.58	4.14
Interest on long-term debt	1.14	1.08			1.14	1.08
Utilities	-	-	6.79	6.93	6.79	6.93
Total Expenses	\$ 42.02	\$ 41.22	\$ 6.79	\$ 6.93	\$ 48.81	\$ 48.15
Increase (Decrease) in net position						
Before transfers	\$ (8.70)	\$ (5.85)	\$ 2.47	\$ 1.33	\$ (6.23)	\$ (4.52)
Transfers	(1.07)	(1.21)	0.88	0.83	(0.19)	(0.38)
Increase/decrease in position	\$ (9.77)	\$ (7.06)	\$ 3.35	\$ 2.16	\$ (6.42)	\$ (4.90)

Governmental Activities

The City's total revenues from governmental activities increased from \$33.31 million (year end 2017) to \$35.37 million (year end 2018). The largest source of the increase in the current year

revenues is from Capital Grants. West Monroe's largest source of general revenue (\$24.01 million) is taxes, composed of property tax, sales tax, insurance premium taxes, and beer tax.

Sixty-eight percent of the City's revenue from governmental activities comes from these taxes. Charges for services (\$4.18 million) were the second largest revenue source for governmental activities.

The City's expenses from governmental activities for the fiscal year ended June 30, 2018 were \$41.22 million, a decrease of \$.8 million from year end 2017. These expenses cover a wide range of services with the largest being public safety \$15.02 million or 36%, and general government \$9.06 million or 22%.

Business-Type Activities

The total revenues from business-type activities were \$8.26 million for the fiscal year ended June 30, 2018. Charges for services increased by approximately \$0.03 million. Expenses for the City's business-type activities were \$6.93 million.

FINANACIAL ANALYSIS OF THE CITY'S FUNDS

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

Government Funds

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9.17 million.

The general fund is the chief operating fund of the City. At the end of the fiscal year, unreserved fund balance of the general fund was \$5.59 million. As a measure of the general fund liquidity, it may be useful to compare unassigned fund balance to total expenditures. Unassigned fund balance represents 26% of the total general fund expenditures. Due to the uncertain economic conditions, expenditures were closely monitored and correlated to revenues received.

The City spent a total of \$3.79 million out of the 86 Sales Tax Capital Fund to fund major capital projects and purchases. This amount decreased by \$1.05 million from last year. The fund transferred out \$1.72 million to pay for debt service.

Proprietary Funds

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

Net position of the Utilities Enterprise Fund at the end of the year were \$24.49 million. The fund had an operating surplus for the year of \$2.16 million after depreciation.

Net position of the Internal Service fund (Employees Health Insurance Fund) at the end of the year was \$(1.43) million.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget twice. The difference between the original expenditure budget and the actual amount of expenditures was an decrease of \$120,387. Actual total revenues were \$584,437 less than the original budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

TABLE 3
CAPITAL ASSETS
(NET OF DEPRECIATION in millions)

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL	
	2017	2018	2017	2018	2017	2018
Land	\$ 6.36	\$ 6.34	\$ 0.06	\$ 0.07	\$ 6.42	\$ 6.41
Construction in progress	2.36	.15	4.93	-	7.29	.15
Buildings	16.90	16.12	-	-	16.90	16.12
Improvements	2.54	2.74	-	-	2.54	2.74
Equipment	0.74	0.77	0.21	0.11	0.95	0.88
Vehicles	1.18	1.67	-	-	1.18	1.67
Infrastructure	14.09	15.54	-	-	14.09	15.54
Water Plant	-	-	4.72	9.16	4.72	9.16
Treatment and Reuse Plant	-	-	15.87	18.62	15.87	18.62
Total	\$ 44.17	\$ 43.33	\$ 25.79	\$ 27.96	\$ 69.96	\$ 71.29

The City of West Monroe’s investment in Capital assets for its governmental and business-type activities as of June 30, 2018, amounts to \$71.29 million (net of depreciation). This is an increase of \$1.33 million from last year. This investment includes land, construction in progress, buildings and improvements, equipment, vehicles, infrastructure, water and sewer treatment plant.

Long-term Debt

The following table shows the City's outstanding debt:

TABLE 4
OUTSTANDING DEBT AT YEAR END

	<u>YR END 6/30/17</u>	<u>YR END 6/30/18</u>
Bond Payable Series 2007	\$ 2,950,000	\$ 2,735,000
Bond Payable Series 2009	\$ 735,000	\$ 375,000
Bond Payable Series 2010	\$ 959,000	\$ 899,000
Bond Payable Series 2011	\$ 2,145,000	\$ 1,740,000
Community Dev. Block Grant for Economic Development	\$ 228,661	\$ 203,665
Bond Payable Series 2015	\$ 23,635,000	\$ 22,670,000
Heart and Lung Disability	\$ 490,505	\$ 265,363
Vacation, Sick and Comp. Time	<u>\$ 1,198,210</u>	<u>\$ 1,257,407</u>
Total	<u>\$ 32,341,376</u>	<u>\$ 30,145,435</u>

At the end of the fiscal year, the City of West Monroe had total bonded debt outstanding of \$28.42 million. This is a decrease of \$2.0 million in total bond debt.

The City of West Monroe's total long-term debt obligations at year end were \$30.15 million.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's management and elected officials considered many factors when preparing the 2017-2018 budget. The major factor in preparing the budget is to determine the revenue that will be generated from sales tax. Sales tax accounts for 70% of the total General Fund revenue. The sales tax income projected for the 2018-2019 budget is \$15.1 million. All other General Fund revenues should remain fairly consistent with prior year collections. The total General Fund revenue budget for the 2018-2019 fiscal year is \$22.73 million compared to \$23.27 million of actual revenue for 2017-2018.

During the 2018-2019 fiscal year, the City will continue to develop the 60 acres along I-20 into a retail center.

The budgeted expenses for the 2018-2019 fiscal year are \$21.70 million, an increase of \$483,215 over the prior year. The City gave all employees a 2% pay raise. The largest expense for the City

is personnel cost. The City's administration has taken steps to reduce all overtime to minimal levels in the current year's budget.

Most of the City's expenses have remained fairly constant. The City's matching contributions to the pension systems have increased slightly for the 2017-2018 fiscal year. However, depending on the condition of the investment markets and other factors the City's contribution to the pension systems should remain constant this fiscal year or the next. The City's administration will closely monitor all revenues and expenses to ensure the City maintains a positive fund balance. The projected General Fund balance for the year ending June 30, 2019 is \$6.0 million.

Subsequent to the current year-end, the City issued an additional \$11.9 million in sales tax bonds. From the proceeds, \$2.5 million was used to redeem the outstanding bonds from its existing 2007 bonded debt issue. The net increase in bonded debt was \$9.4 million.

OTHER POST-EMPLOYMENT BENEFITS

In the year ended June 30, 2018, the City of West Monroe has complied with requirements of Government Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting for Post Employment Benefits Other than Pensions*. This statement requires that employers disclose the *Schedule of Changes in Net OPEB Liability and Related Ratios* as determined by actuarial computations. The disclosure of these amounts are presented in more detail in the Notes to the Financial Statements.

PENSIONS

In the year ended June 30, 2018, the City of West Monroe has complied with requirements of Government Accounting Standards Board Statement Number 68, *Accounting and Financial Reporting for Pensions*. This statement requires that employers disclose the *Net Pension Liability, Deferred Inflows and Deferred Outflows* as determined by actuarial computations. The disclosure of these amounts are presented in more detail in the Notes to the Financial Statements.

REQUEST FOR INFORMATION

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

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 4,126,773	\$ 215,900	\$ 4,342,673	\$ 336,321
Cash with Fiscal Agent	16,800	-	16,800	-
Investments	2,027,488	-	2,027,488	-
Accounts Receivable	413,576	823,492	1,237,068	8,535
Minimum Lease Payments Receivable	206,415	-	206,415	-
Due From Other Governments	2,075,691	-	2,075,691	-
Internal Balances	(667,855)	(333,433)	(1,001,288)	-
Inventories	27,091	-	27,091	-
Capital Assets:				
Non-Depreciable	6,490,661	74,150	6,564,811	-
Depreciable	36,842,439	27,882,434	64,724,873	-
<u>TOTAL ASSETS</u>	<u>\$ 51,559,079</u>	<u>\$ 28,662,543</u>	<u>\$ 80,221,622</u>	<u>\$ 344,856</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	8,213,180	1,001,105	9,214,285	-
<u>LIABILITIES</u>				
Accounts Payable	\$ 356,562	\$ 53,993	\$ 410,555	\$ 3,105
Deposits Payable	78,198	139,781	217,979	-
Non-Current Liabilities				
Due Within One Year				
Bonds Payable	2,010,000	60,000	2,070,000	-
Notes Payable	25,000	-	25,000	-
Compensated Absences	1,093,276	198,728	1,292,004	-
Due in More Than One Year				
Bonds Payable	25,510,000	839,000	26,349,000	-
Notes Payable	178,665	-	178,665	-
Compensated Absences	230,766	-	230,766	-
Net Pension Liability	26,226,810	2,851,990	29,078,800	-
Net OPEB Liability	6,397,662	917,232	7,314,894	-
<u>TOTAL LIABILITIES</u>	62,106,939	5,060,724	67,167,663	3,105
<u>DEFERRED INFLOWS OF RESOURCES</u>	1,542,285	116,295	1,658,580	-
<u>NET POSITION</u>				
Net Investment in Capital Assets	17,848,100	27,057,584	44,905,684	-
Restricted for Debt Service	-	76,119	76,119	-
Unrestricted, Capital Projects	3,486,035	-	3,486,035	-
Unrestricted, Debt Service	302,399	-	302,399	-
Unrestricted, Unreserved	(25,513,499)	(2,647,074)	(28,160,573)	341,751
<u>TOTAL NET POSITION</u>	<u>\$ (3,876,965)</u>	<u>\$ 24,486,629</u>	<u>\$ 20,609,664</u>	<u>\$ 341,751</u>

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Function/Program Activities				
<u>Primary Government:</u>				
Government Activities:				
General Government	\$ 9,062,765	\$ 1,448,790	\$ 358,390	\$ -
Public Safety	15,016,880	228,935	10,666	-
Public Works	5,178,399	852,469	-	3,066,570
Culture and Recreation	5,356,374	1,605,340	249,909	-
Urban Redevelopment	1,384,487	-	-	-
Health and Welfare	4,138,309	43,374	2,370,982	-
Interest on Long-Term Debt	1,080,955	-	-	-
Total Governmental Activities	41,218,169	4,178,908	2,989,947	3,066,570
 Business-Type Activities:				
Utilities	6,929,595	4,297,377	-	-
 <u>Total Primary Government</u>	\$ 48,147,764	\$ 8,476,285	\$ 2,989,947	\$ 3,066,570
 <u>Component Units:</u>				
City Court	\$ 149,783	\$ 186,030	\$ -	\$ -
City Marshal	70,854	69,107	-	-
<u>Total Component Units</u>	\$ 220,637	\$ 255,137	\$ -	\$ -

General Revenues:

Taxes:

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

Intergovernmental Revenues

Franchise Revenue

Miscellaneous

Special Item - Sale of Assets

Interest Earned

Capital Contributions

Transfers

Total General Revenues, Special Items and Transfers

Changes in Net Position

Net Position - Beginning (Restated)

Net Position - Ending

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

Governmental Activities	Business-Type Activities	Total	Component Units
\$ (7,255,585)	\$ -	\$ (7,255,585)	\$ -
(14,777,279)	-	(14,777,279)	-
(1,259,360)	-	(1,259,360)	-
(3,501,125)	-	(3,501,125)	-
(1,384,487)	-	(1,384,487)	-
(1,723,953)	-	(1,723,953)	-
(1,080,955)	-	(1,080,955)	-
<u>(30,982,744)</u>	-	<u>(30,982,744)</u>	-
-	(2,632,218)	(2,632,218)	-
<u>\$ (30,982,744)</u>	<u>\$ (2,632,218)</u>	<u>\$ (33,614,962)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 36,247
-	-	-	(1,747)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,500</u>
1,076,798	-	1,076,798	-
254,749	-	254,749	-
22,214,452	-	22,214,452	-
469,546	-	469,546	-
51,909	-	51,909	-
833,971	-	833,971	-
85,658	-	85,658	-
100,813	-	100,813	-
45,386	-	45,386	314
-	3,958,768	3,958,768	-
(1,206,124)	837,867	(368,257)	-
<u>23,927,158</u>	<u>4,796,635</u>	<u>28,723,793</u>	<u>314</u>
<u>(7,055,586)</u>	<u>2,164,417</u>	<u>(4,891,169)</u>	<u>34,814</u>
<u>3,178,621</u>	<u>22,322,212</u>	<u>25,500,833</u>	<u>306,937</u>
<u>\$ (3,876,965)</u>	<u>\$ 24,486,629</u>	<u>\$ 20,609,664</u>	<u>\$ 341,751</u>

