

ANNUAL FINANCIAL REPORT

CITY OF MONROE, LOUISIANA



For The Year Ended
April 30, 2015

**City of Monroe
Monroe, Louisiana**

ANNUAL FINANCIAL REPORT

**For The Year Ended
April 30, 2015**

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**City of Monroe
Monroe, Louisiana**

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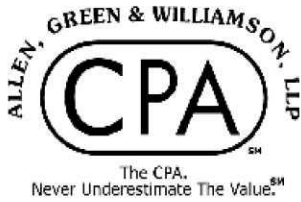
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**City of Monroe
Monroe, Louisiana**

Independent Auditor's Report

**City of Monroe
Monroe, Louisiana**

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INDEPENDENT AUDITOR'S REPORT

Council Members and Honorable Mayor Mayo
City of Monroe
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 Monroe (the City), as of and for the year ended April 30, 2015, 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statement of the Monroe City Court or the Monroe City Marshal, which represents the aggregate discretely presented component units. Those statements were audited by another auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in the component unit columns, is based on the reports of the other auditor. 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 from 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 auditor's 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 City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe, as of April 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress of Other Post Employment Benefit Plan, and the Budgetary Comparison Schedules, as listed in the table of contents, 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 considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, 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.

Supplementary and 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 accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and other information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated October 31, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 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.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
October 31, 2015

**City of Monroe
Monroe, Louisiana**

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City of Monroe
Monroe, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)**

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City of Monroe
Monroe, Louisiana

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City of Monroe
Monroe, Louisiana

REQUIRED SUPPLEMENTARY INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2015

As management of the City of Monroe (the City), we offer readers of the City of Monroe's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended April 30, 2015. It is designed to assist the reader in focusing on significant financial issues, identify changes in the City's financial position, and identify material deviations and individual fund issues or concerns. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. Please read it in conjunction with the City's financial statements which follow this Management's Discussion and Analysis. Amounts are presented in millions unless otherwise noted.

FINANCIAL HIGHLIGHTS The primary resources available to the City are

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$220.4 million. Of this amount, \$47.2 million represents the portion of net position which is restricted for capital improvements, debt service and other externally imposed restrictions.
- The government's total net position increased by approximately \$.6 million. Part of this increase is due to a prior period adjustment of \$1.5 million. See the notes to the financial statements for additional information.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$79.6 million, an increase of \$5.0 million in comparison with the prior year. Of this amount, approximately \$14.6 million is in unassigned fund balance.
- The General Fund's fund balance was \$15.1 million at the end of the fiscal year, in which \$.4 was nonspendable for inventories and prepaid items and the remaining \$14.7 million was unassigned.
- The City's total debt decreased by approximately \$4.2 million during the current fiscal year.

Overview of the Financial Statements

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

Not only do the government-wide financial statements include the City itself which is the primary government, but also its component units, Monroe City Court and Monroe City Marshal. Although these component units are legally separated, their operational or financial relationship with the City makes the City financially accountable. The component units' audit reports can be obtained by contacting the City or the respective component unit.

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

The Statement of Net Position provides information on all of the City's assets, liabilities and deferred inflows/outflows of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as useful indicator of whether the financial position of the City of Monroe is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2015

some items that will only resulting cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave.)

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

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

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

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

Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance for the General funds, Capital Infrastructure Special Revenue Fund, Sales Tax Debt Service Fund, I-20 Corridor Improvements and Kansas Lane Connector Fund, all of which are considered to be major funds. Data from the nonmajor governmental funds are combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements reported in supplementary information.

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

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

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2015

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

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

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

THE CITY AS A WHOLE. The City's net position was \$220.4 million at April 30, 2015. Of this amount \$(6.0) million was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the City's ability to use those net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the City's governmental activities.

Table 1
Net Position
April 30,
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014**	2015	2014**	2015	2014**
Assets						
Current and other assets	\$ 84.0	\$ 81.5	\$ 18.1	\$ 14.1	\$ 102.1	\$ 95.6
Capital assets	149.8	157.1	168.2	169.9	318.0	327.0
Total assets	<u>233.8</u>	<u>238.6</u>	<u>186.3</u>	<u>184.0</u>	<u>420.1</u>	<u>422.6</u>
Liabilities						
Current and other liabilities	6.1	7.5	5.6	3.2	11.7	10.7
Long-term liabilities	117.0	116.8	71.0	73.8	188.0	190.6
Total liabilities	<u>123.1</u>	<u>124.3</u>	<u>76.6</u>	<u>77.0</u>	<u>199.7</u>	<u>201.3</u>
Net position						
Net investment in capital assets	80.7	90.1	98.5	98.8	179.2	188.9
Restricted	44.6	55.7	2.6	3.1	47.2	58.8
Unrestricted	(14.6)	(31.5)	8.6	5.1	(6.0)	(26.4)
Total net position	<u>\$ 110.7</u>	<u>\$ 114.3</u>	<u>\$ 109.7</u>	<u>\$ 107.0</u>	<u>\$ 220.4</u>	<u>\$ 221.3</u>

** The 2014 column has been restated to include the prior period adjustment effect in order to present comparative information.

The deficit of \$14.6 million in unrestricted net position of governmental activities represents accumulated results of all past year's operations. It means that if the City had to pay off all of its bills today including all of its non-capital liabilities such as other post retirement benefits (OPEB) and compensated absences, there would be a shortage of \$14.6 million.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2015

The results of this year's operations for the City as a whole are reported in the Statement of Activities. Table 2 on below, takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

Table 2
Changes in Net Position
For the Year Ended April 30,
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014**	2015	2014**	2015	2014**
Revenues:						
Program revenues						
Charges for services	\$ 11.8	\$ 21.4	\$ 22.4	\$ 22.9	\$ 34.2	\$ 44.3
Operating grants and contributions	3.5	4.3	1.8	2.0	5.3	6.3
Capital grants and contributions	1.2	1.2	6.9	3.1	8.1	4.3
General Revenues						
Property taxes	8.5	8.9	2.4	2.0	10.9	10.9
Sales taxes	66.4	62.8	-	-	66.4	62.8
Other taxes	0.9	1.0	-	-	0.9	1.0
Other general revenues	1.2	0.7	-	-	1.2	0.7
Total revenues	93.5	100.3	33.5	30.0	127.0	130.3
Expenses:						
General government	20.4	27.6	-	-	20.4	27.6
Public safety	34.5	33.5	-	-	34.5	33.5
Public works	21.4	21.2	-	-	21.4	21.2
Culture and recreation	4.9	4.2	-	-	4.9	4.2
Planning and urban development	2.3	2.5	-	-	2.3	2.5
Economic development	1.0	0.1	-	-	1.0	0.1
Interest in debt	3.5	3.7	-	-	3.5	3.7
Judgements	-	0.1	-	-	-	0.1
Intergovernmental	-	2.1	-	-	-	2.1
Airport	-	-	6.3	5.7	6.3	5.7
Transit	-	-	6.0	5.6	6.0	5.6
Civic center	-	-	3.8	3.4	3.8	3.4
Water	-	-	10.8	10.0	10.8	10.0
Sewer	-	-	11.2	10.8	11.2	10.8
Zoo	-	-	1.8	1.6	1.8	1.6
Total expenses	88.0	95.0	39.9	37.1	127.9	132.1
Increase (decrease) in net position before transfers and special items	5.5	5.3	(6.4)	(7.1)	(0.9)	(1.8)
Transfers	(9.1)	(8.4)	9.1	8.4	-	-
Change in net position	(3.6)	(3.1)	2.7	1.3	(0.9)	(1.8)
Net position - beginning, as originally stated	114.3	46.6	107.0	175.0	221.3	221.6
Prior period adjustment	-	70.8	-	(69.3)	-	1.5
Net position- beginning, restated	114.3	117.4	107.0	105.7	221.3	223.1
Net position- ending	\$ 110.7	\$ 114.3	\$ 109.7	\$ 107.0	\$ 220.4	\$ 221.3

** The 2014 column has been restated to include the prior period adjustment effect in order to present comparative information.

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Management's Discussion and Analysis (MD&A)
April 30, 2015

Governmental Activities. Expenses are classified by functions/programs. Public safety account for approximately \$34.5 million for fiscal year 2015. Other functions such as general government, public works, planning and urban development, culture and recreation and economic development totaled approximately \$49.7 million. The remaining cost represent payment for debt service and judgements totaling approximately \$3.8 million.

The related program revenues for fiscal year 2015 directly related to these expenses totaled \$16.5 million, which resulted in net program expenses of \$71.5 million. The remaining balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily form the following sources:

- Sales tax revenues are the largest and most significant source of revenue for the City. It provides approximately \$66.4 million of general revenues.
- Property taxes are the second largest revenue source to the City, generating approximately \$8.5 million of general revenues.

Business-type activities. Business-type activities increased the City's net position by approximately \$2.7 million. Key elements of this increase are as follows:

- Airport increased the City's net position by approximately \$2.5 million
- Transit activities decreased net position by approximately \$.6 million.
- Civic Center activities increased net position by approximately \$.9 million.
- Water activities decreased net position by approximately \$.9 million.
- Sewer activities increased net position by approximately \$.8 million.
- Louisiana Purchase Gardens and Zoo activities increased net position by approximately \$.02 million.

THE CITY'S FUNDS As we noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of current fiscal year, the City's governmental funds reported combined ending fund balance of \$79.6 million, an increase of \$5.0 million in comparison with the prior year. Approximately \$63.3 million of this total amount is restricted or non-spendable fund balance, and is not available for new spending. The remainder of fund balance, approximately \$16.3 million is committed, assigned or unassigned.

The General Fund is the chief operating fund of the City. At fiscal year end, fund balance of the General Fund was approximately \$15.1 million of which approximately \$.4 million was nonspendable because it is for inventories and prepaid items.

The fund balance of the City's General Fund increased by approximately \$.5 million during the current fiscal year. In addition to the increase of \$.5 million, the City had reported a prior period adjustment for unbilled receivables for \$.2 million. See the notes to the financials for additional information.

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The special revenue funds have a total fund balance of \$36.2 million, of which \$24.5 million is related to the Capital Infrastructure Fund. The special revenue funds had an increase of \$4.8 million mainly due to the results of the net operations of the Capital Infrastructure Sales Tax fund.

The debt service funds have a total fund balance of \$12.5 million, all of which is restricted for the payment of debt service. These funds had an increase of \$.1 million.

The capital project funds have a fund balance of approximately \$15.9 million all of which is restricted for capital improvements.

The City reported a prior period adjustment during the fiscal year as well as had changes to the presentation of the financial statements. See Notes 22 and 23 in the notes to the financial statements.

General Fund Budgetary Highlights In accordance with Louisiana Revised Statutes Title 39, Louisiana Local Government Budget Act (LSA-RS 39:1301 et seq.), the City must adopt a budget for the General Fund and all Special Revenue Funds prior to April 30. The original budget of the City was adopted on April 8, 2014, and the final budget amendment was adopted on April 28, 2015.

The City had increased the total amounts available for appropriations by \$1.9 in the final budget due to general sales and use tax. The actual amounts available for appropriations were \$75.3 million, which was \$.2 million over the final budgeted amount. The increase of the \$.2 million was due to increase general sales and use tax.

The City had increased the final budgeted charges to appropriations of \$1.4 million from the original budget due to anticipated increases in fringe benefits, contracted services, purchased professional and technical services, etc. However, the actual amount of charges for appropriation was less than the final budget amount by \$.2 million. This decrease of actual charges in comparison to the final budgeted was due to charges to fringe benefits and contracted services were less than anticipated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At April 30, 2015, the City had \$318.0 million invested in capital assets for its governmental and business-type activities. This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, highways, and bridges. This amount represents a net decrease (including additions, deductions and depreciation) of \$9.0 million or 2.8% from last year.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2015

Capital Assets
April 30,
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 20.6	\$ 20.2	\$ 5.6	\$ 5.5	\$ 26.2	\$ 25.7
Buildings and improvements	41.9	41.1	74.1	72.7	116.0	113.8
Furniture and equipment	32.7	32.1	21.5	20.0	54.2	52.1
Construction in progress	8.2	14.8	8.9	5.1	17.1	19.9
Infrastructure	173.8	165.0	193.4	190.9	367.2	355.9
Totals	277.2	273.2	303.5	294.2	580.7	567.4
Less: accumulated depreciation	(127.4)	(116.1)	(135.3)	(124.3)	(262.7)	(240.4)
Total Net Capital Assets	\$ 149.8	\$157.1	\$ 168.2	\$ 169.9	\$ 318.0	\$ 327.0

Major Capital asset events during the fiscal year include the following:

1. Six restroom facilities for the community center parks
2. Eight MPD vehicles
3. Tower Drive-Armand widening completed
4. Four airport projects completed: security gates and readers, security fence realignment, rehabilitation of Taxiway G and the North and Mid-Ramps
5. Four buses for Transit
6. Splash pad at the Zoo
7. Belt filter press for Sewer -WPCC

Debt Administration At April 30, 2015, the City had \$187.9 million outstanding versus \$192.1 million in 2014 which is a decrease of .03%. At April 30, 2015, the City's outstanding debt consisted of:

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2015

Outstanding Debt
April 30
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Tax increment bonds	\$ 34.1	\$ 36.9	\$ -	\$ -	\$ 34.1	\$ 36.9
Sales tax bonds	-	-	10.5	10.1	10.5	10.1
Sales tax refunding bonds	44.5	46.8	42.3	45.4	86.8	92.2
Airport revenue bonds	-	-	16.9	17.4	16.9	17.4
Claims and judgements	10.2	9.7	-	-	10.2	9.7
Capital leases	3.6	1.3	-	-	3.6	1.3
Notes payable	3.7	4.7	-	-	3.7	4.7
Compensated absences	6.3	6.0	1.3	1.1	7.6	7.1
Other post employment	14.5	12.7	-	-	14.5	12.7
Total	\$ 116.9	\$ 118.1	\$ 71.0	\$ 74.0	\$ 187.9	\$ 192.1

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES The following are currently known economic factors to be considered for the 2015-2016 fiscal year:

The City of Monroe continues to see a strong sales tax trend and expects the same general outlook for next year. Monroe is projecting an increase in employment growth due to the increased presence of technical companies such as IBM with the expansion of CenturyLink and the continued expansion in the Mid-town area of medial related businesses. With the expansion and upgrade of the airport and planned upgrades with the infrastructure within the I-20 corridor, the City of Monroe will continue to serve as the major economic hub for the Northeast region.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT The financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any information should be addressed to the Director of Administration, The City of Monroe, 400 Lea Joyner Memorial Expressway, Monroe, Louisiana 71201.