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

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

CITY OF WEST MONROE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General Fund</u>	<u>86 Sales Tax 75% Capital Fund</u>	<u>2015 Debt Capital Fund</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,939,436	\$ 1,009,667	\$ 938,252
Cash with Fiscal Agent	16,800	-	-
Investments	-	-	2,027,488
Accounts Receivable	402,684	668	-
Minimum Lease Payment Receivable	206,415	-	-
Due From Other Governments	1,510,385	382,314	-
Due From Other Funds	2,024,425	135,541	599,265
Inventories	27,091	-	-
<u>TOTAL ASSETS</u>	<u>\$ 6,127,236</u>	<u>\$ 1,528,190</u>	<u>\$ 3,565,005</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 34,428	\$ 58,803	\$ 256,370
Due To Other Funds	135,541	1,575,762	-
Deposits Payable	78,198	-	-
<u>Total Liabilities</u>	<u>248,167</u>	<u>1,634,565</u>	<u>256,370</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unearned State Revenue	51,580	-	-
Unearned Direct Financing Lease Revenue	-	-	-
<u>Total Deferred Inflows of Resources</u>	<u>51,580</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>			
Nonspendable	233,506	-	-
Restricted	-	-	3,308,635
Committed	-	-	-
Assigned	-	-	-
Unassigned	5,593,983	(106,375)	-
<u>Total Fund Balances</u>	<u>5,827,489</u>	<u>(106,375)</u>	<u>3,308,635</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u>	<u>\$ 6,127,236</u>	<u>\$ 1,528,190</u>	<u>\$ 3,565,005</u>

Total Nonmajor Governmental Funds	Total Governmental Funds
\$ 239,418	\$ 4,126,773
-	16,800
-	2,027,488
5,004	408,356
-	206,415
182,992	2,075,691
503,644	3,262,875
-	27,091
\$ 931,058	\$ 12,151,489
\$ 6,961	\$ 356,562
780,121	2,491,424
-	78,198
787,082	2,926,184
-	51,580
-	-
-	51,580
-	233,506
217,317	3,525,952
-	-
394,594	394,594
(467,935)	5,019,673
143,976	9,173,725
\$ 931,058	\$ 12,151,489

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

CITY OF WEST MONROE, LOUISIANA
RECONCILIATION OF GOVERNMENTAL
FUNDS BALANCES TO STATEMENT OF NET POSITION
JUNE 30, 2018

Total Governmental Fund Balances	\$ 9,173,725
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
 Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	 43,333,100
Net OPEB Liability	(6,397,662)
Deferred Outflows Related to OPEB	137,073
Deferred Inflows Related to OPEB	(207,901)
Total Deferred Inflows/Outflows Related to OPEB	<u>(70,828)</u>
Net Pension Liability	(26,226,810)
Deferred Outflows Related to Pensions	8,076,107
Deferred Inflows Related to Pensions	(1,282,804)
Total Deferred Inflows/Outflows Related to Pensions	<u>6,793,303</u>
 Long-term liabilities, including bonds and notes payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	 (29,047,707)
 The internal service fund is used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	 <u>(1,434,086)</u>
 Net Position of Governmental Activities	 <u>\$ (3,876,965)</u>

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>86 Sales Tax 75% Capital Fund</u>	<u>2015 Debt Capital Fund</u>
<u>Revenues</u>			
Taxes	\$ 17,914,568	\$ 5,559,646	\$ -
Intergovernmental	370,851	3,266	1,982,344
Licenses and Permits	1,018,441	-	-
Charges for Services	2,545,271	-	-
Fines and Forfeitures	430,349	-	-
Interest Earned	2,435	766	41,916
Franchise Revenue	833,971	-	-
Sale of Assets	100,813	-	-
Other	53,774	29,142	333,523
Total Revenues	<u>23,270,473</u>	<u>5,592,820</u>	<u>2,357,783</u>
<u>Expenditures</u>			
General Government	4,959,076	-	-
Public Safety	9,648,301	-	-
Public Works	2,924,400	-	-
Culture and Recreation	2,934,356	-	-
Urban Redevelopment	753,105	-	-
Health and Welfare	-	-	-
Capital Improvements	-	3,788,381	8,171,967
Claims Paid	-	-	-
Debt Service:			
Principal Payments	-	-	-
Interest and Other	-	-	-
Total Expenditures	<u>21,219,238</u>	<u>3,788,381</u>	<u>8,171,967</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	<u>2,051,235</u>	<u>1,804,439</u>	<u>(5,814,184)</u>
<u>Other Financing Sources and (Uses)</u>			
Proceeds From General Obligation Bonds	-	-	-
Transfers In	100,000	-	-
Transfers Out	(2,073,628)	(1,715,749)	(1,557,828)
Total Other Financing Sources and Uses	<u>(1,973,628)</u>	<u>(1,715,749)</u>	<u>(1,557,828)</u>
<u>Net Change in Fund Balance</u>	<u>77,607</u>	<u>88,690</u>	<u>(7,372,012)</u>
<u>Fund Balances - Beginning</u>	<u>5,749,882</u>	<u>(195,065)</u>	<u>10,680,647</u>
<u>FUND BALANCES - ENDING</u>	<u>\$ 5,827,489</u>	<u>\$ (106,375)</u>	<u>\$ 3,308,635</u>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 556,549	\$ 24,030,763
3,012,415	5,368,876
-	1,018,441
-	2,545,271
-	430,349
269	45,386
-	833,971
-	100,813
578,398	994,837
<u>4,147,631</u>	<u>35,368,707</u>
-	4,959,076
122,155	9,770,456
399,907	3,324,307
324,204	3,258,560
-	753,105
2,808,560	2,808,560
750,254	12,710,602
-	-
1,969,996	1,969,996
1,080,955	1,080,955
<u>7,456,031</u>	<u>40,635,617</u>
(3,308,400)	(5,266,910)
-	-
3,742,529	3,842,529
-	(5,347,205)
<u>3,742,529</u>	<u>(1,504,676)</u>
434,129	(6,771,586)
(290,153)	15,945,311
<u>\$ 143,976</u>	<u>\$ 9,173,725</u>

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

CITY OF WEST MONROE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (6,771,586)

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

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

Capital asset purchases capitalized	2,491,006
Depreciation expense	(3,316,139)
	(825,133)

Postretirement benefit plan expenditures - GASB 75 (310,437)

Pension net expenditures - GASB 68 (1,260,038)

Repayment of debt principal, including capital leases, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 2,195,138

The issuance of long-term debt (e.g. capital leases, bonds) provides current financial resources to government funds, but the repayment reduces long-term liabilities in the statements of net assets. -

Internal Service fund is used by management to charge the cost of certain activities to individual funds. The net of the internal service fund is included in governmental activities in the statement of net position. -

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 (83,530)

Change in Net Position in Governmental Activities \$ (7,055,586)

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	<u>Business-Type Activities Utility Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Accounts Receivable, Net of Allowance	\$ 823,492	\$ 5,220
Due From Other Funds	-	-
Total Current Assets	823,492	5,220
<u>Non-Current Assets</u>		
Restricted:		
Cash - Customer Deposits	139,781	-
Cash - Sinking Fund	41,423	-
Cash - Reserve Fund	34,696	-
Total Restricted Cash	215,900	-
Capital Assets:		
Land	74,150	-
Construction in Process	-	-
Sparta Reuse Plant	20,701,729	-
Buildings	73,436	-
Water Plant	15,226,550	-
Wastewater Treatment Plant	13,326,031	-
Machinery, Equipment & Other	1,770,784	-
Less: Accumulated Depreciation	(23,216,096)	-
Total Capital Assets	27,956,584	-
TOTAL ASSETS	\$ 28,995,976	\$ 5,220
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Related to OPEB	19,407	-
Related to Pensions	981,698	-
Total Deferred Outflows of Resources	1,001,105	-
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 53,993	\$ -
Customer Deposits	139,781	-
Accrued Vacation and Sick Pay	198,728	-
Sewer Bonds Payable	60,000	-
Due to Other Funds	333,433	1,439,306
Total Current Liabilities	785,935	1,439,306
<u>Long Term Liabilities</u>		
Net OPEB Liability	917,232	-
Net Pension Liability	2,851,990	-
Sewer Bonds Payable - Long-Term	839,000	-
Total Long Term Liabilities	4,608,222	-
Total Liabilities	5,394,157	1,439,306
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Related to OPEB	29,435	-
Related to Pensions	86,860	-
Total Deferred Inflows of Resources	116,295	-
<u>NET POSITION</u>		
Net Investment in Capital Assets	27,057,584	-
Reserved for Debt Retirement	76,119	-
Unrestricted	(2,647,074)	(1,434,086)
TOTAL NET POSITION	\$ 24,486,629	\$ (1,434,086)

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Business-Type Activities Utility Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<u>Operating Revenues</u>		
User Charges	\$ 1,626,689	\$ 3,365,684
Treatment Plant Fees	1,214,763	-
Water Penalties and Turn-on Fees	85,154	-
Sewer District 5 Contributions	1,370,771	-
Total Operating Revenues	4,297,377	3,365,684
<u>Operating Expenses</u>		
Waterworks	943,881	-
Sewerage	550,536	-
Water Treatment Plant	635,153	-
Sewer Treatment Plant	2,338,721	-
Public Works Construction	17,114	-
Public Works Administrative	256,000	-
Other Administrative	389,585	422,258
Claims Paid	-	3,241,978
Interest Expense	4,256	-
Depreciation	1,794,349	-
Total Operating Expenses	6,929,595	3,664,236
<u>Operating Income (Loss)</u>	(2,632,218)	(298,552)
Contributed Capital	3,958,768	-
Transfers In (Out)	837,867	298,552
Total	4,796,635	298,552
<u>Changes in Net Position</u>	2,164,417	-
<u>Net Position - Beginning (Restated)</u>	22,322,212	(1,434,086)
<u>NET POSITION - ENDING</u>	\$ 24,486,629	\$ (1,434,086)

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
Cash Flows From Operations		
Receipts From Customers	\$ 4,261,355	\$ -
Receipts From Group Contributions	-	3,365,457
Payments to Provide Services	(4,645,478)	(2,943,199)
Payments for General and Administrative	(393,841)	(422,258)
Net Cash Provided (Used) by Operating Activities	<u>(777,964)</u>	<u>-</u>
 Cash Flows From Noncapital Financing Activities		
Increase in Customer Deposits	6,704	-
Operating Transfers In (Out)	837,867	-
Net Cash Flows From Noncapital Financing Activities	<u>844,571</u>	<u>-</u>
 Cash Flows From Capital and Related Financing Activities		
Acquisitions of Capital Assets	(3,958,768)	-
Capital Contribution From Other Funds	3,958,768	-
Bond Proceeds	-	-
Principal Paid on Bonds	(60,000)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(60,000)</u>	<u>-</u>
 Net Increase in Cash and Cash Equivalents	6,607	-
 Cash and Cash Equivalents at Beginning of Year	<u>209,293</u>	<u>-</u>
 <u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 215,900</u>	<u>\$ -</u>
 Classified As:		
Cash in Bank	\$ -	\$ -
Restricted Assets	<u>215,900</u>	<u>-</u>
 <u>TOTAL CASH AND CASH EQUIVALENTS</u>	<u>\$ 215,900</u>	<u>\$ -</u>

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Business-Type Activities Utility Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<u>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</u>		
Changes in Net Position	\$ (2,632,218)	\$ -
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities		
Depreciation	1,794,352	-
(Increase) Decrease in Accounts Receivable	(36,025)	(227)
Increase in Accounts Payable	52,542	(151,862)
Decrease in Due From Other Funds	-	-
Increase (Decrease) in Due to Other Funds	(98,308)	152,089
Increase in Net Pension Liability and Deferrals (Net)	95,627	-
Increase in Net OPEB Liability and Deferrals (Net)	55,399	-
Decrease in Accrued Vacation and Sick Pay	(9,333)	-
Total Adjustments	<u>1,854,254</u>	<u>-</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ (777,964)</u>	<u>\$ -</u>

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Employees'	General	Hasley	Kiroli	Total	Component Unit	
	Workmen's Compensation Reserve Fund	Insurance Fund	Cemetery Fund	Foundation Fund	Nonmajor Expendable Trust Funds	City Court	City Marshal
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378,165	\$ 98,720
Investments	6,057	-	12,134	-	18,191	-	-
Accounts Receivable	-	2,000	-	-	2,000	-	9,416
Due From Other Funds	528,442	-	552,652	-	1,081,094	-	-
<u>TOTAL ASSETS</u>	\$ 534,499	\$ 2,000	\$ 564,786	\$ -	\$ 1,101,285	\$ 378,165	\$ 108,136
<u>LIABILITIES</u>							
Due to Other Funds	\$ -	\$ 2,000	\$ -	\$ 77,806	\$ 79,806	\$ -	\$ -
Due to Others	-	-	-	880	880	378,165	108,136
<u>TOTAL LIABILITIES</u>	\$ -	\$ 2,000	\$ -	\$ 78,686	\$ 80,686	\$ 378,165	\$ 108,136
<u>NET POSITION</u>							
Reserved:							
Workmen's Compensation Claim	534,499	-	-	-	534,499	-	-
Park Playground Equipment	-	-	-	-	-	-	-
Cemetery Maintenance	-	-	564,786	-	564,786	-	-
Insurance Claims	-	-	-	-	-	-	-
Unassigned	-	-	-	(78,686)	(78,686)	-	-
Total Net Position	534,499	-	564,786	(78,686)	1,020,599	-	-
<u>TOTAL LIABILITIES AND NET POSITION</u>	\$ 534,499	\$ 2,000	\$ 564,786	\$ -	\$ 1,101,285	378,165	\$ 108,136

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Employees' Workmen's Compensation Reserve Fund	General Insurance Fund	Hasley Cemetery Fund	Kiroli Foundation Fund	Total Nonmajor Expendable Trust Funds
<u>Revenues</u>					
Sales Tax	\$ -	\$ 24,000	\$ -	\$ -	\$ 24,000
Lot Sales	-	-	25,725	-	25,725
Insurance Proceeds	-	8,407	-	-	8,407
Contributions	-	-	-	66,001	66,001
Interest	-	-	-	-	-
Total Revenues	-	32,407	25,725	66,001	124,133
<u>Expenditures</u>					
Hasley Cemetery	-	-	-	-	-
Claims Paid	-	400,664	-	-	400,664
Miscellaneous	-	-	-	149,831	149,831
Total Expenditures	-	400,664	-	149,831	550,495
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	-	(368,257)	25,725	(83,830)	(426,362)
<u>Other Financing Sources (Uses)</u>					
Operating Transfers - In (Out)	-	368,257	-	-	368,257
<u>Change in Net Position</u>	-	-	25,725	(83,830)	(58,105)
<u>Net Position - Beginning</u>	534,499	-	539,061	5,144	1,078,704
<u>NET POSITION - ENDING</u>	\$ 534,499	\$ -	\$ 564,786	\$ (78,686)	\$ 1,020,599

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

CITY OF WEST MONROE, LOUISIANA
COMBINING STATEMENT OF NET POSITION
ALL DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2018

	<u>City Court</u>	<u>City Marshal</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 331,825	\$ 4,496	\$ 336,321
Accounts Receivable	-	8,535	8,535
Due From Other Funds	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 331,825</u>	<u>\$ 13,031</u>	<u>\$ 344,856</u>
<u>LIABILITIES</u>			
Payroll Liabilities	\$ 305	\$ -	\$ 305
Due to Fiduciary Fund - Component Unit	-	2,800	2,800
Due to City of West Monroe	-	-	-
<u>TOTAL LIABILITIES</u>	<u>305</u>	<u>2,800</u>	<u>3,105</u>
<u>NET POSITION</u>			
Unrestricted, unreserved	<u>331,520</u>	<u>10,231</u>	<u>341,751</u>
Total Net Position	<u>331,520</u>	<u>10,231</u>	<u>341,751</u>
<u>TOTAL LIABILITIES AND NET POSITION</u>	<u>\$ 331,825</u>	<u>\$ 13,031</u>	<u>\$ 344,856</u>

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

CITY OF WEST MONROE, LA
COMBINING STATEMENT OF ACTIVITIES
ALL DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Intergovernmental - City of West Monroe</u>	<u>City Court</u>	<u>City Marshal</u>	<u>Total</u>
City Court Judicial	\$ 741,123	\$ 186,030	\$ 591,340	\$ 36,247	\$ -	\$ 36,247
City Marshal Judicial	<u>592,321</u>	<u>69,107</u>	<u>521,467</u>	<u>-</u>	<u>(1,747)</u>	<u>(1,747)</u>
Total Governmental Activities	<u>\$1,333,444</u>	<u>\$ 255,137</u>	<u>\$ 1,112,807</u>	<u>\$ 36,247</u>	<u>\$ (1,747)</u>	<u>\$ 34,500</u>
General Revenues:						
				<u>314</u>	<u>-</u>	<u>314</u>
				<u>36,561</u>	<u>(1,747)</u>	<u>34,814</u>
				<u>294,959</u>	<u>11,978</u>	<u>306,937</u>
				<u>\$ 331,520</u>	<u>\$ 10,231</u>	<u>\$ 341,751</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

INTRODUCTION

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

Note 1 – Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

City Court of West Monroe

The City Court of West Monroe is a legally separate entity. The Judge of the Court is an independently elected official. The City provides office space, court facilities including some furnishings, and compensation for court employees. The Court provides no direct services to the City. However, based on second criteria noted 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.

City Marshal of West Monroe

The City Marshal of West Monroe office is a legally separate entity. The City Marshal is an independently elected official. The City provides office space, furnishings and compensation for Marshal employees. Based on second criteria above, it has been determined that the City Marshal of West Monroe is a component unit of the City and should be included in the City's financial statements through discrete presentation.

B. Government-Wide and Fund Financial Statements

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

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

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

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

D. Fund Accounting

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

1. Major Governmental Funds

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

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

2015 Debt Capital Fund – These funds are predominately used for capital expenditures. The income is provided by proceeds from general obligation bonds for that purpose.

2. 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.

3. 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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

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

5. Proprietary Funds

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

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

6. Fiduciary Funds

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

E. Cash and Cash Equivalents

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

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

F. Investments

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

G. Noncurrent Receivables

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

H. Inventories

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

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

I. Bad Debts

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

J. Short-Term Interfund Receivables/Payables

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

K. Capital Assets

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

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

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

L. Franchise Agreements

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

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

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

M. Lease Obligations

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

N. Long-Term Liabilities

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

O. Compensated Absences

Accumulated unpaid vacation, sick pay, and other employee benefit amounts are accrued when incurred in enterprise funds under the accrual basis of accounting. Employees of the City earn vacation pay in varying amounts ranging from 5 to 20 working days per year depending upon length of service. At the end of each year, employees may carry forward earned vacation time. Up to a maximum of 40 days of unused vacation is paid to an employee upon retirement, separation, or death at hourly rates being earned by that employee upon separation.

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

P. Dedicated Revenues

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

Q. Fund Equity

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

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

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Q. Fund Equity (continued)

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

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

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

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

R. Accounting Estimates

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

S. Pension Plans

The City of West Monroe, Louisiana is a participating employer in multiple pension plans as described in Note 10. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Funds, and additions to/deductions from the Fund’s fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the Plans.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 2- Cash and Cash Equivalents

Custodial Credit Risk – Deposits

The custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the City had no custodial risk related to its deposits at June 30, 2018.

At June 30, 2018, the City has cash and cash equivalents (book balances net of overdrafts) in the amount of \$4,342,677.

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

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable by both parties. Cash and cash equivalents (bank balances) at June 30, 2018, are secured as follows:

Bank Balances	<u>\$ 4,617,616</u>
Federal Deposits Insurance	\$ 250,000
Pledged Securities (Uncollateralized)	<u>4,718,853</u>
<u>TOTAL</u>	<u>\$ 4,968,853</u>
Governmental Funds Cash	\$ 4,126,777
Enterprise Funds Cash	215,900
Fiduciary Funds Cash	<u>-</u>
<u>TOTAL BOOK BALANCES BY FUND TYPE</u>	<u>\$ 4,342,677</u>

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

Discretely Presented Component Units – Deposits

All deposits of the component units are held by area financial institutions. At the respective year ends, all deposits are insured or collateralized with securities held in the component unit's name by its agent (the trust department of a bank other than the pledging bank).

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 3 – Investments

Custodial Credit Risk – Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City had no custodial credit risk related to its investments at June 30, 2018.

Under state law, the City may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At June 30, 2018, the City had the following investments stated at cost, which approximates market:

Fixed Income	\$ 1,057,328
Louisiana Asset Management Pool	<u>988,351</u>
Total	<u>\$ 2,045,679</u>

Interest Rate Risk

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

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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 4 – Fund Deficits

The following funds had deficits at June 30, 2018:

Major Funds	
'86 Sales Tax Fund	\$ 106,375
Non-Major Funds	
Special Revenue Funds	
Officer Witness Court	\$ 13,105
Street Maintenance	\$ 175,139
Ouachita Outreach	\$ 142,649
Keep West Monroe Grant Program	\$ 61,243
Debt Service Funds	
2003 Debt Service Fund	\$ 74,943
2015 Debt Service Fund	\$ 856

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

Note 5 – Accounts Receivable

Accounts receivable at June 30, 2018, consisted of the following:

	Governmental Funds	Proprietary Funds	Total
Accounts Receivable	<u>\$ 413,576</u>	<u>\$ 823,492</u>	<u>\$ 1,237,068</u>

Note 6 – Ad Valorem Taxes

Property taxes are usually mailed out in November through Ouachita Parish and are due as of January 1. Ouachita Parish remits the City's portion monthly as received from taxpayers. An enforceable lien attaches to the property with unpaid taxes and is sold at a tax sale usually in June of the following year.

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

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

The ad valorem tax millage is as follows:

	<u>Mills</u>
General Ad Valorem Tax	6.89
Street Maintenance	<u>1.63</u>
<u>TOTAL</u>	<u>8.52</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 7 – Due From Other Governments

➤ The amounts due from other governments at June 30, 2018 are as follows:

Louisiana Highway Safety Commission	\$ 47,885
City of Monroe, LA	1,911,823
High Intensity Drug Trafficking Area Grant	10,186
Corporation for National and Community Service	37,206
Ouachita Parish	11,777
Ouachita Parish Sheriff	495
FEMA	729
State of Louisiana	50,360
Various	<u>5,230</u>
<u>TOTAL</u>	<u>\$ 2,075,691</u>

Note 8 – Capital Assets

Capital asset activity for the year ended June 30, 2018 is as follows:

	June 30, 2017 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2018 <u>Balance</u>
Government Activities:				
Non-Depreciable Assets:				
Land	\$ 6,356,403	\$ -	\$(15,000)	\$ 6,341,403
Construction In Progress	<u>2,360,872</u>	<u>149,258</u>	<u>(2,360,872)</u>	<u>149,258</u>
Total	8,717,275	149,258	(2,375,872)	6,490,661
Depreciable Assets:				
Buildings	32,458,621	-	-	32,458,621
Improvements	3,611,598	331,864	-	3,943,462
Equipment	6,316,842	250,748	(20,179)	6,547,411
Vehicles	8,008,839	1,005,329	(457,474)	8,556,694
Infrastructure	<u>66,353,853</u>	<u>3,114,679</u>	<u>-</u>	<u>69,468,532</u>
Total at Historical Cost	\$116,749,753	\$ 4,702,620	\$ (477,653)	\$ 120,974,720
	June 30, 2017 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2018 <u>Balance</u>
Less Accumulated Depreciation for:				
Buildings	\$(15,555,480)	\$(787,556)	\$ -	\$(16,343,036)
Improvements	(1,071,232)	(129,923)	-	(1,201,155)
Equipment	(5,577,371)	(219,792)	20,179	(5,776,984)
Vehicles	(6,832,047)	(516,074)	457,474	(6,890,647)
Infrastructure	<u>(52,257,665)</u>	<u>(1,662,794)</u>	<u>-</u>	<u>(53,920,459)</u>
Total Accumulated Depreciation	<u>(81,293,795)</u>	<u>(3,316,139)</u>	<u>477,653</u>	<u>(84,132,281)</u>
<u>Government Activities Capital Assets, Net</u>	<u>\$ 44,173,233</u>	<u>\$ 1,535,739</u>	<u>\$ (2,375,872)</u>	<u>\$ 43,333,100</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 8 – Capital Assets (continued)