**City of Monroe
Monroe, Louisiana**

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**City of Monroe
Monroe, Louisiana**

BASIC FINANCIAL STATEMENTS

DIVIDER

**City of Monroe
Monroe, Louisiana**

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DIVIDER

City of Monroe
Monroe, Louisiana

BASIC FINANCIAL STATEMENTS:

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

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CITY OF MONROE
Monroe, Louisiana

STATEMENT OF NET POSITION
April 30, 2015

Statement A

	<i>PRIMARY GOVERNMENT</i>			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS				
Cash and cash equivalents	\$ 74,393,001	\$ 6,442,797	\$ 80,835,798	\$ 1,381,323
Investments	-	-	-	3,614
Restricted assets				
Cash and cash equivalents	-	3,287,755	3,287,755	-
Receivables, net	9,432,327	6,851,866	16,284,193	51,521
Internal balances	(882,715)	882,715	-	-
Inventories	209,682	463,663	673,345	-
Prepaid expenses	886,206	223,100	1,109,306	7,318
Capital assets				
Land and construction in progress	28,344,221	14,480,561	42,824,782	-
Depreciable assets, net of depreciation	121,407,447	153,731,872	275,139,319	68,316
TOTAL ASSETS	233,790,169	186,364,329	420,154,498	1,512,092
LIABILITIES				
Accounts and retainage payable	3,102,825	3,563,566	6,666,391	188,020
Accrued liabilities	1,972,439	-	1,972,439	10,461
Unearned revenues	5,524	86,628	92,152	-
Due to others	55,415	56,758	112,173	-
Deposits due others	-	1,433,474	1,433,474	-
Accrued interest payable	954,145	535,558	1,489,703	-
Long term liabilities				
Due within one year	12,212,398	5,374,138	17,586,536	6,342
Due in more than one year	104,772,205	65,596,159	170,368,364	10,942
TOTAL LIABILITIES	123,074,951	76,646,281	199,721,232	215,765
NET POSITION				
Net investment in capital assets	80,707,954	98,520,694	179,228,648	51,030
Restricted for				
Debt service	22,642,704	1,344,936	23,987,640	-
Capital improvements	3,345,458	-	3,345,458	-
Public safety	3,543,397	-	3,543,397	-
Public works	13,409,659	-	13,409,659	-
Planning and urban development	692,589	-	692,589	-
Judicial	163,214	-	163,214	-
Recreation facilities	768,946	-	768,946	-
Revenue producing activity for airport	-	322,045	322,045	-
Passenger facility charges	-	894,106	894,106	-
Unrestricted	(14,558,703)	8,636,267	(5,922,436)	1,245,297
TOTAL NET POSITION	\$ 110,715,218	\$ 109,718,048	\$ 220,433,266	\$ 1,296,327

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MONROE
Monroe, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2015

	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
FUNCTIONS/PROGRAMS				
Governmental Activities:				
General government	\$ 20,427,348	\$ 10,826,085	\$ 34,954	\$ -
Public safety	34,549,272	98,001	2,316,425	12,809
Public works	21,386,343	45,151	-	1,147,712
Culture and recreation	4,883,891	510,082	4,354	-
Planning and urban development	2,346,757	319,184	1,171,202	53,372
Economic development and assistance	987,483	-	-	-
Debt service interest	3,463,158	-	-	-
Capital lease interest	77,991	-	-	-
Total Governmental Activities	88,122,243	11,798,503	3,526,935	1,213,893
Business-Type Activities:				
Airport	6,237,895	3,835,552	102,851	4,442,524
Transit	5,988,833	667,460	1,660,623	754,268
Civic Center	3,748,825	1,674,128	-	1,569,336
Water	10,826,152	9,286,511	-	-
Sewer	11,210,852	6,688,952	-	-
Zoo	1,814,115	227,848	-	182,409
Total Business-Type Activities	39,826,672	22,380,451	1,763,474	6,948,537
Total Primary Government	127,948,915	34,178,954	5,290,409	8,162,430
Component units				
City Court	\$ 380,597	\$ 280,272		
City Marshal	274,979	223,295		
Total Component Units	\$ 655,576	\$ 503,567		

General revenues:

Ad valorem tax
Sales tax
Other taxes
Earnings on investments
Gain (loss) on disposition of capital assets
Miscellaneous
Transfers
Total general revenues and transfers
Changes in net position
Net position - beginning, as originally stated
Prior period adjustment (See Note 22)
Net position - beginning, as restated
Net position - ending

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement B

PRIMARY GOVERNMENT

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

<i>Governmental Activities</i>	<i>Business-Type Activities</i>	TOTAL	COMPONENT UNITS
\$ (9,566,309)	\$ -	\$ (9,566,309)	
(32,122,037)	-	(32,122,037)	
(20,193,480)	-	(20,193,480)	
(4,369,455)	-	(4,369,455)	
(802,999)	-	(802,999)	
(987,483)	-	(987,483)	
(3,463,158)	-	(3,463,158)	
(77,991)	-	(77,991)	
<u>(71,582,912)</u>	<u>-</u>	<u>(71,582,912)</u>	
-	2,143,032	2,143,032	
-	(2,906,482)	(2,906,482)	
-	(505,361)	(505,361)	
-	(1,539,641)	(1,539,641)	
-	(4,521,900)	(4,521,900)	
-	(1,403,858)	(1,403,858)	
<u>-</u>	<u>(8,734,210)</u>	<u>(8,734,210)</u>	
<u>(71,582,912)</u>	<u>(8,734,210)</u>	<u>(80,317,122)</u>	
			\$ (100,325)
			(51,684)
			<u>\$ (152,009)</u>
8,452,463	2,405,159	10,857,622	-
66,426,764	-	66,426,764	-
928,384	-	928,384	-
129,222	6,147	135,369	2,482
105,747	-	105,747	-
1,019,721	-	1,019,721	7,471
(9,081,122)	9,081,122	-	-
<u>67,981,179</u>	<u>11,492,428</u>	<u>79,473,607</u>	<u>9,953</u>
<u>(3,601,733)</u>	<u>2,758,218</u>	<u>(843,515)</u>	<u>(142,056)</u>
40,611,881	179,208,995	219,820,876	1,438,383
73,705,070	(72,249,165)	1,455,905	-
<u>114,316,951</u>	<u>106,959,830</u>	<u>221,276,781</u>	<u>1,438,383</u>
<u>\$ 110,715,218</u>	<u>\$ 109,718,048</u>	<u>\$ 220,433,266</u>	<u>\$ 1,296,327</u>

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**City of Monroe
Monroe, Louisiana**

**BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)**

CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS
Balance Sheet
April 30, 2015

	<u>GENERAL</u>	<u>SPECIAL REVENUE CAPITAL INFRASTRUCTURE</u>	<u>DEBT SERVICE SALES TAX BOND</u>
ASSETS			
Cash and cash equivalents	\$ 12,793,900	\$ 23,282,660	\$ 7,259,685
Receivables, net	4,398,227	1,284,656	-
Interfund receivables	708,020	403	-
Inventories	144,580	-	-
Prepaid expenses and other assets	238,759	-	-
TOTAL ASSETS	18,283,486	24,567,719	7,259,685
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts and retainage payable	1,972,976	29,840	-
Accrued liabilities	1,100,020	-	-
Interfund payables	54,259	-	-
Unearned revenue	4,725	-	-
Due to others	36,422	-	-
TOTAL LIABILITIES	3,168,402	29,840	-
FUND BALANCES:			
Nonspendable			
Prepaid expenses and other assets	238,759	-	-
Inventories	144,580	-	-
Spendable			
Restricted	-	24,537,879	7,259,685
Committed	-	-	-
Assigned	-	-	-
Unassigned (deficit)	14,731,745	-	-
TOTAL FUND BALANCES	15,115,084	24,537,879	7,259,685
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,283,486	\$ 24,567,719	\$ 7,259,685

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement C

CAPITAL PROJECTS	CAPITAL PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL
I-20 CORRIDOR IMPROVEMENTS	KANSAS LANE CONNECTOR		
\$ 13,914,178	\$ -	\$ 16,749,365	\$ 73,999,788
-	593,205	2,802,098	9,078,186
-	-	691,457	1,399,880
-	-	-	144,580
-	-	647,447	886,206
<u>13,914,178</u>	<u>593,205</u>	<u>20,890,367</u>	<u>85,508,640</u>
30,321	180,290	834,006	3,047,433
-	-	-	1,100,020
-	412,915	1,200,117	1,667,291
-	-	799	5,524
-	-	18,993	55,415
<u>30,321</u>	<u>593,205</u>	<u>2,053,915</u>	<u>5,875,683</u>
-	-	647,447	886,206
-	-	-	144,580
13,883,857	-	16,554,633	62,236,054
-	-	309,364	309,364
-	-	1,423,321	1,423,321
-	-	(98,313)	14,633,432
<u>13,883,857</u>	<u>-</u>	<u>18,836,452</u>	<u>79,632,957</u>
<u>\$ 13,914,178</u>	<u>\$ 593,205</u>	<u>\$ 20,890,367</u>	<u>\$ 85,508,640</u>

**City of Monroe
Monroe, Louisiana**

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CITY OF MONROE
Monroe, Louisiana

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
April 30, 2015

Statement D

Total fund balances - governmental funds \$ 79,632,957

The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 273,297,492	
Depreciation expense to date	(125,639,518)	
		147,657,974

Some revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures.

Receivable - Sales tax increment - I-20 Corridor	278,578	
Receivable - Sales tax increment - Tower Drive	75,563	
		354,141

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.

Balances at June 30, 2015 are:		
Accrued interest payable	(954,145)	
Bonds payable	(77,773,800)	
Bond premium	(771,404)	
Compensated absences payable	(6,273,769)	
Obligation under capital leases	(3,656,606)	
Note payable	(3,746,998)	
Claims and judgments payable	(10,219,981)	
Other post-employment benefits	(14,542,045)	
		(117,938,748)

Internal service funds are used by management to account for the provision of repair and maintenance services and motor fuels to various City departments. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

Cash and cash equivalents	393,213	
Inventories	65,102	
Capital assets cost	3,717,286	
Less accumulated depreciation	(1,623,592)	
Total capital assets, net	2,093,694	
Accounts payable and accrued expenses	(927,811)	
Interfund payable	(615,304)	
		1,008,894
Total net position - governmental activities		\$ 110,715,218

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended April 30, 2015

	GENERAL	SPECIAL REVENUE CAPITAL INFRASTRUCTURE	DEBT SERVICE SALES TAX BOND
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 7,237,237	\$ -	\$ -
Sales	38,103,284	16,162,855	-
Other taxes, penalties and interest	928,384	-	-
Licenses, permits and assessments	3,058,213	-	-
Intergovernmental revenues	2,129,392	-	-
Fees, charges and commissions for services	7,333,445	-	-
Fines and forfeitures	616,097	-	-
Use of money and property	109,278	12,843	28,525
Miscellaneous revenues	132,066	-	-
Total revenues	59,647,396	16,175,698	28,525
EXPENDITURES			
Current:			
General government			
Legislative	433,557	-	-
Judicial	2,635,271	-	-
Executive	940,689	-	-
Financial administration	10,331,140	140	-
Other general government	735,595	-	-
Public Safety			
Police	12,486,241	-	-
Fire	12,876,918	-	-
Public Works	10,197,766	980,609	-
Culture and recreation	3,234,644	-	-
Planning and urban development	1,075,195	-	-
Economic development and assistance	-	-	-
Capital outlay	178,941	71,952	-
Debt service:			
Debt Service principal	-	-	2,116,800
Debt Service interest and bank charges	-	-	1,968,380
Capital lease principal	339,618	-	-
Capital lease interest	77,991	-	-
Total expenditures	55,543,566	1,052,701	4,085,180
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	4,103,830	15,122,997	(4,056,655)
OTHER FINANCING SOURCES (USES)			
Transfers in	905,296	-	3,983,319
Transfers out	(4,628,283)	(10,733,353)	-
Sale of assets	105,747	-	-
Capital proceeds	-	-	-
Insurance proceeds	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(3,617,240)	(10,733,353)	3,983,319
NET CHANGE IN FUND BALANCES	486,590	4,389,644	(73,336)
FUND BALANCES - BEGINNING, AS ORIGINALLY STATED	14,369,517	20,148,235	7,333,021
Prior Period Adjustment (See Note 22)	258,977	-	-
FUND BALANCES - BEGINNING, AS RESTATED	14,628,494	20,148,235	7,333,021
FUND BALANCES - ENDING	\$ 15,115,084	\$ 24,537,879	\$ 7,259,685

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement E

CAPITAL PROJECTS I-20 CORRIDOR IMPROVEMENTS	CAPITAL PROJECTS KANSAS LANE CONNECTOR	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ -	\$ 1,215,226	\$ 8,452,463
-	-	12,141,484	66,407,623
-	-	-	928,384
-	-	-	3,058,213
-	333,972	2,782,288	5,245,652
-	-	717,177	8,050,622
-	-	17,557	633,654
9,153	-	24,634	184,433
-	-	789,297	921,363
9,153	333,972	17,687,663	93,882,407
-	-	-	433,557
-	-	53,586	2,688,857
-	-	7,013	947,702
5,000	-	6,468	10,342,748
2,072	-	10,940	748,607
-	-	3,274,126	15,760,367
-	-	4,167,734	17,044,652
-	-	91,588	11,269,963
-	-	545,639	3,780,283
-	-	1,205,397	2,280,592
321,618	-	665,865	987,483
215,962	156,451	3,709,720	4,333,026
-	-	3,690,045	5,806,845
-	-	1,174,044	3,142,424
-	-	-	339,618
-	-	-	77,991
544,652	156,451	18,602,165	79,984,715
(535,499)	177,521	(914,502)	13,897,692
-	-	1,155,028	6,043,643
-	-	(2,231,352)	(17,592,988)
-	-	-	105,747
-	-	2,500,000	2,500,000
-	-	98,358	98,358
-	-	1,522,034	(8,845,240)
(535,499)	177,521	607,532	5,052,452
14,419,356	(177,521)	18,228,920	74,321,528
-	-	-	258,977
14,419,356	(177,521)	18,228,920	74,580,505
\$ 13,883,857	\$ -	\$ 18,836,452	\$ 79,632,957

**City of Monroe
Monroe, Louisiana**

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CITY OF MONROE
Monroe, Louisiana

Statement F

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended April 30, 2015

Total net change in fund balances - governmental funds \$ 5,052,452

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:

Capital outlays	\$ 4,150,617	
Depreciation	(11,407,633)	(7,257,016)

The net effect of various miscellaneous transactions involving capital assets, such as sales and trade-ins:

Proceeds for sales	105,747	
Gain (loss) on sales	(105,747)	-

Some revenues will not be collected for several months after year-end. They are not considered "available" revenues in the governmental funds.

Sales tax increment - I-20 Corridor	18,578	
Sales tax increment - Tower Drive	563	
Capital grants PY	(504,824)	(485,683)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of bond premium	157,036	
Principal payments	5,806,845	
Proceeds from capital lease	(2,500,000)	
Capital lease payments	339,618	3,803,499

Payments to an escrow agent to refund bonded debt are reported in Governmental Funds as Other Financing Sources. The amount paid to the escrow agent for principal is removed from the long-term bonded debt in the Statement of Net Position. The deferred part of the payment paid to the escrow agent is shown as a reduction of long-term debt in the Statement of Net Position. The deferred amount is amortized over the lesser of the life of the original bonds or the life of the refunding bonds.

Current year amortization	(518,143)	(518,143)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest payable	40,373	
Compensated absences payable	(334,075)	
Claims and judgments payable	(465,218)	(758,920)

Other post-employment benefits are reported in the governmental funds as expenditures when paid. The unfunded annual contribution is reported in the Statement of Activities as it accrues. (1,879,221)

Internal Service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the Internal Service funds is reported with governmental activities. (1,558,701)

Total net change in net position - governmental activities. \$ (3,601,733)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUNDS
Statement of Net Position
April 30, 2015

	BUSINESS - TYPE ACTIVITIES - ENTERPRISE FUNDS				
	<i>Major Funds</i>				
	MONROE REGIONAL AIRPORT	MONROE TRANSIT SYSTEM	MONROE CIVIC CENTER	WATER FUND	SEWER FUND
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 1,323,188	\$ 800	\$ 10,500	\$ 4,205,422	\$ 900,387
Restricted assets					
Cash and cash equivalents	3,287,755	-	-	-	-
Receivables, net	2,754,223	251,099	1,584,582	1,179,048	1,070,796
Interfund receivables	-	360	-	3,494,734	52,666
Inventories	-	178,727	-	284,936	-
Prepaid expenses and other assets	11,687	183,593	23,199	-	-
Total Current Assets	7,376,853	614,579	1,618,281	9,164,140	2,023,849
Noncurrent Assets:					
Capital Assets					
Land and construction in progress	5,899,520	148,239	2,656,994	2,264,924	3,510,884
Depreciable assets, net of depreciation	56,366,465	3,331,650	2,857,467	22,238,378	67,958,239
Total Noncurrent Assets	62,265,985	3,479,889	5,514,461	24,503,302	71,469,123
TOTAL ASSETS	69,642,838	4,094,468	7,132,742	33,667,442	73,492,972
LIABILITIES					
Current Liabilities:					
Accounts and retainage payables	481,911	260,679	940,629	458,608	1,369,811
Accrued liabilities	-	-	-	-	-
Unearned revenue	52,623	-	33,255	-	-
Interfund payables	1,767,176	6,623	793,653	47,067	10,082
Due to others	-	-	-	56,758	-
Customer deposits, net	-	2,500	22,446	1,408,528	-
Accrued interest	-	-	-	49,209	486,349
Current portion of long term debt	527,863	171,501	32,005	597,406	3,998,426
Total Current Liabilities	2,829,573	441,303	1,821,988	2,617,576	5,864,668
Noncurrent Liabilities:					
Compensated absences	20,635	198,114	36,971	171,833	203,247
Revenue bonds and notes payable, net	16,375,000	-	-	4,637,120	43,899,019
Total Noncurrent Liabilities	16,395,635	198,114	36,971	4,808,953	44,102,266
TOTAL LIABILITIES	19,225,208	639,417	1,858,959	7,426,529	49,966,934
NET POSITION					
Net investment in capital assets	45,380,985	3,479,889	5,514,461	19,418,062	23,747,624
Restricted					
Debt service	1,344,936	-	-	-	-
Revenue producing activity for airport	322,045	-	-	-	-
Passenger facility charges	894,106	-	-	-	-
Unrestricted	2,475,558	(24,838)	(240,678)	6,822,851	(221,586)
TOTAL NET POSITION	\$ 50,417,630	\$ 3,455,051	\$ 5,273,783	\$ 26,240,913	\$ 23,526,038

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement G

<u>Non-Major</u>		<u>GOVERNMENTAL ACTIVITIES -</u>	
<u>LOUISIANA PURCHASE GARDENS & ZOO</u>	<u>TOTAL ENTERPRISE</u>	<u>INTERNAL SERVICE FUNDS</u>	
\$ 2,500	\$ 6,442,797	\$ 393,213	
-	3,287,755	-	
12,118	6,851,866	-	
442	3,548,202	-	
-	463,663	65,102	
4,621	223,100	-	
<u>19,681</u>	<u>20,817,383</u>	<u>458,315</u>	
-	14,480,561	45,000	
<u>979,673</u>	<u>153,731,872</u>	<u>2,048,694</u>	
<u>979,673</u>	<u>168,212,433</u>	<u>2,093,694</u>	
<u>999,354</u>	<u>189,029,816</u>	<u>2,552,009</u>	
51,928	3,563,566	55,392	
-	-	872,419	
750	86,628	-	
40,886	2,665,487	615,304	
-	56,758	-	
-	1,433,474	-	
-	535,558	-	
46,937	5,374,138	-	
<u>140,501</u>	<u>13,715,609</u>	<u>1,543,115</u>	
54,220	685,020	-	
-	64,911,139	-	
<u>54,220</u>	<u>65,596,159</u>	<u>-</u>	
<u>194,721</u>	<u>79,311,768</u>	<u>1,543,115</u>	
979,673	98,520,694	2,093,694	
-	1,344,936	-	
-	322,045	-	
-	894,106	-	
(175,040)	8,636,267	(1,084,800)	
<u>\$ 804,633</u>	<u>\$ 109,718,048</u>	<u>\$ 1,008,894</u>	

CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUNDS
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended April 30, 2015

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

Major Funds

	MONROE REGIONAL AIRPORT	MONROE TRANSIT SYSTEM	MONROE CIVIC CENTER	WATER FUND	SEWER FUND
OPERATING REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Rents and fees	2,784,540	-	334,092	-	-
Fares	-	602,490	-	-	-
Passenger facility fee	494,263	-	-	-	-
Advertising	5,349	55,043	7,550	-	-
Ticket sales and other	-	-	1,047,828	-	-
Admissions	-	-	-	-	-
Concessions and rides	-	-	275,129	-	-
Water sales	-	-	-	9,286,511	-
Sewerage fees	-	-	-	-	6,688,952
Other operating revenue	177,456	9,927	9,529	-	-
Air Industrial Park rent	373,944	-	-	-	-
Total operating revenues	<u>3,835,552</u>	<u>667,460</u>	<u>1,674,128</u>	<u>9,286,511</u>	<u>6,688,952</u>
OPERATING EXPENSES					
Benefits paid to participants	-	-	-	-	-
Salaries, wages, and benefits	856,933	2,622,551	991,643	4,050,300	2,136,605
Materials, repairs and supplies	662,935	1,591,571	374,767	3,027,425	1,912,690
Utilities and communications	379,152	124,057	627,008	785,594	860,101
Shop expenses	-	-	-	-	-
Insurance	15,408	423,050	111,370	-	-
Promoter's expenses	-	-	771,987	-	-
Other operating expenses	180,047	304,464	373,729	857,406	671,661
Depreciation and amortization	3,270,206	923,140	498,321	1,920,434	4,335,196
Total operating expenses	<u>5,364,681</u>	<u>5,988,833</u>	<u>3,748,825</u>	<u>10,641,159</u>	<u>9,916,253</u>
OPERATING INCOME (Loss)	<u>(1,529,129)</u>	<u>(5,321,373)</u>	<u>(2,074,697)</u>	<u>(1,354,648)</u>	<u>(3,227,301)</u>
NONOPERATING REVENUES (EXPENSES)					
Operating grants	4,545,375	2,414,891	1,569,336	-	-
Interest income	1,182	-	1,684	-	1,597
Property taxes	401,393	-	1,001,883	-	-
Interest expense	(873,214)	-	-	(184,993)	(1,294,599)
Total nonoperating revenues (expenses)	<u>4,074,736</u>	<u>2,414,891</u>	<u>2,572,903</u>	<u>(184,993)</u>	<u>(1,293,002)</u>
Income(Loss) before capital contributions and transfers	<u>2,545,607</u>	<u>(2,906,482)</u>	<u>498,206</u>	<u>(1,539,641)</u>	<u>(4,520,303)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital contributions	-	-	-	-	-
Transfers in	-	2,338,375	403,427	622,724	5,294,530
Total Capital Contributions and Transfers	<u>-</u>	<u>2,338,375</u>	<u>403,427</u>	<u>622,724</u>	<u>5,294,530</u>
CHANGE IN NET POSTION	<u>2,545,607</u>	<u>(568,107)</u>	<u>901,633</u>	<u>(916,917)</u>	<u>774,227</u>
NET POSITION - BEGINNING, AS					
ORIGINALLY STATED	65,232,023	4,023,158	4,372,150	32,077,513	72,721,293
Prior Period Adjustment (See Note 22)	(17,360,000)	-	-	(4,919,683)	(49,969,482)
NET POSITION - BEGINNING, AS RESTATED	<u>47,872,023</u>	<u>4,023,158</u>	<u>4,372,150</u>	<u>27,157,830</u>	<u>22,751,811</u>
NET POSITION - ENDING	<u>\$ 50,417,630</u>	<u>\$ 3,455,051</u>	<u>\$ 5,273,783</u>	<u>\$ 26,240,913</u>	<u>\$ 23,526,038</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement H

<i>Non-Major</i>		GOVERNMENTAL ACTIVITIES	
LOUISIANA PURCHASE GARDENS & ZOO	TOTAL ENTERPRISE	INTERNAL SERVICE FUNDS	
\$ -	\$ -	\$ 8,846,274	
3,950	3,122,582	-	
-	602,490	-	
-	494,263	-	
-	67,942	-	
-	1,047,828	-	
177,827	177,827	-	
35,439	310,568	-	
-	9,286,511	-	
-	6,688,952	-	
10,632	207,544	-	
-	373,944	-	
<u>227,848</u>	<u>22,380,451</u>	<u>8,846,274</u>	
-	-	11,228,145	
1,133,739	11,791,771	900,371	
343,032	7,912,420	17,177	
102,544	2,878,456	45,390	
-	-	550,263	
17,579	567,407	-	
25,941	797,928	-	
87,934	2,475,241	40,485	
103,346	11,050,643	92,170	
<u>1,814,115</u>	<u>37,473,866</u>	<u>12,874,001</u>	
(1,586,267)	(15,093,415)	(4,027,727)	
-	8,529,602	-	
1,684	6,147	803	
1,001,883	2,405,159	-	
-	(2,352,806)	-	
<u>1,003,567</u>	<u>8,588,102</u>	<u>803</u>	
(582,700)	(6,505,313)	(4,026,924)	
182,409	182,409	-	
<u>422,066</u>	<u>9,081,122</u>	<u>2,468,223</u>	
604,475	9,263,531	2,468,223	
21,775	2,758,218	(1,558,701)	
782,858	179,208,995	2,567,595	
-	(72,249,165)	-	
<u>782,858</u>	<u>106,959,830</u>	<u>2,567,595</u>	
\$ 804,633	\$ 109,718,048	\$ 1,008,894	

(Concluded)

CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUNDS
Statement of Cash Flows
For the Year Ended April 30, 2015

<i>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</i>					
<i>Major Funds</i>					
	MONROE REGIONAL AIRPORT	MONROE TRANSIT SYSTEM	MONROE CIVIC CENTER	WATER FUND	SEWER FUND
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,565,249	\$ 417,281	\$ 1,684,083	\$ 9,197,367	\$ 6,738,482
Receipts from interfund services provided					
Payments to suppliers for goods and services	(849,767)	(2,188,164)	(2,022,385)	(4,257,577)	(2,134,651)
Payments for interfund services provided	(61,677)	(183,784)	(68,872)	(350,753)	(195,470)
Payments to employees for services and benefits	(858,428)	(2,605,740)	(985,087)	(3,969,354)	(2,089,547)
Net cash provided (used) for operating activities	<u>1,795,377</u>	<u>(4,560,407)</u>	<u>(1,392,261)</u>	<u>619,683</u>	<u>2,318,814</u>
CASH FLOWS (USES) FROM NONCAPITAL FINANCING ACTIVITIES					
Operating grants	2,938,689	1,644,893	-	-	-
Ad valorem taxes	401,303	-	1,001,883	-	-
Transfers in	1,072,922	2,338,375	403,427	(1,502,128)	4,200,326
Transfers out	-	-	-	-	-
Net cash provided (used) for noncapital financing activities	<u>4,412,914</u>	<u>3,983,268</u>	<u>1,405,310</u>	<u>(1,502,128)</u>	<u>4,200,326</u>
CASH FLOWS (USES) FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants	-	769,997	-	-	-
Acquisition of capital assets	(4,352,400)	(192,858)	(1,584,069)	(254,800)	(2,785,505)
Cash contributed by the City of Monroe	-	-	1,569,336	-	-
Bond proceeds	-	-	-	-	1,391,466
Principal paid on debt	(475,000)	-	-	(434,640)	(3,668,560)
Interest paid on debt	(873,211)	-	-	(188,084)	(1,323,570)
Net cash provided (used) for capital and related financing activities	<u>(5,700,611)</u>	<u>577,139</u>	<u>(14,733)</u>	<u>(877,524)</u>	<u>(6,386,169)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Earnings on investments	1,182	-	1,684	-	1,597
Net cash provided (used) for investing activities	<u>1,182</u>	<u>-</u>	<u>1,684</u>	<u>-</u>	<u>1,597</u>
Net increase (decrease) in cash and cash equivalents	508,862	-	-	(1,759,969)	134,568
CASH AND CASH EQUIVALENTS - BEGINNING	4,102,081	800	10,500	5,965,391	765,819
CASH AND CASH EQUIVALENTS - ENDING	<u>4,610,943</u>	<u>800</u>	<u>10,500</u>	<u>4,205,422</u>	<u>900,387</u>
Reconciliation to balance sheet					
Cash	1,323,188	800	10,500	4,205,422	900,387
Restricted assets - cash	3,287,755	-	-	-	-
	<u>4,610,943</u>	<u>800</u>	<u>10,500</u>	<u>4,205,422</u>	<u>900,387</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(1,529,129)	(5,321,373)	(2,074,697)	(1,354,648)	(3,227,301)
Adjustments to reconcile operating income to net cash provided (used) for operating activities:					
Depreciation	3,270,206	923,140	498,321	1,920,434	4,335,196
(Increase) decrease in accounts receivable	(270,303)	(233,993)	147	(556,596)	(494,901)
(Increase) decrease in interfund receivable	-	(360)	-	-	-
(Increase) decrease in inventories	-	(32,572)	-	33,361	-
(Increase) decrease in unbilled receivables	-	-	-	652,497	544,431
(Increase) decrease in prepaid expenses	2,659	(37,113)	35,142	1,350	-
Increase (decrease) in accounts payable	323,439	134,257	121,942	(29,374)	1,114,331
Increase (decrease) in accrued liabilities	-	-	-	56,758	-
Increase (decrease) in compensated absences	(1,495)	16,810	6,555	80,947	47,058
Increase (decrease) in customer deposits	-	-	10,474	(185,046)	-
Increase (decrease) in deferred revenue	-	(15,826)	9,808	-	-
Increase (decrease) in interfund payable	-	6,623	47	-	-
Net cash provided (used) by operating activities	<u>\$ 1,795,377</u>	<u>\$ (4,560,407)</u>	<u>\$ (1,392,261)</u>	<u>\$ 619,683</u>	<u>\$ 2,318,814</u>

Schedule of non-cash capital and related financing activities:

Note: Beginning cash balances were restated for Monroe Regional Airport, Water Fund and Sewer Fund due to change in reporting. See Notes to the Financial Statements for more information.