Business-Type Activities:				
Non-Depreciable Assets:				
Land	\$ 57,750	\$ 16,400	\$ -	\$ 74,150
Construction in Progress	<u>4,934,459</u>	<u>-</u>	<u>(4,934,459)</u>	<u>-</u>
Total	4,992,209	16,400	(4,934,459)	74,150
Depreciable Assets:				
Buildings	73,436	-	-	73,436
Sparta Reuse Plant	19,233,250	1,468,479	-	20,701,729
Water Plant	10,339,409	4,887,141	-	15,226,550
Treatment Plant	10,823,964	2,502,067	-	13,326,031
Equipment	<u>1,751,643</u>	<u>19,141</u>	<u>-</u>	<u>1,770,784</u>
Totals at Historical Cost	42,221,702	8,876,828	-	51,098,530
Less Accumulated				
Depreciation for:				
Buildings	(73,436)	-	-	(73,436)
Sparta Reuse Plant	(5,048,728)	(988,655)	-	(6,037,383)
Water Plant	(5,620,739)	(444,807)	-	(6,065,546)
Treatment Plant	(9,135,162)	(238,530)	-	(9,373,692)
Equipment	<u>(1,543,679)</u>	<u>(122,360)</u>	<u>-</u>	<u>(1,666,039)</u>
Total Accumulated				
Depreciation	<u>(21,421,744)</u>	<u>(1,794,352)</u>	<u>-</u>	<u>(23,216,096)</u>
<u>Business-Type Activities</u>				
<u>Capital Assets, Net</u>	<u>\$25,792,167</u>	<u>\$ 7,098,876</u>	<u>\$ (4,934,459)</u>	<u>\$ 27,956,584</u>

Depreciation expense for the year ended June 30, 2018 was charged to functions of the City as follows:

Government Activities:	
General Government	\$ 1,827,577
Public Safety	410,973
Public Works	282,572
Culture and Recreation	93,079
Community Development	268,723
Ike Hamilton Expo Center	424,240
Convention Center	8,975
Health and Welfare	-
Total Depreciation Expense -	
Governmental Activities	<u>\$ 3,316,139</u>
Business-Type Activities:	
Utilities	<u>\$ 1,794,352</u>

Note 9 - Restricted Assets and Related Resources

At June 30, 2018, all restricted assets were in the form of demand deposits. These assets represent amounts held for utility customer deposits and cash for reserve and sinking fund requirements.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 10 - Pension and Retirement Plans

STATE RETIREMENT SYSTEMS

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

Substantially all city employees, except firemen and policemen are members of the Municipal Employees' Retirement System of Louisiana (MERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The MERS is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Each of these are separated by first employment date of which those before January 1, 2013 are in Plan A and those after in Plan A Tier 2. All members participate in Plan A or Plan A Tier 2 based on those dates.

All permanent employees working at least 35 hours per week and elected city officials are eligible to participate in the system. Under the MERS Plan A, a member who retires at or after age 60 with at least 10 years of creditable service or at any age with 25 years of creditable service is entitled to a full retirement benefit, payable monthly for life, equal to 3 percent of the member's final compensation multiplied by his years of creditable service. With MERS Plan A Tier 2, a member who retires at or after age 67 with at least 7 years of creditable service, at or after age 62 with at least 10 years of creditable service or at 55 age with 30 years of creditable service are entitled to the same benefits as noted with Plan A.

Final compensation is a member's average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted. A member who withdraws from active service prior to retirement eligibility is entitled to receive benefits beginning on the normal retirement date, assuming completion of the required years of creditable service and no prior refund of contributions. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy – State statute requires covered employees to contribute 9.5 percent of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The current actuarially determined rate is 22.75 percent of annual covered payroll. The City's contributions to the System under Plan A for the years ending June 30, 2018, 2017 and 2016 were \$1,593,641, \$1,406,663 and \$1,201,843, respectively, equal to the required contributions for each year.

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the City reported a liability of \$14,879,694 for its proportionate share of the net pension liability for the MERS plan. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the MERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 10 - Pension and Retirement Plans (continued)

City's proportion was 3.5568%, which was an increase of 0.1313% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the City recognized net pension expense of \$2,866,069 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$267,426.

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (453,175)
Changes of assumptions	248,804	-
Net difference between projected and actual earnings on pension plan investments	3,000,518	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	278,854	-
Employer contributions subsequent to the measurement date	1,593,641	-
Total	\$ 5,121,817	\$ (453,175)

The City reported a total of \$1,593,641 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year	MERS
2018	\$ 1,061,453
2019	1,328,301
2020	651,029
2021	34,218
	\$ 3,075,001

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 10 - Pension and Retirement Plans (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 is as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return/Inflation Rate	7.4%, net of investment expense; 2.775% inflation 5.00%
Projected salary increases	RP-2000 Employee Sex Distinct Table for active members (set back 2 years for males and females)
Mortality	RP-2000 Disabled Lives Mortality Table for Disabled Annuitants (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Sex Distinct Mortality Table for healthy annuitants (set forward 2 years for males and 1 year for females projected to 2028 using scale AA)

Discount Rate

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The effects of certain changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 10 - Pension and Retirement Plans (continued)

and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2017 is 3 years.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS			
Rates	6.4%	7.4%	8.4%
COWM Share-NPL	\$ 18,961,677	\$ 14,879,694	\$ 11,397,876

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

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

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

Funding Policy - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The City is required to contribute 31.75 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the System for the years ending June 30, 2018, 2017 and 2016 were \$1,000,363, \$1,027,768 and \$930,067, respectively, equal to the required contributions for the year.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 10 - Pension and Retirement Plans (continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the City reported a liability of \$9,430,961 for its proportionate share of the net pension liability for the MPERS plan. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the MPERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the City's proportion was 1.0802%, which was a decrease of .0453% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the City recognized pension expense of \$1,337,794 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$14,442.

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 61,754	\$ (72,488)
Changes of assumptions	671,065	-
Net difference between projected and actual earnings on pension plan investments	412,852	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	248,194	(444,621)
Employer contributions subsequent to the measurement date	1,000,363	-
Total	\$ 2,394,228	\$ (517,109)

The City reported a total of \$1,000,363 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 10 - Pension and Retirement Plans (continued)

Year	MPERS
2018	\$ 221,996
2019	569,412
2020	250,394
2021	(165,046)
	\$ 876,756

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 is as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return	7.325%, net of investment expense
Projected salary increases	4.25 to 9.75% based on years of service
Mortality	RP-2000 Employee Table for active members (set back 4 years for males and 3 years for females)
	RP-2000 Disabled Lives Mortality Table for Disabled Annuitants (set back 5 years for males and 3 years for females)
	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014, and the review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standards tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Discount Rate

The discount rate used to measure the total pension liability was 7.325%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 10 - Pension and Retirement Plans (continued)

recommendation of the System's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MPERS			
Rates	6.375%	7.375%	8.375%
COWM Share- NPL	\$ 13,029,782	\$ 9,430,961	\$ 6,411,809

FIREFIGHTERS' RETIREMENT SYSTEM

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

A member with at least 12 years of service who has reached the age of 55 is eligible for retirement, provided he has been a member for at least 1 year as well as anyone with 25 years of service at any age. Upon retirement, the benefit amount is 3-1/3 percent of average final compensation multiplied by years of creditable service, not to exceed his average final compensation. Average final compensation is the member's average annual earned compensation for any period of 36 successive or joined months of service that produce the highest average. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The City is required to contribute 25.25 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contribution to the System for the years ending June 30, 2018, 2017 and 2016 were \$461,682, \$472,509, and \$510,063, respectively, equal to the required contributions for the year.

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 10 - Pension and Retirement Plans (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the City reported a liability of \$4,596,186 for its proportionate share of the net pension liability for the FRS plan. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the FRS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the City's proportion was .8019%, which was a decrease of 0.0313% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the City recognized pension expense of \$901,256 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$106,787.

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$(256,315)
Changes of assumptions	192,237	(1,096)
Net difference between projected and actual earnings on pension plan investments	395,405	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	461,466	(138,814)
Employer contributions subsequent to the measurement date	461,682	-
Total	<u>\$ 1,510,790</u>	<u>\$(396,225)</u>

The City reported a total of \$461,682 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year	FRS
2018	\$ 266,246
2019	345,424
2020	169,995
2021	(110,168)
2022	(18,614)
	<u>\$ 652,883</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 10 - Pension and Retirement Plans (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 is as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	7.4%, net of investment expense
Inflation Rate	2.775 per annum
Projected salary increases	4.75 – 15% per year based on years of service
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA were selected for employee, annuitant and beneficiary mortality RP-2000 Disabled Lives Mortality Table for Disabled Annuitants (set back 5 years for males and 3 years for females) for disabled annuitants RP-2000 Healthy Annuitant Table for healthy annuitants
Cost of Living Adjustments	Only those previously granted.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.75%. The long term expected nominal rate of return was 8.29% as of June 30, 2017.

Discount Rate

The discount rate used to measure the total pension liability was 7.4%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 10 - Pension and Retirement Plans (continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
FRS			
Rates	6.4%	7.4%	8.4%
COWM Share- NPL	\$ 6,604,542	\$ 4,596,186	\$ 2,907,875

LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM

The City Judge is eligible to participate in the Louisiana State Employees' Retirement System (LASERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. LASERS provides benefits for certain elected officials and officials appointed by the governor. Eligibility for full retirement is based on years of credible service and date of which you were first hired. Upon retirement, the benefit amount is 2-1/2 percent of average compensation multiplied by the number of years of creditable service. Average compensation is defined as the member's average annual earned compensation for the highest thirty-six to sixty consecutive months of employment based on date of hire.

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

Funding Policy - State statute requires covered employees to contribute 11.50 percent of their salaries to the system. The City is required to contribute 40.10 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contribution to the plan for the years ending June 30, 2018, 2017 and 2016 were \$19,054, \$17,713 and \$17,419, respectively, equal to the required contributions for the year.

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 10 -Pension and Retirement Plans (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the City reported a liability of \$171,959 for its proportionate share of the net pension liability for the LASERS plan. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the LASERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the City's proportion was .0024%, which was no change from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the City recognized pension expense of \$15,735 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$4,166.

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (3,155)
Changes of assumptions	679	-
Net difference between projected and actual earnings on pension plan investments	5,592	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	5,645	-
Employer contributions subsequent to the measurement date	19,054	-
Total	<u>\$ 30,970</u>	<u>\$ (3,155)</u>

The City reported a total of \$19,054 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year	LASERS
2018	\$ (690)
2019	5,031
2020	4,420
	<u>\$ 8,761</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 10 - Pension and Retirement Plans (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 is as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.70%, net of investment expense
Salary Increases	Various between 2.8 and 14.30%
Projected inflation increases	2.75% per annum
Mortality	RP-2000 Combined Healthy Mortality Table (with mortality improvement projection to 2015) RP-2000 Disabled Retiree Mortality Table
Termination, Disability and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members

Cost of Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.69% for 2017.

Discount Rate

The discount rate used to measure the total pension liability was 7.70%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 10 - Pension and Retirement Plans (continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LASERS			
Rates	6.70%	7.70%	8.70%
COWM Share-NPL	\$ 215,875	\$ 171,959	\$ 134,620

Note 11 - Postemployment Health Care Benefits

General Information about the OPEB Plan

Plan description – The City of West Monroe (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City of West Monroe's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. The employees are covered by several retirement systems with similar eligibility provisions. In the absence of specific details about which employees are covered by each system, we have used the following retirement eligibility (D.R.O.P. entry) provisions as representative of the eligibility: 25 years of service at any age; or, age 60 and 10 years of service.

Employees covered by benefit terms – At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	29
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>259</u>
	<u>288</u>

Total OPEB Liability

The City's total OPEB liability of \$7,314,894 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 11 - Postemployment Health Care Benefits (continued)

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Prior Discount rate	3.58%
Discount rate	3.87%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2018.

Changes in the Total OPEB Liability

Balance at June 30, 2017	\$ 7,029,915
Changes for the year:	
Service cost	297,127
Interest	283,557
Differences between expected and actual experience	167,657
Changes of assumptions	(254,289)
Benefit payments and net transfers	(209,073)
Net changes	284,979
Balance at June 30, 2018	\$ 7,314,894

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1.0% Decrease (2.87%)	Current Discount Rate (3.87%)	1.0% Increase (4.87%)
Total OPEB liability	\$ 8,307,320	\$ 7,314,894	\$ 6,508,160

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 11 - Postemployment Health Care Benefits (continued)

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 6,931,196	\$ 7,314,894	\$ 7,822,505

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$591,861. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 156,480	\$ -
Changes in assumptions	-	(237,336)
Total	\$ 156,480	\$ (237,336)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30:

2019	(5,775)
2020	(5,775)
2021	(5,775)
2022	(5,775)
2023	(5,775)
Thereafter	(51,979)

Note 12 - Long-Term Debt

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
Certificates of Indebtedness,					
Series 2007	2,950,000	-	215,000	2,735,000	220,000
Series 2009	735,000	-	360,000	375,000	375,000
Series 2011	2,145,000	-	405,000	1,740,000	415,000
Series 2015	23,635,000	-	965,000	22,670,000	1,000,000
Community Development Block Grant for Economic Development	228,661	-	24,996	203,665	25,000
Total Governmental Bonds And Notes Payable	29,693,661	-	1,969,996	27,723,665	2,035,000

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED, JUNE 30, 2018

Note 12 - Long-Term Debt (continued)

Other Liabilities:

Accrued Heart and Lung Disability	490,505	-	225,142	265,363	34,597
Accrued Vacation, Sick And Compensatory Time	<u>990,149</u>	<u>68,530</u>	<u>-</u>	<u>1,058,679</u>	<u>1,058,679</u>
Total Other Liabilities	<u>1,480,654</u>	<u>68,530</u>	<u>225,142</u>	<u>1,324,042</u>	<u>1,093,276</u>

Total Governmental Activities

<u>Long-Term Debt</u>	<u>\$31,174,315</u>	<u>\$ 68,530</u>	<u>\$ 2,195,138</u>	<u>\$29,047,707</u>	<u>\$3,128,276</u>
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Business-Type Activities:

Bonds and Notes Payable:					
Certificates of Indebtedness,					
Sewer Bonds 2010	\$ 959,000	\$ -	\$ 60,000	\$ 899,000	\$ 60,000

Other Liabilities:

Accrued Vacation, Sick And Compensatory Time Business-Type Activities	<u>208,061</u>	<u>-</u>	<u>9,333</u>	<u>198,728</u>	<u>198,728</u>
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Total Business-Type Activities

<u>Long-Term Debt</u>	<u>\$1,167,061</u>	<u>\$ -</u>	<u>\$ 69,333</u>	<u>\$1,097,728</u>	<u>\$ 258,728</u>
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Payments on the bonds and notes payable that pertain to the City's governmental activities are made by the debt service funds. The accrued heart and lung disability and accrued vacation, sick and compensatory time will be liquidated primarily by the General Fund. Payment of compensated absences is dependent upon many factors; therefore, the timing of future payments is not readily determinable.

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

Year Ended June 30,	<u>Certificates of Indebtedness</u>			
	<u>Series 2007</u>		<u>Series 2009</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 220,000	\$ 111,212	\$ 375,000	\$ 6,975
2020	230,000	102,097	-	-
2021	245,000	92,360	-	-
2022	255,000	82,046	-	-
2023	265,000	71,190	-	-
2024-2028	1,520,000	170,370	-	-
2029	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,735,000</u>	<u>\$ 629,275</u>	<u>\$ 375,000</u>	<u>\$ 6,975</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 12 - Long-Term Debt (continued)

Year Ended <u>June 30,</u>	Certificates of Indebtedness			
	Series 2011		Series 2015	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 415,000	\$ 35,554	\$ 1,000,000	\$ 855,056
2020	430,000	25,752	1,035,000	804,181
2021	440,000	15,660	1,070,000	751,556
2022	455,000	5,278	1,105,000	702,706
2023	-	-	1,145,000	669,156
2024-2028	-	-	6,355,000	2,522,956
2029-2033	-	-	7,555,000	1,359,497
2034-2036	-	-	<u>3,405,000</u>	<u>119,091</u>
Total	<u>\$ 1,740,000</u>	<u>\$ 82,244</u>	<u>\$ 22,670,000</u>	<u>\$ 7,784,199</u>

Year Ended <u>June 30,</u>	CDBG Division of Adm. <u>Economic Development</u>		Sewer Revenue Bonds <u>Series 2010</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2019	\$ 25,000	\$ -	\$ 60,000
2020	25,000	-	61,000	4,895
2021	25,000	-	62,000	3,618
2022	25,000	-	62,000	3,083
2023	25,000	-	63,000	2,801
2024-2028	78,665	-	322,000	9,707
2029-2032	-	-	269,000	2,437
Total	<u>\$ 203,665</u>	<u>\$ -</u>	<u>\$ 899,000</u>	<u>\$ 30,978</u>

Subsequent to year end, the City of West Monroe had a Sales Tax Bond issuance in the amount of \$11,245,000. These bonds will pay off the remaining balance of the 2007 Sales Tax Bond and the remaining amounts will be used for making capital improvements and paying the costs associated with issuance of the bonds.

Note 13 - Long-Term Firemen's Disability Payments

The City of West Monroe is self-insured with respect to workers' compensation claims up to \$250,000 per occurrence. Consequently, the City is responsible for providing Louisiana State Workers Compensation benefits under the Heart and Lung Act. Under this act, special treatment has been accorded firemen who develop any disease or infirmity of the heart and lungs. Louisiana Revised Statute 33.2581 provides a presumption in favor of firemen that the disease is related to employment even if they are not on duty when stricken with the disease, if the disease manifests itself after the first five years of employment. At June 30, 2018, the City is responsible for payment of lifetime benefits to three firemen or their spouses. A fourth fireman was receiving benefits but passed away during the year. It has not been determined if his spouse is entitled to benefits and thus no amount has been recorded. The actuarial estimate of the liability is \$265,363.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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

The annual payment requirements outstanding at June 30, 2018 are as follows:

2019	\$ 34,597
2020	34,597
2021	34,597
2022	34,597
2023	33,001
2024-2028	82,434
2029-2033	<u>11,540</u>
<u>TOTAL</u>	<u>\$ 265,363</u>

Note 14 - Municipal Facilities Revolving Loan Fund

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

Sewer Revenue Bonds

Sewer revenue bonds were issued in the amount of \$1,250,000 to help fund the above project. This amount will be paid back over a twenty year amortization period at .45% and is also recognized as bonds payable. Sewer Revenue Bonds of \$4,750,000 were also issued but were forgiven during the year ending June 30, 2013. See note 12 for the principal and interest requirements.

Note 15 - Operating Lease

The City is obligated under an operating lease for a building. This lease is a triple net lease for a period of ten years for \$1,000 per month beginning August 1, 2004. At the end of the initial ten year term, the lease automatically renewed for an additional five years for \$1,060 per month. The lease was extended an additional five years through July 31, 2024 with payments of \$1,113 beginning August 1, 2019. The lease can be extended another five years for \$1,169. The following is a schedule by years of future minimum rental payments:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2019	\$ 12,720
2020	13,303
2021	13,356
2022	13,356
2023	13,356
2024-2025	14,469

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 16 - Northeast Louisiana Arts Council

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

Note 17 - Litigation

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

Note 18 - Self-Insurance Program

During 1998, the City began a self-insurance program for hospitalization and medical coverage for its active employees and retirees. The City limits its losses through the use of reinsurers up to \$75,000 per employee. The City's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees. At June 30, 2018, the City's annual cost, excluding reinsurance premiums, is limited to approximately \$4,000,000 which was for active employees. Approximately 30 retirees receive benefits under this plan. These retirees reimbursed the City for \$178,122 during the year ended June 30, 2018 for their cost of the health care benefits.

Note 19- Deferred Compensation Plan

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

Since the assets of the plans are held in a custodial account with a third party administrator, the assets and liabilities are not presented in the City's financial statements in accordance with GASB 32. Assets with a fair market value of \$1,218,627 are held by Nationwide Retirement Solutions, Inc. and VALIC Financial Advisors.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 20- Interfund Operating Transfers In and Out

Interfund operating transfers in and out during the year ended June 30, 2018, were as follows:

<u>Fund</u>	<u>In</u>	<u>Operating Transfers</u> <u>Out</u>
Major Funds:		
General Fund	\$ 100,000	\$ 2,073,628
'86 Sales Tax Capital	-	1,715,749
2015 Debt Capital Fund	-	1,557,828
Enterprise Fund	837,867	-
Non-Major Funds:		
Special Revenue Funds	468,952	-
Capital Project Funds	170,649	-
Internal Service Fund	298,552	-
Expendable Trust Funds	368,257	-
Debt Service Funds	<u>3,102,928</u>	<u>-</u>
TOTAL	<u>\$ 5,347,205</u>	<u>\$ 5,347,205</u>

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

Note 21 - Interfund Receivables and Payables

Interfund balances at June 30, 2018, were as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Interfund</u> <u>Payables</u>
Major Funds:		
General Fund	\$ 2,024,425	\$ 135,541
'86 Sales Tax	135,541	1,575,762
2015 Debt Capital	599,265	-
Enterprise Fund	-	333,433
Non-Major Funds:		
Special Revenue Funds	24,948	647,452
Debt Service Funds	307,598	132,669
Capital Project Fund	171,098	-
Fiduciary Funds	1,081,094	79,806
Internal Service Fund	<u>-</u>	<u>1,439,306</u>
TOTAL	<u>\$ 4,343,969</u>	<u>\$ 4,343,969</u>

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 22 - On-Behalf Payments

Certain City employees in the City Marshal's office, the West Monroe Police and Fire departments receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No. 24, the City has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$625,008 and the related expenditures are as follows:

Marshal's Office	\$ 16,517
Police Department	315,924
Jail	42,000
Code Enforcement	12,000
Fire Department	<u>238,567</u>
Total	<u>\$ 625,008</u>

Note 23- Minimum Lease Payments Receivable – Direct Financing Lease

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

The following lists the components of the minimum lease payments to be received under the direct financing lease as of June 30, 2018:

Total minimum lease payments to be received	\$ 206,415
Less: Amounts representing estimated executory costs (such as taxes, maintenance, and insurance), including profit thereon, included in total minimum lease payments	<u>-</u>
Minimum lease payments receivable	206,415
Estimated residual values of leased property (unguaranteed)	-
Less: Unearned Income	<u>(-)</u>
<u>NET MINIMUM LEASE PAYMENTS RECEIVABLE –</u>	
<u>DIRECT FINANCING LEASE</u>	<u>\$ 206,415</u>

Future minimum lease payments are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2019	\$ 25,020
2020	25,020
2021	25,020
2022	25,020
2023	25,020
2024-2028	<u>81,315</u>
Total	<u>\$ 206,415</u>

Note 24 - Component Units

For the year ending June 30, 2018, the City has chosen to include its legally separate components units discretely in the City's financial statement in accordance with accounting principles generally accepted in the United States.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 25 - Subsequent Events

Subsequent events have been evaluated through November 30, 2018, the date that the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately recorded or disclosed. See Note 12 for subsequent event involving issuance of Sales Tax Bonds.

Note 26 - Fund Changes and Fund Balances

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2018 are as follows:

<u>Classification/Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable:		
General Fund	Inventory	\$ 27,091
	Minimum Lease Payment Receivable	206,415
Restricted:		
2015 Debt Capital	Capital Improvements	3,308,635
Emergency Shelter	FEMA Emergency Shelter Recipients	5,791
Rental Rehab	Public Housing	6,904
Section 8	Public Housing	24,541
Metro LCLE	LCLE Multi-Jurisdictional Taskforce	2,614
Misc Projects		67
Various Cap. Projects	Various Cap. Projects	177,400
Committed:		
General Fund	Fund Balance for Next Year's Operations	-
Assigned:		
Office of Motor Veh	DMV Operations	16,396
2007 Debt Service		60,792
2011 Debt Service		317,406
Unassigned:		
General Fund		5,593,983
86 Sales Tax	Capital Improvements	(106,375)
Street Maintenance	Maintenance of Streets and Roads	(175,139)
2003 Debt Service	Servicing 2003 Debt	(74,943)
2015 Debt Service	Servicing 2015 Debt	(856)
Americorps	Americorps Projects	-
Keep WM Beautiful	Litter Prevention	(61,243)
Ouachita Outreach		(142,649)
Officer Witness Court		(13,105)
Total Fund Balances		<u>\$ 9,173,725</u>

Note 27 - Prior Period Adjustment – New Accounting Standard

For the year ended June 30, 2018, the City implemented the following pronouncement: GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The Statement is summarized below:

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 27 - Prior Period Adjustment – New Accounting Standard (continued)

GASB Statement No. 75 requires governments that participate in defined benefit other post-employment benefit (OPEB) plans to report in the statement of net position a net OPEB liability. The net OPEB liability is the difference between the total OPEB liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust restricted to paying benefits to current employees, retirees and beneficiaries. The Statement requires cost-sharing employers to record a liability and expenses equal to their proportionate share of the collective net OPEB liability and expense for the cost-sharing plan. The Statement will also improve the comparability and consistency of how governments calculate the OPEB liabilities and expense.