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement I

<u>Non-Major</u>		<u>GOVERNMENTAL</u>		
		<u>ACTIVITIES</u>		
<u>LOUISIANA</u>	<u>TOTAL</u>	<u>INTERNAL</u>		
<u>PURCHASE</u>	<u>ENTERPRISE</u>	<u>SERVICE</u>		
<u>GARDENS &</u>		<u>FUNDS</u>		
<u>ZOO</u>				
\$ 225,972	\$ 21,828,434	\$ 8,846,274		
(422,135)	(11,874,679)	(11,384,790)		
(90,787)	(951,343)			
(1,127,983)	(11,636,139)	(900,370)		
<u>(1,414,933)</u>	<u>(2,633,727)</u>	<u>(3,438,886)</u>		
-	4,583,582	-		
1,001,883	2,405,069	-		
422,067	6,934,989	2,468,223		
-	-	-		
<u>1,423,950</u>	<u>13,923,640</u>	<u>2,468,223</u>		
-	769,997	-		
(193,109)	(9,362,741)	-		
182,408	1,751,744	-		
-	1,391,466	-		
-	(4,578,200)	-		
-	(2,384,865)	-		
<u>(10,701)</u>	<u>(12,412,599)</u>	<u>-</u>		
1,684	6,147	803		
<u>1,684</u>	<u>6,147</u>	<u>803</u>		
-	(1,116,539)	(969,860)		
2,500	10,847,091	1,363,075		
<u>2,500</u>	<u>9,730,552</u>	<u>393,215</u>		
2,500	6,442,797	-		
-	3,287,755	393,213		
<u>2,500</u>	<u>9,730,552</u>	<u>393,213</u>		
(1,586,267)	(15,093,415)	(4,027,727)		
103,346	11,050,643	92,170		
1,121	(1,554,525)	-		
(442)	(802)	-		
-	789	(28,797)		
-	1,196,928	-		
(457)	1,581	-		
23,679	1,688,274	(89,837)		
-	56,758	-		
5,756	155,631	-		
-	(174,572)	-		
(2,555)	(8,573)	-		
40,886	47,556	615,305		
<u>\$ (1,414,933)</u>	<u>\$ (2,633,727)</u>	<u>\$ (3,438,886)</u>		

CITY OF MONROE
Monroe, Louisiana

FIDUCIARY FUNDS
Statement of Net Position
April 30, 2015

	PENSION TRUST FUNDS	AGENCY FUNDS	TOTAL
ASSETS			
Current assets			
Cash and cash equivalents	\$ 129,726	\$ 1,491,456	\$ 1,621,182
Accounts receivable	-	14,508,981	14,508,981
	129,726	16,000,437	16,130,163
LIABILITIES			
Current liabilities			
Due to other funds	-	-	-
Due to others	-	16,000,437	16,000,437
	-	16,000,437	16,000,437
Net position			
Restricted for retirement benefits	129,726	-	129,726
	129,726	-	129,726
Total net position	\$ 129,726	\$ -	\$ 129,726

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement J

COMPONENT UNITS
AGENCY FUNDS

<u>CITY COURT OF MONROE</u>	<u>MONROE CITY MARSHAL</u>
\$ 1,823,824	\$ 23,714
<u>-</u>	<u>-</u>
<u>1,823,824</u>	<u>23,714</u>
25,868	-
<u>1,797,956</u>	<u>23,714</u>
<u>1,823,824</u>	<u>23,714</u>
<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>

CITY OF MONROE
Monroe, Louisiana

FIDUCIARY FUNDS
Statement of Changes in Net Position
For the Year Ended April 30, 2015

Statement K

	PENSION TRUST FUNDS
ADDITIONS	
Investment income	
Interest	\$ 292
Total additions	292
DEDUCTIONS	
Benefits paid	5,746
Total deductions	5,746
Changes in net position	(5,454)
Net Position, beginning	135,180
Net Position, ending	\$ 129,726

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MONROE
Monroe, Louisiana

Discretely Presented Component Units
Combining Statement of Net Position
April 30, 2015

Statement L

	CITY COURT OF MONROE	MONROE CITY MARSHAL	TOTAL
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,368,189	\$ 13,134	\$ 1,381,323
Investment	-	3,614	3,614
Receivables	34,711	16,810	51,521
Prepaid expenses	6,245	1,073	7,318
Total current assets	1,409,145	34,631	1,443,776
Capital assets, net of accumulated depreciation			
	51,264	17,052	68,316
Total assets	1,460,409	51,683	1,512,092
LIABILITIES			
Current liabilities			
Accounts payable	39,202	148,818	188,020
Accrued expenses	-	10,461	10,461
Noncurrent liabilities			
Obligation under capital lease			
Due within one year	3,653	2,689	6,342
Due in more than one year	8,171	2,771	10,942
Total liabilities	51,026	164,739	215,765
NET POSITION			
Net investment in capital assets	39,440	11,590	51,030
Unrestricted	1,369,943	(124,646)	1,245,297
Total liabilities and net position	\$ 1,409,383	\$ (113,056)	\$ 1,296,327

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MONROE
Monroe, Louisiana

Discretely Presented Component Units
Combining Statement of Activities
For the Year Ended April 30, 2015

	<u>CITY COURT OF MONROE</u>	<u>MONROE CITY MARSHAL</u>	<u>Statement M TOTAL</u>
EXPENDITURES			
Judiciary			
Personal services	\$ 1,573,599	\$ 1,020,864	\$ 2,594,463
Operating services	329,533	163,140	492,673
Materials and supplies	37,939	8,686	46,625
Travel and other	36,763	2,557	39,320
Depreciation	23,076	18,778	41,854
Interest	225	703	928
Total expenditures	<u>2,001,135</u>	<u>1,214,728</u>	<u>3,215,863</u>
PROGRAM REVENUES			
Fees, charges, and court costs			
Marshal's fees	-	202,522	202,522
Court costs	123,885	-	123,885
Civil fees	42,780	-	42,780
Agency fees	1,360	-	1,360
Probation fees	65,990	-	65,990
Reinstatement fees	850	-	850
Bond forfeitures	6,086	-	6,086
Other charges for services	39,321	20,773	60,094
Total program revenues	<u>280,272</u>	<u>223,295</u>	<u>503,567</u>
Net program expense	<u>(1,720,863)</u>	<u>(991,433)</u>	<u>(2,712,296)</u>
GENERAL REVENUES			
Intergovernmental - City of Monroe	1,620,538	939,749	2,560,287
Investment earnings	2,459	23	2,482
Bond forfeitures	-	7,471	7,471
Total general revenues	<u>1,622,997</u>	<u>947,243</u>	<u>2,570,240</u>
Changes in net assets	(97,866)	(44,190)	(142,056)
NET ASSETS			
Beginning of year	<u>1,507,249</u>	<u>(68,866)</u>	<u>1,438,383</u>
End of year	<u>\$ 1,409,383</u>	<u>\$ (113,056)</u>	<u>\$ 1,296,327</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**City of Monroe
Monroe, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS

DIVIDER

**City of Monroe
Monroe, Louisiana**

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DIVIDER

City of Monroe
Notes to the Basic Financial Statements
April 30, 2015

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CITY OF MONROE
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As of And For The Year Ended April 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. FINANCIAL REPORTING ENTITY

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

GASB Statements establish criteria for determining the governmental reporting entity and component units that should be considered part of the City of Monroe for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which include:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the City to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations that are fiscally dependent on the City and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
3. 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 should be considered as part of the City reporting entity.

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Discretely Presented Component Units

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

The City Court of Monroe issues an annual financial report that includes financial statements and required supplementary information. The report may be obtained by contacting Judge Tammy Lee, Judge Jefferson Joyce, or Judge Aisha Clark at (318) 329-2580.

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

The Monroe City Marshal's office issues an annual financial report that includes financial statements and required supplementary information. The report may be obtained by contacting Marshal Wince Highshaw at (318) 329-2585.

Blended Component Units

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

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

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Notes To The Financial Statements
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B. BASIS OF PRESENTATION

The City's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the primary government and its component units and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

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

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

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

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

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

FUND FINANCIAL STATEMENTS:

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

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

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

Governmental Funds:

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

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

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

The City reports the following major governmental funds:

The General fund accounts for all financial resources of the City except for those required to be accounted for in another fund. This is the general operating fund of the City.

The Capital Infrastructure fund accounts for the collection of a 1% sales tax to be used for various infrastructure projects as recommended by the Capital Infrastructure Commission, established after the tax renewal of 2004. The tax can be used to pay debt incurred for long-term projects. The tax call requires that 25% of the collections be dedicated to actual street maintenance.

The Sales Tax Bond fund accounts for the accumulation of resources necessary for, and the payment of various bond issues and DEQ loans. The financing of this debt is through a one percent (1%) sales tax.

The I-20 Corridor Improvements fund accounts for the infrastructure improvement projects within the defined I-20 District that are funded from the issuance of incremental sales tax bonds.

The Kansas Lane Connector fund accounts for expenses associated with the construction of a connector road running from Kansas Lane to US Hwy 165 N. The project will be financed primarily by federal funds, with the balance coming from both state and local funds.

Proprietary Funds:

Enterprise Funds - These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net

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Notes To The Financial Statements
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income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The City reports the following major enterprise funds:

The Monroe Regional Airport fund accounts for the operations of the Monroe Regional Airport, such as administration, operations, maintenance, billing and collection.

The Monroe Transit System fund accounts for the operations of the Monroe Transit System, such as administration, operations, maintenance, billing and collection.

The Monroe Civic Center fund accounts for the operations of the Monroe Civic Center, such as administration, operations, maintenance, billing and collection.

The Water fund accounts for the provision of water treatment and distribution services to the residents of the City, such as administration, operations, maintenance, billing and collection.

The Sewer fund accounts for the provision of sewer services and sewerage treatment services to the residents of the City, such as administration, operations, maintenance, billing and collection.

Internal Service Funds – These funds are used to account for the financing of goods and/or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City operates two internal service funds.

The Central Shop fund provides inventory storage, repair and maintenance, and fueling services solely to other City user departments (with the exception of the Monroe Transit System) at rates designed to cover the costs of operations, including depreciation and debt service. Since the principal users of the internal service fund are the City's governmental activities, financial statements of the internal service fund are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate functional activity.

The Employers' Group Insurance fund is used to account for the accumulation of resources for and payment of employee health insurance claims, administration costs for processing medical claims and the cost of excess insurance premiums.

Fiduciary Funds:

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

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Notes To The Financial Statements
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C. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

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

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

FUND FINANCIAL STATEMENTS:

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position. The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on long-term debt which is recognized when due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Ad valorem taxes, grants, and fees, charges, and commissions for services have been treated as susceptible to accrual.

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

Revenues:

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

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

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

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

Expenditures:

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

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

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

Proprietary Funds

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

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. The principal operating revenues of the Monroe Regional Airport, Monroe transit System, Monroe Civic Center, Water Fund, Sewer Fund, and Louisiana Purchase Gardens & Zoo are charges to customers for sales and services. The Monroe Regional Airport also recognizes passenger facility fee. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues.

Fiduciary Funds

Fiduciary Funds include trust and agency funds. Trust and agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Other Financing Sources (Uses)

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

CITY OF MONROE
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Notes To The Financial Statements
As of And For The Year Ended April 30, 2015

D. BUDGET PRACTICES

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

1. At least ninety days prior to the beginning of the fiscal year, the Mayor submits to the City Council an operating and capital budget for the succeeding year.
2. A public hearing is scheduled by the City Council after allowing for at least ten days' notice to the public at the time the budget is initially submitted to the City Council. The budget for the succeeding year must be finally adopted by the Council no later than the second-to-last regular meeting of the fiscal year.
3. The appropriated budget is prepared by fund, function and department. The Mayor may authorize transfers of budgetary amounts within departments. However, any revisions requiring alteration of levels of expenditures or transfers between departments must be approved by the City Council.
4. Operating appropriations, to the extent not expended, lapse at year end even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. Capital appropriations continue in force until the project is completed or deemed abandoned after three years of no activity.
5. All legally adopted budgets of the City are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. For the year ended April 30, 2015, the City adopted a budget for the General Fund and all Special Revenue Funds.

E. ASSETS, LIABILITIES, AND FUND EQUITY

CASH, CASH EQUIVALENTS AND INVESTMENTS:

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

The City participates in the Louisiana Asset Management Pool, Inc., (LAMP) which is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC. LAMP is a 2a7-like investment pool.

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LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of the LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

Deposits with original maturity dates exceeding 90 days are classified as investments. Investments are reported at fair value.

RESTRICTED ASSETS:

Certain proceeds of the enterprise fund general obligation bond, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Additionally, proceeds related to Passenger Facilities Charges and the Air Industrial Park- Land Sales are reported as restricted on the statement of net position for the enterprise fund. Proceeds related to Passenger Facilities Charges are restricted in use based on the Record of Decision (ROD) approved by the FAA. Proceeds related to the Air Industrial Park- Land Sales are restricted for use by the airport. The amounts restricted for each are listed below:

General Obligation Bonds	\$2,161,712
Passenger Facilities Charges	803,998
Air Industrial Park	<u>322,045</u>
	<u>\$3,287,755</u>

ACCOUNTS RECEIVABLE:

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

CITY OF MONROE
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Notes To The Financial Statements
As of And For The Year Ended April 30, 2015

INTERFUND RECEIVABLES AND PAYABLES:

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

ELIMINATION AND RECLASSIFICATION:

In the process of aggregating data for the statement of net position 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.

INVENTORIES AND PREPAID ITEMS:

Inventories are valued at cost using the first in, first out cost less write-downs for obsolete items. Inventories consist of expendable supplies and repair and maintenance items held for consumption. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CAPITAL ASSETS:

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

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

Major outlays for capital assets and improvements are capitalized at completion of construction projects.

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

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Notes To The Financial Statements
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The estimated useful lives are as follows:

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

LONG-TERM DEBT:

In the government-wide statement of net position and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums, discounts, and gains (losses) on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable costs are reported net of the applicable bond premium or discount.

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

ACCUMULATED VACATION, SICK PAY, AND OTHER EMPLOYEE BENEFITS:

In the government-wide financial statements and the proprietary fund type financial statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March 2000), no compensated absences liability is recorded at April 30, 2015, in the governmental fund-type financial statements.

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

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

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

NET POSITION/FUND BALANCE:

In the Statement of Net Position, the difference between a government's assets, liabilities and deferred outflows/inflows is recorded as net position. The components of net position are as follows:

Net Investment in Capital Assets - Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.

Restricted Net Position - Consists of net position less related liabilities reported in the government-wide statement of net position that are subject to constraints on their use by creditors, grantors, contributors or legislature.

Unrestricted Net Position - Represent net position not appropriate for expenditures or legally segregated for a specific future use.

In accordance with Governmental Accounting Standards Board Statement No. 54, the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of the state or federal laws, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - Amounts that can be used only for specific purposes determined by a formal action of the City Council. The Council is the highest level of decision-making authority for the City. These amounts cannot be used for any other purposes unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned - Amounts that are intended to be used for specific purposes as established by the City's Administration designated for that purpose but do not meet the criteria to be classified as restricted or committed.

Unassigned - All amounts not included in other spendable classifications. Unassigned fund balances are the residual classification for the City's General fund.

CITY OF MONROE
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Notes To The Financial Statements
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Restricted amounts are considered to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. The City reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classification could be used.

F. INTERFUND ACTIVITIES:

Interfund activity is reported as loans, services provided reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

G. 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.

H. DEDICATED REVENUES:

Sales taxes:

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

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

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

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

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

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Property taxes:

Recreation (1.73 mills), public safety (.98 mills) and drainage (1.21 mills) millages were renewed by the voters in 2013, levied in 2014 and will expire with the 2023 tax roll.

For both the Civic Center and the Louisiana Purchase Gardens and Zoo, 2.50 mills was renewed by the voters in 2008, levied in fiscal 2009, and will expire with the 2018 tax roll.

For both the police and fire departments, 1.50 mills was renewed by the voters in 2008, levied in fiscal 2009, and will expire with the 2018 tax roll.

For capital improvements, 3.25 mills was renewed by the voters in 2008, levied in fiscal 2009, and will expire with the 2018 tax roll.

For airport improvements, 1.00 mills was passed by the voters in 2009, levied in fiscal 2009, and will expire with the 2018 tax roll.

2. FUND DEFICITS

The City of Monroe has deficit fund balances in two funds at April 30, 2015. The Employees' Group Insurance fund has a deficit fund balance of \$1,088,812. This deficit will be cleared by an increase in employee insurance premiums. The Community Development Block Grant Loan fund has a deficit fund balance of \$24,050. This deficit will be cleared by reprogramming funds for low income grant recipients.

3. 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. The City had deposits totaling \$2,082,577 exposed to custodial credit risk related to its deposits at April 30, 2015.

At April 30, 2015, the City has cash and cash equivalents, totaling \$85,744,741, (including \$1,621,182 in fiduciary funds) as follows:

Petty cash	\$	18,960
Demand deposits		66,192,845
Money market funds		18,532,245
LAMP		1,000,685
Total	<u>\$</u>	<u>85,744,735</u>

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These deposits are stated at cost, which approximates market. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at April 30, 2015, are secured, as follows:

Bank balances	\$	76,482,142
Federal deposit insurance	\$	1,250,000
Collateralized with pledged securities, not in the City's name		73,149,565
Uncollateralized		2,082,577
Total	\$	76,482,142

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

4. INVESTMENTS

Custodial credit risk - investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investments in United States government securities are held by the City's agent in the City's name. Therefore, the City had no custodial credit risk related to its investments at April 30, 2015.

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. The City did not have investments at April 30, 2015.

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.

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5. RECEIVABLES

Accounts receivable of \$30,439,033 at April 30, 2015, are comprised of the following:

	Taxes - Ad Valorem	Taxes - Sales	Grants	Customer Accounts	Other	Total
Governmental Funds						
General	\$ 87,975	\$ 3,093,364	\$ 71,697	\$ 100,914	\$ 1,044,277	\$ 4,398,227
Capital Infrastructure	-	1,283,977	-	-	679	1,284,656
Kansas Lane Connector	-	-	593,205	-	-	593,205
Nonmajor Governmental	19,388	1,611,766	450,827	-	720,117	2,802,098
Total Governmental	<u>107,363</u>	<u>5,989,107</u>	<u>1,115,729</u>	<u>100,914</u>	<u>1,765,073</u>	<u>9,078,186</u>
Proprietary Funds						
Monroe Regional Airport	-	-	2,403,018	351,010	195	2,754,223
Monroe Transit System	-	-	251,099	-	-	251,099
Monroe Civic Center	12,118	-	1,569,336	3,000	128	1,584,582
Water Fund	-	-	-	1,178,936	112	1,179,048
Sewer Fund	-	-	22,239	1,046,934	1,623	1,070,796
Nonmajor Enterprise	12,118	-	-	-	-	12,118
Total Proprietary	<u>\$ 24,236</u>	<u>\$ -</u>	<u>\$ 4,245,692</u>	<u>\$ 2,579,880</u>	<u>\$ 2,058</u>	<u>\$ 6,851,866</u>
Long-term receivables reported in governmental activities						<u>354,141</u>
TOTAL						<u><u>\$ 16,284,193</u></u>

The receivables shown above are net of an allowance for doubtful accounts of \$1,669,576 as of April 30, 2015. The allowance for doubtful accounts was reported for the following customer accounts receivables:

General	Garbage Collections	\$ 347,443
Water	Water Sales	705,644
Sewer	Sewer Fees	616,489
		<u>\$ 1,669,576</u>

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6. CHANGES IN CAPITAL ASSETS

The following schedule presents changes in capital assets for the year ended April 30, 2015.

	Balance April 30, 2014	Additions	Retirements	Balance April 30, 2015
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 20,113,900	\$ 89,495	\$ -	\$ 20,203,395
Land - internal service	45,000	-	-	45,000
Construction in progress	14,841,972	2,850,035	(9,596,181)	8,095,826
Total capital assets not being depreciated	<u>35,000,872</u>	<u>2,939,530</u>	<u>(9,596,181)</u>	<u>28,344,221</u>
Capital assets, being depreciated				
Buildings and improvements	36,436,309	879,323	-	37,315,632
Buildings and improvements - internal service	3,406,242	-	-	3,406,242
Equipment and Furniture	31,797,466	1,108,321	(289,219)	32,616,568
Equipment and Furniture - internal service	266,044	-	-	266,044
Infrastructure	165,016,492	8,819,626	-	173,836,118
School buildings	1,229,953	-	-	1,229,953
Total capital assets being depreciated	238,152,506	10,807,270	(289,219)	248,670,557
Less: accumulated depreciation	(114,521,104)	(11,407,633)	289,219	(125,639,518)
Less: accumulated depreciation - internal service	(1,531,424)	(92,168)	-	(1,623,592)
Total accumulated depreciation	<u>(116,052,528)</u>	<u>(11,499,801)</u>	<u>289,219</u>	<u>(127,263,110)</u>
Total capital assets being depreciated, net	<u>122,099,978</u>	<u>(692,531)</u>	<u>-</u>	<u>121,407,447</u>
Total governmental funds capital assets, net	<u>\$ 157,100,850</u>	<u>\$ 2,246,999</u>	<u>\$ (9,596,181)</u>	<u>\$ 149,751,668</u>

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	Balance April 30, 2014	Additions	Retirements	Balance April 30, 2015
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 5,542,940	\$ 65,001	\$ -	\$ 5,607,941
Construction in progress	5,056,851	8,036,269	(4,220,500)	8,872,620
Total capital assets not being depreciated	10,599,791	8,101,270	(4,220,500)	14,480,561
Capital assets, being depreciated				
Buildings/Improvements	72,704,829	1,367,550	-	74,072,379
Infrastructure	190,863,843	2,557,670	-	193,421,513
Equipment	20,036,757	1,556,747	(103,452)	21,490,052
Total capital assets being depreciated	283,605,429	5,481,967	(103,452)	288,983,944
Less: accumulated depreciation	(124,304,881)	(11,050,643)	103,452	(135,252,072)
Total capital assets being depreciated, net	159,300,548	(5,568,676)	-	153,731,872
Total business-type activities capital assets, net	\$ 169,900,339	\$ 2,532,594	\$ (4,220,500)	\$ 168,212,433

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

Governmental Activities:	
General Government	\$ 888,235
Public Safety	882,757
Public Works - internal service	8,899,213
Public Works	92,168
Planning and Urban Development	5,489
Culture and Recreation	731,939
Total depreciation expense - governmental activities	\$ 11,499,801
Business-Type Activities:	
Airport	\$ 3,270,206
Transit	923,140
Civic Center	498,321
Water	1,920,434
Sewer	4,335,196
Zoo	103,346
Total depreciation expense - business-type activities	\$ 11,050,643

In keeping with customary practice, any expense associated with the acquisition of animals at the Louisiana Purchase Gardens and Zoo is expensed in the period the expense occurs.

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7. ACCRUED LIABILITIES

Accrued liabilities as of April 30, 2015 consists of the following:

Fund	Salaries and Benefits	Claims Payable	Total
General	\$ 1,100,020	\$ -	\$ 1,100,020
Internal Service	-	872,419	872,419
TOTAL	\$ 1,100,020	\$ 872,419	\$ 1,972,439

8. ELECTRICAL SYSTEM OPERATING AGREEMENT

On July 9, 1977, the voters of the City of Monroe authorized a 50 year operating agreement between the City of Monroe and Entergy (formerly Louisiana Power & Light) for the operation by Entergy of the City's electric system. The agreement provided that Entergy would pay to the City a percentage of total revenue collected from the sale of electric service to residential and commercial customers within the City, such payments not to be less than \$700,000 annually. The aforementioned base increased by one per cent of sales of electric services to residential and commercial customers in excess of \$10,000,000 in a calendar year. Revenues under this agreement totaled \$2,662,279 for the year ended April 30, 2015.

9. PENSION AND RETIREMENT PLANS

City of Monroe Sponsored Pension Plans:

The City has two single-employer defined benefit plans, the Bus Drivers' Pension and Relief Fund and the Monroe Policemen's Pension and Relief fund.

The City contributes 7.25% and Bus Department administrative employees contribute 9.25% of their salary to the Bus Drivers' Pension and Relief Fund. The City also reimburses 4% of the bus operators' contributions. The City made no contributions for the year ended April 30, 2015.

The Monroe Policemen's Pension and Relief Fund covers those employees who were members of the fund at September 1, 1983, and who retire prior to the age of 50. Upon reaching their 50th birthday, they will no longer receive benefits under the Monroe Policemen's Pension and Relief Fund, but will begin receiving benefits under the Municipal Police Employees' Retirement System (MPERS). The City made no contributions to the Monroe Policemen's Pension and Relief Fund for the year ended April 30, 2015.

Data concerning the actuarial status of the Policemen's and Bus Drivers' Pension and Relief Funds is not available. The City of Monroe has never required the services of an actuary for these plans nor felt the need to determine the actuarial liability of the plans because state law requires that the plans be funded at minimum reserve requirements rather than an actuarially computed reserve based on future benefits payable. The two funds had net position at April 30, 2015, as follows: Policemen's, \$110,222 and Bus Drivers', \$19,505. The Policemen's and Bus Drivers' Pension and Relief Funds do not issue a standalone report.

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State Sponsored Plans:

Municipal Employees' Retirement System of Louisiana (MERS)

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

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

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

Funding Policy. Contributions to the system include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of members on which contributions were made for the previous fiscal year. State statute requires covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. For the year ended April 30, 2015, the City's contribution rate was 18.75% for May and June and 19.75% for the remainder of the year. The employees' contribution rate was 9.5% for the entire fiscal year ended April 30, 2015.

The City's and employees' contributions to the MERS were as follows:

	2015	2014	2013
City of Monroe	\$ 3,610,976	\$ 3,370,115	\$ 3,036,965
Employees'	1,624,324	1,626,846	1,575,161
Total	\$ 5,235,300	\$ 4,996,961	\$ 4,612,126

Employer contributions totaled 100% of annual actuarially required contributions.

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

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Firefighters' Retirement System (SFRS)

Effective May 7, 1981, the members of the Firemen's Pension and Relief Fund agreed to merge with the SFRS, a multiple-employer, cost-sharing PERS. Effective June 1, 1986, the retirees and dependents receiving benefits under the City plan as of May 7, 1981, were transferred to the SFRS.

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

Funding Policy. State statute requires covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. For the year ended April 30, 2015, the City's contribution rate was 28.25% for May and June and 29.25% for the remainder of the year. The employees' contribution rate was 10% for the entire fiscal year ended April 30, 2015.

The City's and employees' contributions to the SFRS were as follows:

	2015	2014	2013
City of Monroe	\$ 2,456,485	\$ 2,248,607	\$ 1,997,836
Employees'	843,431	815,862	836,821
Total	\$ 3,299,916	\$ 3,064,469	\$ 2,834,657

Employer contributions totaled 100% of annual actuarially required contributions.

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

Municipal Police Employees' Retirement System (MPERS)

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

All full-time police officers engaged in law enforcement and earning at least \$375 per month excluding state supplemental pay, the elected chief of police whose salary is at least \$100 per month, and secretaries

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to the chief of police are eligible to participate in the system. Members who retire at or after age 55 with 12 years of creditable service, at or after age 50 with 20 years of creditable service, or at any age with 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3% of the member's average final compensation multiplied by his years of creditable service, not to exceed 100 per cent of his average final compensation. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy. State statutes require covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. For the year ended April 30, 2015, the City's contribution rate was 31% for May and June and 31.5% for the remainder of the year for all hazardous duty members and 33% for May and June and 33.5% for the remainder of the year for all non-hazardous duty members. The employees' contribution rate was 10% for hazardous duty members and 8% for non-hazardous duty members for the entire fiscal year ended April 30, 2015.

The City's and employees' contributions to the MPERS were as follows:

	2015	2014	2013
City of Monroe	\$ 2,595,714	\$ 2,670,768	\$ 2,677,606
Employees'	798,315	819,020	921,481
Total	\$ 3,394,029	\$ 3,489,788	\$ 3,599,087

Employer contributions totaled 100% of annual actuarially required contributions.

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

10. OTHER POST-EMPLOYMENT BENEFITS

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

The employees are covered by several retirement systems whose retirement eligibility (D.R.O.P. entry) provisions are similar. We have used the following as representative of that eligibility: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 10 years of service.

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

Fund Policy - Until 2008, the City of Monroe recognized the cost of providing post-employment medical benefits (the City of Monroe's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2015 and 2014, the City of Monroe's portion of health care funding cost for retired employees totaled \$1,291,061 and \$1,560,852, respectively.