The restatement of the beginning of the year net position is as follows:

<u>Government Activities</u>	
Net Position as previously stated July 1, 2017	\$ 7,529,947
Net Change of Net Position due to increase in OPEB liability from Adoption of GASB 75	(4,351,326)
Net Position as restated July 1, 2017	<u>\$ 3,178,621</u>
<u>Business-Type Activities</u>	
Net Position as previously stated July 1, 2017	\$ 23,194,073
Net Change of Net Position due to increase in OPEB liability from Adoption of GASB 75	(871,861)
Net Position as restated July 1, 2017	<u>\$ 22,322,212</u>

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 18,156,200	\$ 17,914,568	\$ 17,914,568	\$ -
Intergovernmental	659,710	370,851	370,851	-
Licenses and Permits	1,043,800	1,013,891	1,018,441	4,550
Charges for Services	2,542,700	2,554,471	2,545,271	(9,200)
Fines and Forfeitures	525,000	430,349	430,349	-
Interest Earned	3,000	2,435	2,435	-
Franchise Revenue	845,000	833,971	833,971	-
Sale of Assets	20,000	100,813	100,813	-
Other	59,500	49,124	53,774	4,650
Total Revenues	23,854,910	23,270,473	23,270,473	-
<u>Expenditures</u>				
General Government:				
Elected Council	104,070	101,668	101,668	-
City Court	573,710	591,340	591,340	-
Marshal	510,085	521,467	521,467	-
Mayor's Office	202,375	202,435	202,435	-
City Clerk's Office	1,209,131	1,187,705	1,187,705	-
City Hall Maintenance	452,900	515,578	515,578	-
General and Administrative	1,675,760	1,838,884	1,838,884	-
Public Safety:				
Legal	471,530	471,290	471,290	-
Fire	2,909,775	2,858,366	2,858,366	-
Police	5,215,255	5,375,400	5,375,400	-
Prison	845,720	826,514	826,514	-
Police Shop	140,885	116,731	116,731	-
Public Works:				
Garbage	746,575	753,508	753,508	-
Trash	602,430	595,546	595,546	-
Streets	900,250	909,793	909,793	-
Cemetery	7,800	6,720	6,720	-
Planning and Zoning	39,175	38,850	38,850	-
Inspection	224,821	221,623	221,623	-
City Maintenance Shop	390,850	398,359	398,359	-

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Culture and Recreation:				
Recreation and Parks	\$ 344,908	\$ 396,002	\$ 396,002	\$ -
Kiroli Park	553,310	515,748	515,748	-
Lazarre Park	6,000	7,133	7,133	-
Restoration Park	10,700	8,037	8,037	-
Farmer's Market	47,020	45,310	45,310	-
Ike Hamilton Expo Center	1,225,455	1,081,475	1,081,475	-
Convention Center	928,460	880,651	880,651	-
Community Development & Center	464,575	443,771	443,771	-
Tanner Building & Business Center	237,925	233,363	233,363	-
Section 8 Housing	214,710	-	-	-
Economic Development	83,465	75,971	75,971	-
Total Expenditures	<u>21,339,625</u>	<u>21,219,238</u>	<u>21,219,238</u>	<u>-</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	2,515,285	2,051,235	2,051,235	-
<u>Other Financing Sources and (Uses)</u>				
Transfers In	150,000	100,000	100,000	-
Transfers Out	<u>(2,174,445)</u>	<u>(2,073,628)</u>	<u>(2,073,628)</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>(2,024,445)</u>	<u>(1,973,628)</u>	<u>(1,973,628)</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	490,840	77,607	77,607	-
<u>Fund Balance at Beginning of Year</u>	<u>5,749,882</u>	<u>5,749,882</u>	<u>5,749,882</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 6,240,722</u>	<u>\$ 5,827,489</u>	<u>\$ 5,827,489</u>	<u>\$ -</u>

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

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - '86 SALES TAX 75% CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Sales Tax	\$ 5,740,000	\$ 5,560,000	\$ 5,559,646	\$ (354)
Intergovernmental	-	-	3,266	3,266
Charges for Services	-	-	-	-
Sales of Asset	-	-	-	-
Other	100,000	32,400	29,142	(3,258)
Interest Income	500	775	766	(9)
Total Revenues	5,840,500	5,593,175	5,592,820	(355)
Expenditures				
Computer Equipment and Software	500,000	670,000	669,664	336
Street Projects	20,000	215,450	215,435	15
Drainage Projects	30,000	96,150	96,150	-
Furniture and Fixtures	2,000	50,750	50,728	22
Vehicles	400,000	92,850	92,838	12
Machinery and Equipment	1,300,000	565,135	565,170	(35)
Consultants	-	8,900	8,918	(18)
Engineering	200,000	356,700	356,688	12
Construction/Buildings/Facilities	100,000	86,150	86,168	(18)
Water Projects	400,000	70,200	70,215	(15)
Sewer Projects	40,000	76,700	76,706	(6)
Treatment Plant Projects	10,000	13,000	13,000	-
Land Purchases	-	4,300	4,300	-
Major Repairs	50,000	39,100	34,148	4,952
Miscellaneous	530,000	476,500	479,176	(2,676)
Maintenance	700,000	966,850	969,077	(2,227)
Total Expenditures	4,282,000	3,788,735	3,788,381	354
Excess of Revenues Over Expenditures	1,558,500	1,804,440	1,804,439	(1)
Other Financing Sources and (Uses)				
Transfers In	-	-	-	-
Transfers Out	(1,253,000)	(1,715,750)	(1,715,749)	1
Total Other Financing Sources and Uses	(1,253,000)	(1,715,750)	(1,715,749)	1
Net Change in Fund Balance	305,500	88,690	88,690	-
Fund Balance at Beginning of Year	(195,065)	(195,065)	(195,065)	-
FUND BALANCE AT END OF YEAR	\$ 110,435	\$ (106,375)	\$ (106,375)	\$ -

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

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

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 297,127
Interest	283,557
Changes in benefit terms	-
Difference between expected and actual experience	167,657
Changes in Assumptions	(254,289)
Benefit Payments	(209,073)
Net Change in Total OPEB Liability	284,979
Total OPEB liability - beginning	7,029,915
Total OPEB liability - ending (a)	\$ 7,314,894
Covered Employee Payroll	\$ 9,088,183
Net OPEB liability as a percentage of covered employee payroll	80.49%

Notes to Schedule:

Benefit Changes - There were no changes of benefit terms for the year ended June 30, 2018.

Changes in Assumption - There were no changes of assumptions for the year ended June 30, 2018.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF WEST MONROE, LOUISIANA
WEST MONROE, LOUISIANA

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018

	MERS			
	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Employer's Proportion of the Net Pension Liability (Asset)	3.5568%	3.4255%	3.3204%	3.2940%
Employer's Proportionate Share of the Net Pension Liability (Asset) \$	14,879,694	\$ 14,039,990	\$ 11,860,921	\$ 8,453,863
Employer's Covered-Employee Payroll \$	11,528,881	\$ 11,326,047	\$ 11,127,854	\$ 12,339,402
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	129.06%	123.96%	106.59%	68.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.49%	62.11%	66.18%	73.99%
	MPERS			
	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Employer's Proportion of the Net Pension Liability (Asset)	1.0824%	1.1255%	1.0739%	1.1694%
Employer's Proportionate Share of the Net Pension Liability (Asset) \$	9,430,961	\$ 10,549,125	\$ 8,413,119	\$ 7,315,950
Employer's Covered-Employee Payroll \$	11,528,881	\$ 11,326,047	\$ 11,127,854	\$ 12,339,402
Employer's Proportionate Share of the Net Pension Liability (Asset) as (Asset) as a Percentage of its Covered Employee Payroll	81.80%	93.14%	75.60%	59.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.08%	66.04%	70.73%	75.10%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

* The amounts presented have a measurement date of the previous fiscal year end.

CITY OF WEST MONROE, LOUISIANA
WEST MONROE, LOUISIANA

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (cont.)
FOR THE YEAR ENDED JUNE 30, 2018

	FRS			
	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Employer's Proportion of the Net Pension Liability (Asset)	0.8019%	0.8332%	0.8044%	0.7515%
Employer's Proportionate Share of the Net Pension Liability (Asset) \$	4,596,186	\$ 5,499,705	\$ 4,341,275	\$ 3,344,235
Employer's Covered-Employee Payroll \$	11,528,881	\$ 11,326,047	\$ 11,127,854	\$ 12,339,402
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	39.87%	48.56%	39.01%	27.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.55%	68.16%	72.45%	76.02%
	LASERS			
	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Employer's Proportion of the Net Pension Liability (Asset)	0.0024%	0.0024%	0.0022%	0.0024%
Employer's Proportionate Share of the Net Pension Liability (Asset) \$	171,959	\$ 187,126	\$ 151,878	\$ 141,003
Employer's Covered-Employee Payroll \$	11,528,881	\$ 11,326,047	\$ 11,127,854	\$ 12,339,402
Employer's Proportionate Share of the Net Pension Liability (Asset)	1.49%	1.65%	1.36%	1.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension	62.50%	57.70%	62.70%	65.02%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

* The amounts presented have a measurement date of the previous fiscal year end.

CITY OF WEST MONROE, LOUISIANA
WEST MONROE, LOUISIANA

SCHEDULE OF THE EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2018

	MERS			
	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually Required Contribution ¹	\$ 1,593,641	\$ 1,406,663	\$ 1,201,843	\$ 1,119,250
Contributions in Relation to Contractually Required Contribution ²	<u>1,593,641</u>	<u>1,406,663</u>	<u>1,201,843</u>	<u>1,119,250</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Employee Payroll ³	\$ 11,528,881	\$ 11,326,047	\$ 11,127,854	\$ 12,339,402
Contributions as a % of Covered Employee Payroll	13.82%	12.42%	10.80%	9.07%
	MPERS			
	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually Required Contribution ¹	\$ 1,000,363	\$ 1,027,768	\$ 930,067	\$ 981,393
Contributions in Relation to Contractually Required	<u>1,000,363</u>	<u>1,027,768</u>	<u>930,067</u>	<u>981,393</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Employee Payroll ³	\$ 11,528,881	\$ 11,326,047	\$ 11,127,854	\$ 12,339,402
Contributions as a % of Covered Employee Payroll	8.68%	9.07%	8.36%	7.95%

This schedule is to be build prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to the respective pension funds*

³ *Employer's covered employee payroll amount for the fiscal year ended.*

CITY OF WEST MONROE, LOUISIANA
WEST MONROE, LOUISIANA

SCHEDULE OF THE EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2018

	FRS			
	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually Required Contribution ¹	\$ 461,682	\$ 472,509	\$ 510,063	\$ 500,011
Contributions in Relation to Contractually Required Contribution ²	461,682	472,509	510,063	500,011
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll ³	\$ 11,528,881	\$11,326,047	\$11,127,854	\$12,339,402
Contributions as a % of Covered Employee Payroll	4.00%	4.17%	4.58%	4.05%
	LASERS			
	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually Required Contribution ¹	\$ 19,054	\$ 17,713	\$ 17,419	\$ 18,597
Contributions in Relation to Contractually Required Contribution ²	19,054	17,713	17,419	18,597
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll ³	\$ 11,528,881	\$11,326,047	\$11,127,854	\$12,339,402
Contributions as a % of Covered Employee Payroll	0.17%	0.16%	0.16%	0.15%

This schedule is to be build prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

For reference only:

¹ Employer contribution rate multiplied by employer's covered employee payroll

² Actual employer contributions remitted to the respective pension funds

³ Employer's covered employee payroll amount for the fiscal year ended.