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Effective May 1, 2008, the City of Monroe implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution - The City of Monroe's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2015	2014
Normal cost	\$ 946,062	\$ 1,039,580
30-year UAL amortization amount	2,450,000	2,623,798
Annual required contribution(ARC)	\$ 3,396,062	\$ 3,663,378

Net Post-employment Benefit Obligation (Asset) - The table below shows the City of Monroe's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending April 30, 2015, 2014 and 2013 respectively:

	2015	2014	2013
Beginning Net OPEB Obligation	\$12,662,824	\$ 10,752,007	\$ 8,832,240
Annual required contribution	3,396,062	3,663,378	3,522,479
Interest on Net OPEB Obligation	506,513	430,080	353,290
ARC Adjustment	(732,293)	(621,789)	(510,769)
OPEB Cost	3,170,282	3,471,669	3,365,000
Contribution to Irrevocable Trust	-	-	-
Current year retiree premium	(1,291,061)	(1,560,852)	(1,445,233)
Change in Net OPEB Obligation	1,879,221	1,910,817	1,919,767
Ending Net OPEB Obligation	\$14,542,045	\$ 12,662,824	\$ 10,752,007

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
April 30, 2015	\$ 3,170,282	40.72%	\$ 14,542,045

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Funded Status and Funding Progress - In 2015, the City of Monroe made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the May 1, 2014 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year April 30, 2015 was \$44,060,375 which is defined as that portion, as determined by a particular actuarial cost method (the City of Monroe uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2015</u>
Actuarial Accrued Liability (AAL)	\$ 44,060,375
Actuarial Value of Plan Assets (AVP)	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 44,060,375</u>
Funded Ratio (AVP/AAL)	0.00%
Covered Payroll (active plan members)	\$ 41,043,364
UAAL as a percentage of covered payroll	107.35%

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

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

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

Actuarial Value of Plan Assets - There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate - An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 13%.

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Post employment Benefit Plan Eligibility Requirements - Based on past experience, it has been assumed that entitlement to benefits will commence eight years after the earliest retirement (D.R.O.P. entry) eligibility, as described above under "Plan Description". The eight years represents three years in the D.R.O.P. plus five additional years. Medical benefits are provided to employees upon actual retirement.

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

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

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

Method of Determining Value of Benefits - The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The City pays 68% of the total unblended retiree premiums. Those premiums are based on the unblended rates both before and after Medicare eligibility as required by GASB Codification Section P50.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

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

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

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Notes To The Financial Statements
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11. CAPITAL LEASES

In 2013, the City entered into lease agreements for golf carts to be used at Chennault Golf Course. The original amount of the obligation was \$301,438 and bears interest at 7.3%. Also, the City entered into a lease for police communication software and equipment with an original obligation amount of \$1,178,708 which bears interest at 3.49%. In October 2014, the City entered into a lease for fire trucks and other related equipment. The original amount of the obligations was \$2,500,000 and bears interest at 1.63%. As of April 30, 2015, the City had remaining capital lease proceeds of \$2,332,577 that were obligated for the acquisition of three fire trucks and related equipment.

The assets acquired through capital leases are as follows:

<u>Asset:</u>	<u>Original Cost</u>	<u>Current Year Depreciation</u>	<u>Accumulated Depreciation</u>
Chennault golf carts	\$ 301,438	\$ 73,962	\$ 184,332
Police communication equipment	1,178,708	2,240	294,677
Fire Department equipment	167,423	25,281	5,581

The future minimum lease payments are as follows:

<u>Fiscal Years Ended April 30:</u>	<u>Future Minimum Lease Payments</u>
2016	\$ 730,681
2017	778,105
2018	668,930
2019	668,930
2020	668,931
2021	432,651
	<u>3,948,228</u>
Less: Amounts representing Interest	<u>(291,622)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 3,656,606</u>

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12. LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the City of Monroe for the year ended April 30, 2015:

	Balance April 30, 2014	Additions	Deletions	Balance April 30, 2015	Amounts Due Within One Year
<u>Governmental Activities:</u>					
Tax increment bonds	\$ 36,960,000	\$ -	\$ (2,905,000)	\$ 34,055,000	\$ 2,990,000
Sales tax revenue bonds	45,835,600	-	(2,116,800)	43,718,800	2,199,400
Premium	928,440	-	(157,036)	771,404	140,342
Total bonds payable	<u>83,724,040</u>	<u>-</u>	<u>(5,178,836)</u>	<u>78,545,204</u>	<u>5,329,742</u>
Claims and judgments	9,754,763	814,998	(349,780)	10,219,981	349,780
Capital leases	1,326,417	2,500,000	(169,811)	3,656,606	650,950
Notes payable	4,701,850	-	(954,852)	3,746,998	1,131,852
Accrued vacation and sick pay	5,939,694	3,793,088	(3,459,013)	6,273,769	3,459,013
Other post employment benefits	12,662,824	3,170,282	(1,291,061)	14,542,045	1,291,061
Total Long-Term Debt	<u>\$ 118,109,588</u>	<u>\$ 10,278,368</u>	<u>\$ (11,403,353)</u>	<u>\$ 116,984,603</u>	<u>\$ 12,212,398</u>
	Balance April 30, 2014	Additions	Deletions	Balance April 30, 2015	Amounts Due Within One Year
<u>Business-type Activities:</u>					
Sales tax revenue bonds - Water	\$ 5,519,880	\$ -	\$ (434,640)	\$ 5,085,240	\$ 448,120
Sales tax revenue bonds - Sewer	49,998,593	1,391,466	(3,668,560)	47,721,499	3,822,480
General obligation bonds - Airport	17,360,000	-	(475,000)	16,885,000	510,000
Total bonds payable	<u>72,878,473</u>	<u>1,391,466</u>	<u>(4,578,200)</u>	<u>69,691,739</u>	<u>4,780,600</u>
Accrued vacation and sick pay	1,122,928	749,168	(593,538)	1,278,558	593,538
Total Long-Term Debt	<u>\$ 74,001,401</u>	<u>\$ 2,140,634</u>	<u>\$ (5,171,738)</u>	<u>\$ 70,970,297</u>	<u>\$ 5,374,138</u>

Payments of claims and judgments payable are recognized in the General Fund when paid and are related to outstanding worker's compensation claims at year-end. Payments of accrued vacation and sick pay, as well as capital leases, are paid from the general revenues of the General Fund. The payments for notes payable are recognized in the General Fund, as well as the special revenue fund entitled Capital. The other post-employment benefit obligation will be liquidated by the General Fund. Only those expenditures which are included in the City's legally adopted budget will be paid from the General Fund and any special revenue funds.

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Individual bond issuances are comprised of the following:

	Issue Dates	Original Amount	Interest Rates to Maturity	Final Maturity	Balance April 30, 2015	Amounts Due Within A Year
GOVERNMENTAL ACTIVITIES						
Tax Increment Bonds:						
Tower Drive Series 2012	2012	\$ 10,590,000	2.71%	2025	\$ 8,670,000	\$ 765,000
I-20 Development Series 2011	2011	10,000,000	3.00% - 5.00%	2025	7,840,000	670,000
I-20 Development Series 2012	2012	20,530,000	2.71%	2025	17,545,000	1,555,000
Total Tax Increment Bonds		<u>41,120,000</u>			<u>34,055,000</u>	<u>2,990,000</u>
Sales Tax Bonds:						
Series 2007A Refunding	2007	19,951,200	1.703%	2027	14,048,800	989,400
Series 2011A Refunding	2011	14,690,000	3.19%	2028	14,150,000	270,000
Series 2012 Refunding	2012	16,860,000	2.00% - 4.00%	2028	15,520,000	940,000
Total Sales Tax Bonds		<u>51,501,200</u>			<u>43,718,800</u>	<u>2,199,400</u>
TOTAL GOVERNMENTAL ACTIVITIES		<u>\$ 92,621,200</u>			<u>\$ 77,773,800</u>	<u>\$ 5,189,400</u>
BUSINESS TYPE ACTIVITIES						
Sales Tax Bonds - Water:						
Series 2006	2006	3,000,000	3.45%	2029	2,305,000	130,000
Series 2007A Refunding	2007	1,877,760	1.703%	2027	1,322,240	93,120
Series 2011 Refunding	2011	1,916,000	2.50% - 5.00%	2021	1,458,000	225,000
Total Sales Tax Bonds - Water		<u>6,793,760</u>			<u>5,085,240</u>	<u>448,120</u>
Sales Tax Bonds - Sewer:						
Series 2007A Refunding	2007	7,511,040	1.703%	2027	5,288,960	372,480
Series 2008 - DEQ #5	2008	14,000,000	0.95%	2026	7,365,330	665,000
Series 2011 Refunding	2011	7,664,000	2.50% - 5.00%	2021	5,832,000	900,000
Series 2012A Refunding	2012	32,000,000	2.89%	2028	28,350,000	1,830,000
Series 2013 - DEQ #6	2013	11,700,000	0.95%	2028	885,209	55,000
Total Sales Tax Bonds - Sewer		<u>72,875,040</u>			<u>47,721,499</u>	<u>3,822,480</u>
General Obligation Bonds - Airport:						
Series 2009 Airport Bonds	2009	19,250,000	3.25% - 5.5%	2039	16,885,000	510,000
Total Airport Revenue Bonds		<u>19,250,000</u>			<u>16,885,000</u>	<u>510,000</u>
TOTAL BUSINESS TYPE ACTIVITIES		<u>\$ 98,918,800</u>			<u>\$ 69,691,739</u>	<u>\$ 4,780,600</u>

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The debt service requirements to amortize all bonds outstanding at April 30, 2015, are as follows:

Year Ended April 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 5,189,400	\$ 2,541,685	\$ 7,731,085	\$ 4,780,600	\$ 2,374,691	\$ 7,155,291
2017	5,348,600	2,384,141	7,732,741	5,032,114	2,152,386	7,184,500
2018	5,517,800	2,226,505	7,744,305	5,252,032	2,007,409	7,259,441
2019	5,708,800	2,053,097	7,761,897	5,421,032	1,852,410	7,273,442
2020	5,871,400	1,856,932	7,728,332	5,248,431	1,685,829	6,934,260
2021-2025	37,734,800	5,811,183	43,545,983	22,000,200	6,403,265	28,403,465
2026-2030	12,403,000	582,530	12,985,530	13,107,330	3,413,343	16,520,673
2031-2035	-	-	-	5,095,000	1,918,124	7,013,124
2036-2039	-	-	-	3,755,000	476,853	4,231,853
Total	\$ 77,773,800	\$ 17,456,073	\$ 95,229,873	\$ 69,691,739	\$ 22,284,310	\$ 91,976,049

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

13. PLEDGED REVENUES

Tower Drive Sales Tax Revenue and Refunding Bonds, Series 2012

The City has pledged and dedicated and will irrevocably pledge and dedicate an amount to be determined but in no event to exceed sixty percent (60%) of its local Sales Tax Increment collected within the boundaries of the Economic Development Areas for use by the City for the purposes set forth in the Act for payment of the principal of, premium, if any, and interest on the Bonds.

The original bond issuance was for \$10,590,000. Proceeds from the bonds provided financing for the purpose of the acquisition, engineering, construction, reconstruction or relocation of certain roads, streets, highways, drainage, sewers and other public infrastructure within the Tower Drive Economic Development Area. The bonds are payable through 2025. The City has a balance of \$4,680,706 in a debt service fund for the payment of the bonds. Total principal and interest remaining to be paid on the bonds is \$8,670,000 and \$1,344,431, respectively. For the year ended April 30, 2015, the City received \$960,106 from the collection of the incremental sales tax and paid \$745,000 in bond principal and \$255,146 in debt service interest. The annual required principal and interest payments are estimated to be 29% of the tax revenues over the next 10 years.

I-20 Development Sales Tax Increment Revenue Bonds, Series 2011 and Series 2012

The City has pledged and dedicated and will irrevocably pledge and dedicate an amount to be determined but in no event to exceed sixty percent (60%) of its local Sales Tax Increment collected within the boundaries of the Economic Development Areas for use by the City for the purposes set forth in the Act for payment of the principal of, premium, if any, and interest on the Bonds.

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The original bond issuances were for \$10,000,000 for the 2011 and \$20,530,000 for the 2012 issuances. Proceeds from the bonds provided for the financing or refinancing of economic development projects within the economic development area including the repair, construction, reconstruction or relocation of public streets. Both series bonds are payable through 2025. The City has a balance of \$528,238 in a debt service fund for the payment of the bonds. Total principal and interest remaining to be paid on the bonds is \$25,385,000 and \$4,717,828, respectively. For the year ended April 30, 2015, the City received \$3,261,874 from the collection of the incremental sales tax and paid \$2,160,000 in bond principal and \$849,221 in debt service interest. The annual required principal and interest payments are estimated to be 91% of the tax revenues over the next 10 years.

Sales Tax Revenue Bonds

Sales Tax Bonds are payable solely from and secured by an irrevocable pledge and dedication of the avails or proceeds of the special one percent (1%) sales and use tax now being levied and collected by the City, pursuant to Article VI, Section 29 of the Constitution of the State of Louisiana of 1974, and other constitutional and statutory authority, and in compliance with elections held therein on November 8, 1994 and May 5, 2001, subject only to the prior payment of the reasonable and necessary costs and expenses of collecting and administering the Tax.

Proceeds from the bonds provided for capital infrastructure projects such as fire improvements, streets and drainage, as well as water and sewer infrastructure upgrades.

The City has a balance of \$7,259,685 in a debt service fund for payment of the bonds. The original amount of the bonds as well as the remaining principal and interest and final year payment is as follows:

	Original Amount	Remaining Principal	Remaining Interest	Final Year Payment
Series 2006	\$ 3,000,000	\$ 2,305,000	\$ 600,903	2028
Series 2007A	29,340,000	20,660,000	5,182,942	2026
Series 2008 DEQ #5	14,000,000	7,365,330	356,683	2030
Series 2011 Refunding	9,580,000	7,290,000	775,737	2020
Series 2011A Refunding	14,690,000	14,150,000	3,835,018	2027
Series 2012 Refunding	16,860,000	15,520,000	4,034,395	2027
Series 2012A Refunding	32,000,000	28,350,000	5,651,395	2027
Series 2013 DEQ #6	11,700,000	885,209	119,149	2028
Total	<u>\$ 131,170,000</u>	<u>\$ 96,525,539</u>	<u>\$ 20,556,222</u>	

For the year ended, April 30, 2015, the City received \$16,162,855 from the collection of the 1% sales and use tax and paid \$6,220,000 in bond principal and \$3,101,376 in debt service interest. The annual required principal and interest payments are estimated to be 57% of the tax revenues over the next 15 years.

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14. INTERFUND RECEIVABLES AND PAYABLES

Individual fund balances due from/to other funds at April 30, 2015, are as follows:

	Interfund Receivable							Total
	General	Capital Infrastructure	Nonmajor Governmental	Monroe Transit System	Water	Sewer	Nonmajor Enterprise	
Interfund Payable								
General	\$ -	\$ 403	\$ 47,475	\$ 340	\$ -	\$ 5,599	\$ 442	\$ 54,259
Kansas Lane Connector	-	-	-	-	412,915	-	-	412,915
Nonmajor Governmental	35,078	-	643,982	-	521,057	-	-	1,200,117
Monroe Regional Airport	-	-	-	20	1,767,156	-	-	1,767,176
Monroe Transit System	6,623	-	-	-	-	-	-	6,623
Monroe Civic Center	47	-	-	-	793,606	-	-	793,653
Water Fund	-	-	-	-	-	47,067	-	47,067
Sewer Fund	10,082	-	-	-	-	-	-	10,082
Nonmajor Enterprise	40,886	-	-	-	-	-	-	40,886
Internal Service	615,304	-	-	-	-	-	-	615,304
Total	\$ 708,020	\$ 403	\$ 691,457	\$ 360	\$ 3,494,734	\$ 52,666	\$ 442	\$ 4,948,082

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

15. INTERFUND TRANSFERS

The following transfers were made between the various funds of the City during the year ended April 30, 2015:

	Transfers Out			
	General	Capital Infrastructure	Nonmajor Governmental	Total
Transfers In				
General	\$ -	\$ 832,780	\$ 72,516	\$ 905,296
Sales Tax Bond	-	3,983,319	-	3,983,319
Nonmajor Governmental	490,192	-	664,836	1,155,028
Monroe Transit System	2,338,375	-	-	2,338,375
Monroe Civic Center	403,427	-	-	403,427
Water Fund	-	622,724	-	622,724
Sewer Fund	-	5,294,530	-	5,294,530
Nonmajor Enterprise	422,066	-	-	422,066
Internal Service	974,223	-	1,494,000	2,468,223
Total	\$ 4,628,283	\$ 10,733,353	\$ 2,231,352	\$ 17,592,988

These transfers resulted from transactions for goods and services among funds, debt service transfers, amounts needed to support operations in various enterprise funds and for capital improvement.

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16. COMMITMENTS, LITIGATION AND CONTINGENCIES

Various lawsuits are pending against the City of Monroe. Except as noted below, attorneys of the City are of the opinion that any judgment rendered in favor of the plaintiff will not materially affect the financial position of the City at April 30, 2015.

The City is a party to a variety of suits involving sales taxes assessed on different businesses, city employee/employer relations, and a suit involving sewer collections. The City is unable to make an estimate of the possible liability, if any, of these matters at the current time.

Construction Commitments. The City has active construction projects as of April 30, 2015. The projects include street construction, sewer treatment improvements, water system upgrades and airport projects. At year end the City's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Monroe Regional Airport Fire Station	\$ 1,129,169	\$ 1,099,831
Civic Center Generator Project	1,536,141	21,043
Hadley Street Lift Station	274,007	421,993
Digester Roof Rehab	245,825	339,175
Basin MR Rehab	1,079,563	2,820,262
DRU Gustav/Ike Storm Improvements	1,318,565	204,452

The City also has outstanding commitments for architect and engineering services related to the City's ongoing construction projects.

Encumbrances. As discussed in note D Budget Practices, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 276,298
Nonmajor Governmental	2,906,757
Monroe Regional Airport	162,715
Monroe Civic Center	25,768
Water	289,569
Sewer	172,699
Internal Service	22,066
	<u>\$ 3,855,872</u>

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17. ON-BEHALF PAYMENTS

Certain City employees in the City Marshal's office, the Monroe Police Department and the Monroe Fire Department receive supplemental pay from the State of Louisiana. In accordance with GASB Statement No.24, the City has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$1,949,401 and the related expenditures are as follows:

Marshal/Deputy Marshal	\$	96,616
Monroe Police Department		840,851
Monroe Fire Department		1,011,934
Total	\$	1,949,401

18. RISK FINANCING ACTIVITIES

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. There were no major changes in insurance coverage for the year ended April 30, 2015. Certain risks of loss, such as surety bonding, transit liability and indemnity, and activities relating to the operations of Chennault Park, Selman Field Golf Course, the Monroe Civic Center, Louisiana Purchase Gardens and Zoo and Monroe Regional Airport are insured through purchase of commercial insurance with deductibles from \$0 to \$25,000 and coverage limits from \$1,000 (surety bonds) to \$64,000,000 (buildings and contents). Other risks of loss, including fleet comprehensive and liability, long-term disability and comprehensive general liability, are entirely self-insured. Workers compensation losses are self insured up to \$250,000 per occurrence, with excess loss policies in force for claims in excess of the self insured retention. There were no settlements that exceeded insurance coverage for the past three years.

The City also administers its own health insurance plan for its employees with a combination of self-insurance and stop-loss coverage. Claims are paid from charges to the City's other funds and its plan members and is based on 3rd party administrations recommendation. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In fiscal year 2015 the City retained specific stop-loss coverage which provides excess coverage for claims in excess of \$250,000.

The following are the changes in the claims liability for health care and life insurance benefits during the past two years are as follows:

	2015	2014
Beginning balance	\$ 962,622	\$ 640,428
Current year claims and changes in estimates	11,325,791	10,732,930
Claims paid	(11,415,994)	(10,410,736)
Ending balance	\$ 872,419	\$ 962,622

All of the foregoing risk financing activities are accounted for in the governmental and proprietary fund types. Long-term liabilities that are covered by structured settlements which are not expected to be liquidated with expendable available financial resources in the governmental funds have been recorded

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in the General Long-term Obligations Account Group at estimated present value. Other long-term claims and judgments payable recorded in the General Long-term Obligations Account Group, primarily disability and workers' compensation claims, are recorded using actuarial methods. Changes in the claims liability during the past two years are as follows:

	2015	2014
Beginning balance	\$ 9,754,763	\$ 9,969,993
Current year claims and changes in estimates	814,998	94,442
Claims paid	(349,780)	(309,672)
Ending balance	\$ 10,219,981	\$ 9,754,763

Included in current year claims and changes in estimates are amounts related to workers' compensation claims for incurred but not reported claims (IBNR). IBNR claims include known loss events which are expected to be presented as claims, unknown loss events that are expected to become claims and expected future developments on claims already reported. Actuarial methods were employed to determine the IBNR reserve at April 30, 2015, which was calculated to be approximately \$2 million and covers claim years since April 30, 1979.

The Employees' Group Insurance fund had a deficit fund balance of \$1,088,812 at April 30, 2015.

19. SALES TAX COLLECTIONS REMITTED TO OTHER TAXING AUTHORITIES (CASH BASIS)

Act 711 of the 2010 Louisiana legislative session amended LRS 24:51 (B) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions to other parish governmental agencies during fiscal year ended April 30, 2015.

	Total Collections	Collection Cost	Protested Taxes	Final Distribution
City of West Monroe	\$ 18,363,766	\$ (56,191)	\$ (4,215)	\$ 18,303,360
Town of Sterlington	673,518	(4,238)	-	669,280
Town of Richwood	286,138	(180)	-	285,958
Monroe City School Board	28,823,677	(187,612)	(33,798)	28,602,267
Ouachita Parish School Board	44,427,470	(270,248)	(12,683)	44,144,539
Ouachita Parish Police Jury	14,427,522	(37,871)	-	14,389,651
Ouachita Parish Sheriff Office	4,036,470	(18,992)	-	4,017,478
Monroe/W Monroe Convention & Visitor's Bureau	1,547,168	(3,666)	-	1,543,502
Subtotal	112,585,729	(578,998)	(50,696)	111,956,035
City of Monroe	62,251,083	-	(85,267)	62,165,816
Total	\$ 174,836,812	\$ (578,998)	\$ (135,963)	\$ 174,121,851

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20. NONSPENDABLE, RESTRICTED, COMMITTED AND ASSIGNED FUND BALANCES

The following Governmental Funds' fund balances are nonspendable, legally restricted, Council committed or assigned for the following purposes:

Nonspendable Fund Balance

Fund	Nonspendable	Amount
Major Funds:		
General Fund	Prepaid expenses and other assets	\$ 238,759
General Fund	Inventories	144,580
Total Major Funds		383,339
Non-major Funds:		
Special Revenue Funds:		
CDBG Loan	Prepaid expenses and other assets	74,263
HOME Program Loans	Prepaid expenses and other assets	189,152
Capital	Prepaid expenses and other assets	384,032
Total Non-major Funds		647,447
Total Nonspendable		\$ 1,030,786

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Restricted Fund Balance

Fund	Restricted For	Amount
Major Funds		
Special Revenue-Capital Infrastructure	Debt	\$ 11,128,220
	Public works	13,409,659
Sales Tax Debt Service Fund	Debt	7,259,685
I-20 Corridor Improvements Capital Project Fund	Public works	13,883,857
Total Major Funds		45,681,421
Non-Major Funds		
Special Revenue Funds		
Fire Department Insurance	Public safety	1,003,610
Urban Development Action	Planning and urban development	18,190
Rental Rehab	Planning and urban development	179,833
CDBG Economic Development	Planning and urban development	10,835
Fire and Police Capital Tax	Capital improvements	2,056,661
Emergency Shelter	Planning and urban development	3,108
City Prosecuting Attorney	Judicial	163,214
DARE Program	Public safety	82,468
Equitable Share Federal Seizure	Public safety	25,258
Police Salary Sales Tax	Public safety	1,167,718
Fire Salary Sales Tax	Public safety	1,224,735
HOME Program Loans	Planning and urban development	291,471
MPD K-9/Donations	Public safety	39,608
PTFA-2012	Recreation facilities	208,341
Fire Capital Lease	Capital improvements	2,332,577
PTFA-2015	Recreation facilities	560,605
Debt-Service Funds		
I-20 Economic District	Debt	4,680,706
Tower Dr Economic District	Debt	528,238
Capital Projects Funds		
N 18th Street Extension	Capital improvements	104,713
Tower Drive	Capital improvements	658,339
Street Construction	Capital improvements	334,830
Fire/Drainage Improvements	Capital improvements	503,901
US 165 Business Connector	Capital improvements	375,674
Total Non-Major Funds		16,554,633
Total Restricted		\$ 62,236,054

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2015

Committed Fund Balance

<u>Fund</u>	<u>Committed For</u>	<u>Amount</u>
Non-Major Funds		
Special Revenue Funds		
Capital	Capital improvements	\$ 257,501
Employees' Benefits	Employees' benefits	51,863
		<hr/>
Total Committed		\$ 309,364
		<hr/> <hr/>

Assigned Fund Balance

<u>Fund</u>	<u>Assigned For</u>	<u>Amount</u>
Non-Major Funds		
Special Revenue Funds		
Diversion Program	Judicial	\$ 12,909
Drug Seizure Forfeiture Local/State	Public safety	27,607
Downtown Economic Development	Economic development	6,449
Admin Economic Development	Economic development	1,228,148
Repairs & Maintenance	Repairs and capital improvements	108,353
Demolition	Public works	39,855
		<hr/>
Total Assigned		\$ 1,423,321
		<hr/> <hr/>

21. PASSENGER FACILITY CHARGE-MONROE REGIONAL AIRPORT

On January 23, 2003, the Monroe Regional Airport (Airport) received approval from the Federal Aviation Administration (FAA) to impose a \$4.50 passenger facility charge (PFC) in accordance with Section 158.29 of the FAA Regulations (Title 14, Code of Federal Regulations, Part 158). On December 20, 2005, the Airport received approval to continue collecting the charge through September 1, 2008. On September 8, 2008, approval was given by the FAA to collect the charge commencing November 1, 2008 through June 1, 2036.

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

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

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2015

The FAA approved a total collection of \$1,134,672, from April 1, 2003 until January 31, 2006 for three approved projects. On December 20, 2005, the FAA approved collections of \$720,000 for one additional project. Two additional projects were approved September 8, 2008 totaling \$16,400,000. These projects as well as the amounts disbursed and the remaining dollars available are as follows:

Description	Project Amount	Disbursements	Available
Aircraft loading equipment improvement	\$ 504,335	\$ 504,335	\$ -
PFC application professional fees	40,700	40,700	-
Rehabilitate airfield lighting	401,025	401,025	-
Passenger terminal scoping and planning study	413,444	413,444	-
New Passenger Terminal Building	16,200,000	2,566,573	13,633,427
Administrative Costs (Professional Fees)	200,000	41,699	158,301
Total	<u>\$ 17,759,504</u>	<u>\$ 3,967,776</u>	<u>\$ 13,791,728</u>

On September 15, 2009 the Application 08-03-C-00-MLU charge effective date was changed to July 1, 2006 and charge expiration date was changed to January 1, 2035.

Since the inception of the PFC, the Airport has recorded the following revenues / receipts and expenses / disbursements through fiscal year 2015 resulting in a restriction of net position from passenger facility charges as follows:

	Accrual Basis	Cash Basis
PFC revenues / receipts	\$ 4,811,671	\$ 4,721,563
Interest earnings	50,211	50,211
Total revenues / receipts	4,861,882	4,771,774
Expenses / disbursements for PFC projects	<u>(3,967,776)</u>	<u>(3,967,776)</u>
Net PFC cash, April 30, 2015		<u>\$ 803,998</u>
Net position restricted for PFC, April 30, 2015	<u>\$ 894,106</u>	

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

22. RESTATEMENT OF NET POSITION

Beginning net position of the governmental and business-type activities are being restated due to the correction of prior year unbilled receivable for water, sewer and trash services at year end and to properly reflect certain bonds payable in the Enterprise funds rather than in the governmental activities.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2015

The net effect to the entity-wide Statement of Net Position for the prior period adjustment is as follows:

	Governmental Activities	Business-Type Activities	Total
Total Net Position, April 30, 2014 as previously reported	\$ 49,917,715	\$ 169,903,161	\$ 219,820,876
Recognition of governmental funds as enterprise funds in order to report all associated activity in respective financial statement column (see Note 23)	(9,305,834)	9,305,834	-
Subtotal	40,611,881	179,208,995	219,820,876
Recognition of certain bonds payable in enterprise funds for full accrual reporting and remove from governmental activities	73,446,093	(73,446,093)	-
Unbilled utilities receivable not recorded as of 4/30/14	258,977	1,196,928	1,455,905
Total Net Position, April 30, 2014, restated	\$ 114,316,951	\$ 106,959,830	\$ 221,276,781

23. CHANGES IN PRESENTATION

The following funds were reported as major funds for the fiscal years ended April 30,

	<u>2015</u>	<u>2014</u>
Governmental Funds		
General Fund	Yes	Yes
Capital Infrastructure	Yes	Yes
Sales Tax Bond	Yes	Yes
I-20 Corridor Improvements	Yes	Yes
Kansas Lane Connector	Yes	No
Enterprise Funds		
Monroe Regional Airport	Yes	Yes
Monroe Transit System	Yes	Yes
Monroe Civic Center	Yes	Yes
Water Fund	Yes	Yes
Sewer Fund	Yes	Yes
Louisiana Purchase Gardens & Zoo	No	Yes

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2015

The following Funds were moved from governmental funds to the enterprise funds in order for the enterprise funds to include its respective activity