PRIMARY GOVERNMENT SUPPLEMENTAL
INFORMATION SCHEDULES

CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	<u>Street Maintenance Fund</u>	<u>West Ouachita Senior Center Fund</u>	<u>Emergency Shelter Program Fund</u>	<u>Officer Witness Court Fund</u>
<u>ASSETS</u>				
Cash in Bank	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due From Other Governments	495	17,240	-	581
Due From Other Funds	-	-	5,791	-
	<u>-</u>	<u>-</u>	<u>5,791</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>\$ 495</u>	<u>\$ 17,240</u>	<u>\$ 5,791</u>	<u>\$ 581</u>
 <u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 211	\$ -	\$ -
Due To Other Funds	175,634	17,029	-	13,686
Total Liabilities	<u>175,634</u>	<u>17,240</u>	<u>-</u>	<u>13,686</u>
 <u>FUND BALANCES</u>				
Restricted	-	-	5,791	-
Assigned	-	-	-	-
Unassigned	(175,139)	-	-	(13,105)
Total Fund Balances	<u>(175,139)</u>	<u>-</u>	<u>5,791</u>	<u>(13,105)</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 <u>\$ 495</u>	 <u>\$ 17,240</u>	 <u>\$ 5,791</u>	 <u>\$ 581</u>

<u>Rental Rehabilitation Fund</u>	<u>Section 8 Housing Fund</u>	<u>Miscellaneous Projects & Grant Funds</u>	<u>Metro LCLE Grant Fund</u>	<u>Office of Motor Vehicles</u>
\$ 6,904	\$ 226,212	\$ -	\$ -	\$ -
-	5,004	-	-	-
-	-	-	-	-
-	-	67	2,614	16,476
<u>\$ 6,904</u>	<u>\$ 231,216</u>	<u>\$ 67</u>	<u>\$ 2,614</u>	<u>\$ 16,476</u>
\$ -	\$ 6,670	\$ -	\$ -	\$ 80
-	200,005	-	-	-
-	206,675	-	-	80
6,904	24,541	67	2,614	-
-	-	-	-	16,396
-	-	-	-	-
<u>6,904</u>	<u>24,541</u>	<u>67</u>	<u>2,614</u>	<u>16,396</u>
<u>\$ 6,904</u>	<u>\$ 231,216</u>	<u>\$ 67</u>	<u>\$ 2,614</u>	<u>\$ 16,476</u>

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CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	<u>Keep Beautiful Grant Program</u>	<u>Americorps Grant Fund</u>	<u>Ouachita Outreach</u>	<u>Total Special Revenue Funds</u>
<u>ASSETS</u>				
Cash in Bank	\$ -	\$ -	\$ -	\$ 233,116
Accounts Receivable	-	-	-	5,004
Due From Other Governments	-	37,206	-	55,522
Due From Other Funds	-	-	-	24,948
<u>TOTAL ASSETS</u>	<u>\$ -</u>	<u>\$ 37,206</u>	<u>\$ -</u>	<u>\$ 318,590</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ -	\$ -	6,961
Due To Other Funds	61,243	37,206	142,649	647,452
Total Liabilities	61,243	37,206	142,649	654,413
<u>FUND BALANCES</u>				
Restricted	-	-	-	39,917
Assigned	-	-	-	16,396
Unassigned	(61,243)	-	(142,649)	(392,136)
Total Fund Balances	(61,243)	-	(142,649)	(335,823)
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ -</u>	<u>\$ 37,206</u>	<u>\$ -</u>	<u>\$ 318,590</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Street Maintenance Fund</u>	<u>West Ouachita Senior Center Fund</u>	<u>Emergency Shelter Program Fund</u>	<u>Officer Witness Court Fund</u>
<u>Revenues</u>				
Taxes	\$ 254,749	\$ -	\$ -	\$ -
Intergovernmental	-	295,127	10,000	-
Interest	-	-	-	-
Other	-	184,490	-	34,991
Total Revenues	<u>254,749</u>	<u>479,617</u>	<u>10,000</u>	<u>34,991</u>
<u>Expenditures</u>				
Public Safety	-	-	-	31,700
Public Works	399,907	-	-	-
Health and Welfare	-	875,898	21,054	-
Culture and Recreation	-	-	-	-
Capital Expenditures & Major Repairs	-	-	-	-
Total Expenditures	<u>399,907</u>	<u>875,898</u>	<u>21,054</u>	<u>31,700</u>
<u>Excess (Deficiency) of</u>				
Revenues Over Expenditure:	(145,158)	(396,281)	(11,054)	3,291
<u>Other Financing Sources</u>				
Operating Transfers - In (Out)	-	396,281	-	-
Total Other Financing Sources	<u>-</u>	<u>396,281</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(145,158)	-	(11,054)	3,291
Fund Balances - Beginning	<u>(29,981)</u>	<u>-</u>	<u>16,845</u>	<u>(16,396)</u>
FUND BALANCES - ENDING	<u>\$ (175,139)</u>	<u>\$ -</u>	<u>\$ 5,791</u>	<u>\$ (13,105)</u>

Rental Rehabilitation Fund	Metro LCLE Grant Fund	Americorps Grant Fund	Ouachita Outreach	Office of Motor Vehicles
\$ -	\$ -	\$ -	\$ -	\$ -
-	10,666	249,909	-	106,482
-	-	-	-	-
-	-	-	19,618	-
-	10,666	249,909	19,618	106,482
-	10,666	-	-	79,789
-	-	-	-	-
-	-	-	-	-
-	-	242,838	46,135	-
-	-	-	-	-
-	10,666	242,838	46,135	79,789
-	-	7,071	(26,517)	26,693
-	-	172,671	-	(100,000)
-	-	172,671	-	(100,000)
-	-	179,742	(26,517)	(73,307)
6,904	2,614	(179,742)	(116,132)	89,703
<u>\$ 6,904</u>	<u>\$ 2,614</u>	<u>\$ -</u>	<u>\$ (142,649)</u>	<u>\$ 16,396</u>

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CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2018

	Section 8 Housing Fund	Misc. Projects and Grant Funds	Keep West Monroe Beautiful Grant Program	Total Nonmajor Special Revenue Funds
<u>Revenues</u>				
Taxes	\$ -	\$ -	\$ -	\$ 254,749
Intergovernmental	1,571,832	17,696	-	2,261,712
Interest	269	-	-	269
Other	333,289	6,010	-	578,398
Total Revenues	1,905,390	23,706	-	3,095,128
<u>Expenditures</u>				
Public Safety	-	-	-	122,155
Public Works	-	-	-	399,907
Health and Welfare	1,911,608	-	-	2,808,560
Culture and Recreation	-	14,753	20,478	324,204
Capital Expenditures & Major Repairs	-	-	-	-
Total Expenditures	1,911,608	14,753	20,478	3,654,826
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	(6,218)	8,953	(20,478)	(559,698)
<u>Other Financing Sources (Uses)</u>				
Operating Transfers - In (Out)	-	-	-	468,952
Total Other Financing Sources (Uses)	-	-	-	468,952
<u>Net Change in Fund Balance</u>	(6,218)	8,953	(20,478)	(90,746)
<u>Fund Balances - Beginning</u>	30,759	(8,886)	(40,765)	(245,077)
<u>FUND BALANCES - ENDING</u>	\$ 24,541	\$ 67	\$ (61,243)	\$ (335,823)

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

	June 30,	
	2018	2017
<u>Assets</u>		
Due From Other Governments:		
City of Monroe	\$ 1,687	\$ 3,820
Department of Transportation	15,553	57,221
<u>Total Assets</u>	\$ 17,240	\$ 61,041
 <u>Liabilities and Fund Balance</u>		
<u>Liabilities</u>		
Accounts Payable	\$ 211	\$ -
Due To Other Funds	17,029	61,041
Total Liabilities	17,240	61,041
<u>Fund Balance</u>		
Unassigned	-	-
<u>Total Liabilities and Fund Balance</u>	\$ 17,240	\$ 61,041

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

	For the Years Ended	
	June 30,	
	<u>2018</u>	<u>2017</u>
<u>Revenues</u>		
Department of Transportation	\$ 196,664	\$ 221,982
Ouachita Council on Aging		
Senior Center Funds	77,442	77,442
Supplemental Senior Center Funds	6,620	6,620
Louisiana Office of Elderly Affairs	-	-
United Way	125,804	125,817
Transportation Fees	14,316	11,370
Miscellaneous Revenues (Ceramics, Greenhouse, etc.)	58,771	61,647
Total Revenues	<u>479,617</u>	<u>504,878</u>
<u>Expenditures</u>		
Salaries and Related Expenditures	636,002	567,278
Professional Services	3,261	2,692
Repairs and Maintenance	17,634	14,634
Communications	3,144	2,385
Postage	5,557	3,171
Newsletter	2,998	10,405
Advertising	945	3,341
Travel	1,972	1,955
Supplies	62,098	64,779
Utilities	63,635	60,231
Fuel	48,348	43,920
Miscellaneous	30,304	11,691
Total Expenditures	<u>875,898</u>	<u>786,482</u>
<u>Deficiency of Revenues Over Expenditures</u>	(396,281)	(281,604)
<u>Other Financing Sources</u>		
City of West Monroe Support	<u>396,281</u>	<u>281,604</u>
<u>Net Change in Fund Balance</u>	-	-
<u>Fund Balance - Beginning</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	<u>2007</u> <u>Debt Service</u> <u>Fund</u>	<u>2003</u> <u>Debt Service</u> <u>Fund</u>	<u>2011</u> <u>Debt Service</u> <u>Fund</u>	<u>2015</u> <u>Debt Service</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Debt Service</u> <u>Funds</u>
<u>ASSETS</u>					
Cash in Bank	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-	-
Due from Other Governments	33,090	31,720	37,510	25,150	127,470
Due From Other Funds	27,702	-	279,896	-	307,598
	<u>60,792</u>	<u>31,720</u>	<u>317,406</u>	<u>25,150</u>	<u>435,068</u>
<u>TOTAL ASSETS</u>	<u>\$ 60,792</u>	<u>\$ 31,720</u>	<u>\$ 317,406</u>	<u>\$ 25,150</u>	<u>\$ 435,068</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	-	106,663	-	26,006	132,669
	<u>-</u>	<u>106,663</u>	<u>-</u>	<u>26,006</u>	<u>132,669</u>
Total Liabilities	-	106,663	-	26,006	132,669
<u>FUND BALANCES</u>					
Assigned	60,792	-	317,406	-	378,198
Unassigned	-	(74,943)	-	(856)	(75,799)
Total Fund Balances	<u>60,792</u>	<u>(74,943)</u>	<u>317,406</u>	<u>(856)</u>	<u>302,399</u>
<u>TOTAL LIABILITIES AND</u> <u>FUND BALANCES</u>	<u>\$ 60,792</u>	<u>\$ 31,720</u>	<u>\$ 317,406</u>	<u>\$ 25,150</u>	<u>\$ 435,068</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	2007 Debt Service Fund	2003 Debt Service Fund	2011 Debt Service Fund	2015 Debt Service Fund	Total Nonmajor Debt Service Funds
<u>Revenues</u>					
Taxes	\$ -	\$ -	\$ -	\$ 301,800	\$ 301,800
Sales of Assets	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>301,800</u>	<u>301,800</u>
<u>Expenditures</u>					
Principal Retirement	215,000	384,996	405,000	965,000	1,969,996
Other Debt Service Costs	600	-	-	200	800
Interest	119,912	20,645	45,066	894,532	1,080,155
Total Expenditures	<u>335,512</u>	<u>405,641</u>	<u>450,066</u>	<u>1,859,732</u>	<u>3,050,951</u>
<u>Excess (Deficiency) of Revenues</u>					
<u>Over Expenditures</u>	(335,512)	(405,641)	(450,066)	(1,557,932)	(2,749,151)
<u>Other Financing Sources</u>					
Operating Transfers - In	397,080	380,640	767,381	1,557,827	3,102,928
Operating Transfers - Out	-	-	-	-	-
	<u>397,080</u>	<u>380,640</u>	<u>767,381</u>	<u>1,557,827</u>	<u>3,102,928</u>
<u>Net Change in Fund Balance</u>	61,568	(25,001)	317,315	(105)	353,777
<u>Fund Balance - Beginning</u>	<u>(776)</u>	<u>(49,942)</u>	<u>91</u>	<u>(751)</u>	<u>(51,378)</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 60,792</u>	<u>\$ (74,943)</u>	<u>\$ 317,406</u>	<u>\$ (856)</u>	<u>\$ 302,399</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	<u>CDBG - Street Paving Project</u>	<u>2007 Debt Capital Fund</u>	<u>2011 Debt Capital Fund</u>	<u>CDBG - Send Technologies Project</u>	<u>CDBG - 5th Street Overlay</u>	<u>Total Nonmajor Capital Project Funds</u>
<u>ASSETS</u>						
Cash in Bank	\$ 6,278	\$ 5	\$ 8	\$ 7	\$ 4	\$ 6,302
Due From Other Governments	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	171,098	171,098
<u>TOTAL ASSETS</u>	<u>\$ 6,278</u>	<u>\$ 5</u>	<u>\$ 8</u>	<u>\$ 7</u>	<u>\$ 171,102</u>	<u>\$ 177,400</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-
<u>FUND BALANCES (DEFICITS)</u>						
Restricted	6,278	5	8	7	171,102	177,400
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>6,278</u>	<u>5</u>	<u>8</u>	<u>7</u>	<u>171,102</u>	<u>177,400</u>
<u>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</u>	<u>\$ 6,278</u>	<u>\$ 5</u>	<u>\$ 8</u>	<u>\$ 7</u>	<u>\$ 171,102</u>	<u>\$ 177,400</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>CDBG - Street Paving Project</u>	<u>2007 Debt Capital Fund</u>	<u>2011 Debt Capital Fund</u>	<u>CDBG - Send Technologies Project</u>	<u>CDBG - 5th Street Overlay</u>	<u>Total Nonmajor Capital Project Funds</u>
<u>Revenues</u>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 750,703	\$ 750,703
Interest Income	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,703</u>	<u>750,703</u>
<u>Expenditures</u>						
Capital Projects	-	-	-	-	750,254	750,254
<u>Excess (Deficiency) of</u>						
Revenues Over Expenditures	-	-	-	-	449	449
<u>Other Financing Sources (Uses)</u>						
Operating Transfers - In	-	-	-	-	170,649	170,649
Operating Transfers - Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,649</u>	<u>170,649</u>
<u>Net Change in Fund Balance</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,098</u>	<u>171,098</u>
<u>Fund Balances - Beginning</u>	<u>6,278</u>	<u>5</u>	<u>8</u>	<u>7</u>	<u>4</u>	<u>6,302</u>
<u>FUND BALANCES - ENDING</u>	<u>\$ 6,278</u>	<u>\$ 5</u>	<u>\$ 8</u>	<u>\$ 7</u>	<u>\$ 171,102</u>	<u>\$ 177,400</u>

OTHER SUPPLEMENTAL INFORMATION

CITY OF WEST MONROE, LOUISIANA
ALL FUNDS
SCHEDULE OF ASSESSED VALUATION AND AD VALOREM
PROPERTY TAX LEVY FOR 2017

<u>Assessed Valuation</u>		\$ 156,769,250
<u>Tax Rate Per Thousand Dollars (Mills)</u>		8.52
<u>Gross Tax Levy</u>		<u>\$ 1,335,676</u>
<u>Tax Collected</u>		
2017 Assessments		<u>\$ 1,331,547</u>
 <u>Allocation of Tax Collected</u>	<u>2017 Tax Rate Mills</u>	
General Fund	6.89	\$ 1,076,798
Street Maintenance	1.63	<u>254,749</u>
Total	<u>8.52</u>	<u>\$ 1,331,547</u>

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF REVENUES AND EXPENDITURES - CONVENTION CENTER
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Events</u>	<u>Concession</u>	<u>Catering</u>	<u>Total</u>
<u>Revenues</u>	\$ 14,165	\$ 7,300	\$ 549,751	\$ 571,216
<u>Cost of Operations</u>				
Operating Expenditures	-	-	255,711	255,711
Personnel	-	-	373,699	373,699
Total	-	-	629,410	629,410
<u>Gross Profit</u>	<u>\$ 14,165</u>	<u>\$ 7,300</u>	<u>\$ (79,659)</u>	(58,194)
<u>Administrative Expenditures</u>				
Director's Salary				61,455
Operations Salaries				67,099
Employee Benefits				57,579
Vehicle Maintenance				632
Materials, Repairs & Supplies				-
Operating Supplies				45,694
Travel, Car & Meetings				1,487
Cell Phones and Pagers				1,080
Fuel				2,093
Advertising				-
Office Supplies				1,578
Utilities				12,543
Total Administrative Expenditures				<u>251,240</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (309,434)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
571,216	-
255,711	-
<u>373,699</u>	<u>-</u>
<u>629,410</u>	<u>-</u>
\$ (58,194)	\$ -
61,455	-
67,099	-
57,579	-
632	-
-	-
45,694	-
1,487	-
1,080	-
2,093	-
-	-
1,578	-
12,543	-
<u>251,240</u>	<u>-</u>
<u>\$ (309,434)</u>	<u>\$ -</u>

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF REVENUES AND EXPENDITURES - IKE HAMILTON EXPO CENTER
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Equine Events</u>	<u>Concession</u>	<u>Stall Rentals & Shavings</u>	<u>Total</u>
<u>Revenues</u>	\$ 351,763	\$ 102,688	\$ 201,300	\$ 655,751
<u>Cost of Operations</u>				
Operating Expenditures	99,891	29,161	57,163	186,215
Personnel	152,041	44,384	87,008	283,433
Total	<u>251,932</u>	<u>73,545</u>	<u>144,171</u>	<u>469,648</u>
<u>Gross Profit</u>	<u>\$ 99,831</u>	<u>\$ 29,143</u>	<u>\$ 57,129</u>	186,103
<u>Administrative Expenditures</u>				
Director's Salary				88,586
Operations Salaries				68,779
Employee Benefits				64,873
Vehicle Maintenance				6,141
Materials, Repairs & Supplies				2,068
Gas and Oil				-
Office				575
Cell Phones and Pagers				960
Other Miscellaneous Purchases				201
Operating Supplies				35,985
Utilities				343,659
Total Administrative Expenditures				<u>611,827</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (425,724)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
655,751	-
186,215	-
<u>283,433</u>	<u>-</u>
<u>469,648</u>	<u>-</u>
\$ 186,103	\$ -
88,586	-
68,779	-
64,873	-
6,141	-
2,068	-
-	-
575	-
960	-
201	-
35,985	-
<u>343,659</u>	<u>-</u>
<u>611,827</u>	<u>-</u>
<u>\$ (425,724)</u>	<u>\$ -</u>

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO COUNCIL MEMBERS
FOR THE YEAR ENDED JUNE 30, 2018

James Bennett	\$	10,800
James Brian		10,800
Alice Pearson		4,950
Staci Albritton Mitchell		10,800
Thom Hamilton		10,800
Ben Westerburg		5,400
		<hr/>
	\$	<u>53,550</u>

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS
AND UNIFORM GUIDANCE

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

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

Honorable Mayor and Board of Aldermen of
West Monroe, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 the City of West Monroe, Louisiana (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 30, 2018.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of the Report

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

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
November 30, 2018

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Board of Aldermen of
West Monroe, Louisiana

Report on Compliance for Each Major Federal Program

We have audited City of West Monroe, Louisiana's (the City) compliance with the type of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2018. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, contracts, and terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

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

Report on Internal Control Over Compliance

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

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

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

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

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
November 30, 2018

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the basic government financial statements of the City of West Monroe, Louisiana.
2. No significant deficiencies were disclosed during the audit of the financial statements as reported in the Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards* and the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
3. No instances of noncompliance material to the financial statements of the City of West Monroe, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award programs in the Report On Compliance With Requirements That Could Have A Direct and Material Effect on Each Major Program And On Internal Control Over Compliance In Accordance With Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Uniform Guidelines Requirements for Federal Awards.
5. The auditors' report on compliance for the major federal award programs for the City of West Monroe, Louisiana expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for the City of West Monroe, Louisiana.
7. The program tested as major programs included the Department of Housing and Urban Development Voucher Program, CFDA No. 14.871 and Capitalization Grants for Clean Water State Revolving Funds, CFDA No. 66.458.
8. The threshold for distinguishing between Types A and B programs was \$750,000.
9. The City of West Monroe, Louisiana does not qualify to be a low-risk auditee.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018 (continued)

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no findings that relate to the major federal programs.

FINDINGS – FINANCIAL STATEMENT AUDIT

No audit findings noted for the year.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass - Through Number</u>	<u>Expenditures</u>
Department of Housing & Urban Development			
Section 8 Housing Choice Vouchers HAP - Vouchers	14.871		* \$ 1,569,898
Department of Homeland Security			
Emergency Food and Shelter National Board Program	97.024		21,053
Department of Justice			
Multi Jurisdictional Task Force	16.738		10,666
Department of Transportation			
Louisiana Highway Safety Commission			
Highway Planning and Construction	20.205		527,335
Formula Grants for Rural Areas	20.509		196,664
Bus and Bus Facilities Formula Program	20.526	LA-2017-016-00	203,663
State and Community Highway Safety	20.600		50,074
Repeat Offender Funds	20.608		103,986
United States Environmental Protection Agency			
Louisiana Department of Environmental Quality Capitalization Grants for Clean Water State Revolving Funds	66.458		* 1,186,420
Corporation for National and Community Service			
Volunteer Louisiana Commission in the Office of the Lieutenant Governor AmeriCorps	94.006	18AFHLA0010001	249,909
Executive Office of the President			
HIDTA Overtime Reimbursement Metro Narcotics	95.001		<u>11,164</u>
			<u>\$ 4,130,832</u>

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

1. **General**

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

2. **Basis of Accounting**

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the City's financial statements. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. **Federal Indirect Cost Rate**

The City of West Monroe, Louisiana did not elect to use the 10% de minimis federal indirect cost rate for the year ended June 30, 2018.

CITY OF WEST MONROE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

Internal Control and Compliance Material to Federal Awards

17-1 Utility Allowance

Federal program and specific federal award identification:

This finding relates to Section 8 Housing Choice Vouchers, CFDA #14.871 for Federal Award Year 2016, received from United States Department of Housing and Urban Development.

Condition:

It was noted during testing of this grant that the City had not reviewed its schedule of utility allowances in the last year.

Recommendation:

The City should consult with the local companies that provide utilities to its service area and review its schedule of utility allowances to determine if any revisions need to be made.

Current Status:

The finding has been cleared.

17-2 Rent Reasonableness

Federal program and specific federal award identification:

This finding relates to Section 8 Housing Choice Vouchers, CFDA #14.871 for Federal Award Year 2016, received from United States Department of Housing and Urban Development.

Condition:

It was noted during testing of this grant that the City had not properly performed and documented a test of rent reasonableness in accordance with federal regulations.

Recommendation:

The City should perform and document a test of rent reasonableness in accordance with federal regulations.

Current Status:

The finding has been cleared.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2018

Agency Head
Mayor Dave Norris

Salary \$ 85,000

Benefits

Pension - Municipal	21,037
Medical Insurance	7,904
Life and Disability Insurance	250
Gym Membership	240
Car Allowance	<u>9,600</u>

Total Benefits 39,031

Total \$ 124,031

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the City of West Monroe and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the City of West Monroe (City) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The City's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):¹
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g.

¹ For governmental organization, the practitioner may eliminate those categories and subcategories that do not apply to the organization's operations. For quasi-public organizations, including non-profits, the practitioner may eliminate those categories and subcategories that do not apply to public funds administered by the quasi-public.

periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics²**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings: Twenty-nine exceptions noted where the written policies of the City did not meet the requirements of the Louisiana Legislative Auditor.

Board or Finance Committee³

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-

² The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the non-profit should have written policies and procedures relating to ethics.

³ These procedures are not applicable to entities managed by a single elected official, such as sheriff or assessor.

to-actual comparisons, if budgeted) for major proprietary funds.⁴ *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Findings: No exceptions noted.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁵ (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: Five exceptions noted where the selected bank reconciliations did not include evidence that they were prepared within 2 months of the related statement closing date. Five exceptions noted where the selected bank reconciliations did not include evidence that a member of management/board member had reviewed each bank reconciliation. Three exceptions noted where there was not documentation that management had researched reconciling items that had been outstanding for more than 12 months from the statement closing date.

⁴ Major funds are defined under GASB standards. The related procedure addresses major funds as a way to verify that boards are provided with financial information necessary to make informed decisions about significant entity operations, including proprietary operations that are not required to be budgeted under the LGBA.

⁵ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

Collections

4. Obtain a listing of deposit sites⁶ for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Findings: We obtained the listing and management's representation.

5. For each deposit site selected, obtain a listing of collection locations⁷ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Findings: No exceptions noted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Findings: No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day)⁸. *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a*

⁶ A deposit site is a physical location where a deposit is prepared and reconciled.

⁷ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit.

⁸ If "bank reconciliations" have been rotated off for Year 2, the practitioner should insert a procedure with the same selection methodology that would have been used for bank reconciliations.

cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Findings: Two exceptions noted where the deposit was not made within one business day of receipt at the collection location.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Findings: We obtained the listing and randomly selected the locations from that listing.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Findings: No exceptions noted.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- Observe that the disbursement matched the related original invoice/billing statement.
 - Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Findings: One exception noted where the purchase order date was after the invoice date.

Travel and Travel-Related Expense Reimbursements⁹ (excluding card transactions)

11. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: Two exceptions noted where the incorrect reimbursement rate was used.

Payroll and Personnel

12. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

⁹ Non-travel reimbursements are not required to be tested under this category.

Findings: No exceptions noted.

13. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Findings: No exceptions noted.

14. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Findings: No exceptions noted.

15. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Findings: We obtained management's representation.

Management's Response

We concur with the results of the procedures and are working diligently to improve controls.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed

additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 4, 2018