<u>Fund</u>	<u>2015 Presentation</u>	<u>2014 Presentation</u>
Passenger Facility Charges	Monroe Regional Airport	Nonmajor Governmental
Airport Terminal	Monroe Regional Airport	Nonmajor Governmental
MLU-Runway	Monroe Regional Airport	Nonmajor Governmental
MLU-North Ramp Rehab & Extension	Monroe Regional Airport	Nonmajor Governmental
MLU-Taxiways	Monroe Regional Airport	Nonmajor Governmental
MLU-Security Fence Upgrade	Monroe Regional Airport	Nonmajor Governmental
MLU-Security Fence Relocation	Monroe Regional Airport	Nonmajor Governmental
MLU-Airport Drainage	Monroe Regional Airport	Nonmajor Governmental
MLU-AAFR Station	Monroe Regional Airport	Nonmajor Governmental
Airport Industrial Park	Monroe Regional Airport	Nonmajor Governmental
MLU-Airport South Ramp Rehab	Monroe Regional Airport	Nonmajor Governmental
MLU-Perimeter Road Phase 1 & 2	Monroe Regional Airport	Nonmajor Governmental
MLU-North & Mid Ramp Phase 2	Monroe Regional Airport	Nonmajor Governmental
GOSHEP Civic Center Generator	Monroe Civic Center	Nonmajor Governmental
Collection System Improvement	Sewer Fund	Nonmajor Governmental
Water System Improvements	Water Fund	Nonmajor Governmental

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**City of Monroe
Monroe, Louisiana**

**OPEB AND BUDGETARY INFORMATION
DIVIDER**

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DIVIDER

City of Monroe
Monroe, Louisiana

**REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POST EMPLOYMENT BENEFITS AND
BUDGETARY INFORMATION**

**City of Monroe
Monroe, Louisiana**

**SCHEDULE OF FUNDING PROGRESS FOR OTHER POST EMPLOYMENT BENEFIT PLAN
April 30, 2015**

Exhibit 1

<u>Fiscal Year End</u>	<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL)</u>	<u>(b-a) Unfunded AAL (UAAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Covered Payroll</u>	<u>(b-a/c) UAAL as a Percentage of Covered Payroll</u>
4/30/2015	5/1/2014	\$ -	\$44,060,375	\$ 44,060,375	0%	\$ 41,043,364	107.35%
4/30/2014	5/1/2013	-	47,185,560	47,185,560	0%	41,707,775	113.10%
4/30/2013	5/1/2012	-	45,370,731	45,370,731	0%	39,530,834	114.80%
4/30/2012	5/1/2011	-	48,477,341		0%	34,503,979	140.50%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year End</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage of Annual OPEB Costs Contributed</u>	<u>Net OPEB Obligation</u>
4/30/2015	\$ 3,170,282	\$ 1,291,061	40.72%	\$ 14,542,045
4/30/2014	3,471,669	1,560,852	44.96%	12,662,824
4/30/2013	3,364,999	1,445,233	42.95%	10,752,007
4/30/2012	3,799,718		38.81%	8,832,240

CITY OF MONROE
Monroe, Louisiana

Exhibit 2

General Fund - Budgetary Comparison Schedule
For the Year Ended April 30, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	(Budgetary Basis)	(NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 14,234,539	\$ 14,628,494	\$ 14,628,494	\$ -
Resources (Inflows)				
Local sources:				
Ad valorem tax revenue				
General property taxes	4,100,618	4,214,498	4,217,572	3,074
1974 Recreation maintenance tax	716,433	750,749	751,292	543
1974 Public safety tax	403,946	423,110	423,415	305
1974 Drainage maintenance tax	499,216	524,008	524,386	378
Capital improvement tax	2,381,758	1,298,627	1,299,565	938
Adjudicated property	27,475	27,475	21,007	(6,468)
Total Ad valorem tax revenue	8,129,446	7,238,467	7,237,237	(1,230)
Sales and use tax revenue				
General sales and use tax	35,146,500	37,500,000	38,103,284	603,284
Total sales and use tax revenue	35,146,500	37,500,000	38,103,284	603,284
Other tax revenue				
Franchise fees	928,500	928,500	857,962	(70,538)
Beer tax	74,800	74,800	70,422	(4,378)
Total other tax revenue	1,003,300	1,003,300	928,384	(74,916)
Licenses and permits				
Liquor licenses	83,945	83,945	83,473	(472)
Occupational licenses	2,546,740	2,546,740	2,720,684	173,944
Video bingo licenses	2,000	2,000	564	(1,436)
Sound permits	-	200	200	-
Building permits	84,000	84,000	101,611	17,611
Sewer permits and inspections	44,000	44,000	41,180	(2,820)
Plumbing permits and inspections	55,000	55,000	43,294	(11,706)
Electrical permits and inspections	38,400	38,400	34,539	(3,861)
Gas permits and inspections	12,400	12,400	4,435	(7,965)
Heating and air conditioning permits	14,309	14,309	14,919	610
Mobile sign permits	-	-	20	20
Off premise sign permits	1,000	1,000	7,114	6,114
Culvert and drain project permits	1,175	1,175	1,650	475
Storm water permits	-	-	4,530	4,530
Total license and permits	2,882,969	2,883,169	3,058,213	175,044
Local Grants				
Local grants	-	52,387	27,387	(25,000)
Total local grants	-	52,387	27,387	(25,000)
Other income				
Penalties and interest	4,820	4,820	5,104	284
Sale of scrap	-	1,519	3,271	1,752
Cash shortage/overage	-	-	(77)	(77)
Insurance proceeds	-	62,653	69,791	7,138
Vending commissions	-	750	689	(61)
Police miscellaneous	60,000	60,000	53,288	(6,712)
Contributions and donations - private	2,200	2,200	-	(2,200)
Total other income	\$ 67,020	\$ 131,942	\$ 132,066	\$ 124

(Continued)

CITY OF MONROE
Monroe, Louisiana

Exhibit 2

General Fund - Budgetary Comparison Schedule
For the Year Ended April 30, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
			(Budgetary Basis)	POSITIVE
				(NEGATIVE)
Resources (Inflows)				
Use of Money and property				
Rental income-usage fees	\$ 46,250	\$ 46,944	\$ 47,614	\$ 670
Municipal golf course rent	14,400	14,400	8,400	(6,000)
Interest income	50,000	50,000	53,264	3,264
Total use of property and money	110,650	111,344	109,278	(2,066)
Fines and forfeitures				
City court fines	630,000	630,000	595,484	(34,516)
Environmental court fines	1,450	1,450	325	(1,125)
Overparking fines	44,325	44,325	19,115	(25,210)
DWI Probation fines	3,000	3,000	1,173	(1,827)
False alarm fees	15,000	15,000	-	(15,000)
Total fines and forfeitures	693,775	693,775	616,097	(77,678)
Other state grants				
State supplemental pay	2,232,000	2,232,000	1,949,401	(282,599)
Other state grants	2,232,000	2,232,000	1,949,401	(282,599)
Federal grants				
Federal grant direct noncategory	-	-	7,567	7,567
Direct federal grant	7,536	7,536	9,982	2,446
Federal grant-Louisiana Highway Safety	104,000	104,000	95,126	(8,874)
HIDTA	52,000	52,000	39,929	(12,071)
Total federal grants	163,536	163,536	152,604	(10,932)
Fees, charges and commissions				
Sales tax commission	463,940	708,287	725,766	17,479
Sales tax commission - West Monroe	51,000	4,250	-	(4,250)
Sales tax commission - Police Jury	37,800	3,150	-	(3,150)
Sales tax commission - Sterlington	2,560	357	-	(357)
Sales tax commission - Richwood	180	15	-	(15)
Sales tax commission - Street improvement	95,260	8,182	-	(8,182)
Sales tax commission - Fire	24,730	2,005	-	(2,005)
Sales tax commission - Police Jury	24,730	2,005	-	(2,005)
Sales tax commission - Ouachita Parish Sheriff's Office	25,840	1,456	-	(1,456)
Sales tax commission - Hotel/Motel	-	333	-	(333)
Signal light reimbursement	185,440	185,440	185,440	-
City court civil fees	200,000	200,000	191,716	(8,284)
City sanitation service	3,075,000	3,075,000	3,078,660	3,660
Cemetery Lots	17,030	17,030	16,375	(655)
Grass cutting fees	108,350	108,350	104,736	(3,614)
Ticket review fees	1,530	1,530	315	(1,215)
Copy charges	555	1,361	1,645	284
NSF fees	13,050	13,050	16,750	3,700
Royalty income	1,730	1,841	2,638	797
Commissions	2,214	725	354	(371)
American payment system fees	6,950	6,950	4,213	(2,737)
Convenience fee - online	30,000	30,000	34,759	4,759
COBRA admin fees	-	41	81	40
Postage	750	750	440	(310)
Legal and other professional	54,120	54,120	25,544	(28,576)
Entergy franchise fees	1,994,315	1,994,315	2,357,956	363,641
Community policing fees	63,000	63,000	33,951	(29,049)
Appearance and surrender fees	60,000	60,000	36,220	(23,780)
Tuition income	18,000	18,000	8,990	(9,010)
Fire reports	\$ -	\$ 65	\$ 110	\$ 45

(Continued)

CITY OF MONROE
Monroe, Louisiana

Exhibit 2

General Fund - Budgetary Comparison Schedule
For the Year Ended April 30, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	(Budgetary Basis)	
Resources (Inflows)				
<i>Zoning income</i>	\$ 70,000	\$ 70,000	\$ 64,529	\$ (5,471)
Recreation department revenue	89,164	63,903	52,783	(11,120)
Golf course fees	386,433	413,552	368,180	(45,372)
Street cut reimbursement	100,000	100,000	21,063	(78,937)
Demolition	20,000	20,000	231	(19,769)
Total fees, charges and commissions	7,223,671	7,229,063	7,333,445	104,382
Transfers from other funds	1,304,345	1,122,812	905,296	(217,516)
Sale of assets	-	94,050	105,747	11,697
Amounts available for appropriations	73,191,751	75,084,339	75,286,933	202,594
Charges to appropriations (outflows)				
Current:				
Legislative division - Council and staff	554,375	554,375	433,557	120,818
Judicial division	2,543,701	2,543,701	2,635,271	(91,570)
Executive division - Chief executive and staff	958,288	983,288	940,689	42,599
Administration division	10,316,329	10,870,937	10,331,140	539,797
Other general government	783,834	756,699	735,595	21,104
Police division	13,294,652	12,725,417	12,486,241	239,176
Fire division	13,416,451	12,844,829	12,876,918	(32,089)
Public Works division	9,078,099	9,078,599	9,332,941	(254,342)
Engineering	1,069,780	1,053,280	864,825	188,455
Culture and recreation	3,281,402	3,353,918	3,234,644	119,274
Planning and urban development division	1,092,490	1,092,490	1,075,195	17,295
Debt Service:				
General interest expense	-	147,569	77,991	69,578
Capital leases	-	156,249	339,618	(183,369)
Civic Center roof	-	330,000	-	330,000
Claims and judgments	-	-	-	-
Capital expenditures	-	191,342	178,941	12,401
Transfers to other funds	2,567,811	3,711,055	4,628,283	(917,228)
Total charges to appropriations	58,957,212	60,393,748	60,171,849	221,899
BUDGETARY FUND BALANCES, ENDING	\$ 14,234,539	\$ 14,690,591	\$ 15,115,084	\$ 424,493

(Concluded)

CITY OF MONROE
Monroe, Louisiana

CAPITAL INFRASTRUCTURE
Budgetary Comparison Schedule
For the Year Ended April 30, 2015

Exhibit 3

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (Budgetary Basis)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 17,855,251	\$ 20,148,235	\$ 20,148,235	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Sales - Street Improvement	14,200,000	14,200,000	16,162,855	1,962,855
Use of money and property	45,000	45,000	12,843	(32,157)
Amounts available for appropriations	<u>32,100,251</u>	<u>34,393,235</u>	<u>36,323,933</u>	<u>1,930,698</u>
Charges to appropriations (outflows)				
Current:				
Financial administration	-	-	140	(140)
Public works	947,113	947,113	980,609	(33,496)
Capital outlay	-	-	71,952	(71,952)
Transfers to other funds	14,000,000	14,000,000	10,733,353	3,266,647
Total charges to appropriations	<u>14,947,113</u>	<u>14,947,113</u>	<u>11,786,054</u>	<u>3,161,059</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 17,153,138</u>	<u>\$ 19,446,122</u>	<u>\$ 24,537,879</u>	<u>\$ 5,091,757</u>

CITY OF MONROE
Monroe, Louisiana

Notes to the Budgetary Comparison Schedule
For the Year Ended April 30, 2015

Note A. Budgets

General Budget Practices

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

1. At least ninety days prior to the beginning of the fiscal year, the Mayor submits to the City Council an operating and capital budget for the succeeding year.
2. A public hearing is scheduled by the City Council after allowing for at least ten days notice to the public at the time the budget is initially submitted to the City Council. The budget for the succeeding year must be finally adopted by the Council no later than the second-to-last regular meeting of the fiscal year.
3. The appropriated budget is prepared by fund, function and department. The Mayor may authorize transfers of budgetary amounts within departments. However, any revisions requiring alteration of levels of expenditures or transfers between departments must be approved by the City Council.
4. Operating appropriations, to the extent not expended, lapse at year end even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services, (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are reappropriated and become part of the subsequent year's budget pursuant to state regulations. Capital appropriations continue in force until the project is completed or deemed abandoned after three years of no activity.
5. For the year ended April 30, 2015, the City adopted a budget for the General Fund and the Capital Infrastructure Fund.
6. Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered significant by the Council. All budget revisions are approved by the Council.

Budget Basis of Accounting

All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Budgeted amounts are as originally adopted or as amended by the Council. Legally, the Council must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Council to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The City approves budgets at the function level.

CITY OF MONROE
Monroe, Louisiana

Notes to the Budgetary Comparison Schedule
For the Year Ended April 30, 2015

Note B. Budget to GAAP Reconciliation

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures.

	<u>GENERAL FUND</u>	<u>CAPITAL INFRASTRUCTURE</u>
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 75,286,933	\$ 36,323,933
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(14,628,494)	(20,148,235)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(905,296)	-
Sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(105,747)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>59,647,396</u>	<u>16,175,698</u>
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	60,171,849	11,786,054
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(4,628,283)</u>	<u>(10,733,353)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 55,543,566</u>	<u>\$ 1,052,701</u>

**City of Monroe
Monroe, Louisiana**

SUPPLEMENTARY INFORMATION

DIVIDER

**City of Monroe
Monroe, Louisiana**

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DIVIDER

**City of Monroe
Monroe, Louisiana**

**COMBINING
NONMAJOR GOVERNMENTAL FUNDS
STATEMENTS**

DIVIDER

**City of Monroe
Monroe, Louisiana**

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DIVIDER

CITY OF MONROE
Monroe, Louisiana

NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
April 30, 2015

Exhibit 4

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$ 10,527,323	\$ 4,226,180	\$ 1,995,862	\$ 16,749,365
Receivables	1,506,587	982,764	312,747	2,802,098
Interfund receivables	266,665	-	424,792	691,457
Prepaid expenses and other assets, net	647,447	-	-	647,447
TOTAL ASSETS	<u>12,948,022</u>	<u>5,208,944</u>	<u>2,733,401</u>	<u>20,890,367</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts and retainage payable	599,119	-	234,887	834,006
Interfund payables	679,060	-	521,057	1,200,117
Unearned revenue	799	-	-	799
Due to others	18,993	-	-	18,993
TOTAL LIABILITIES	<u>1,297,971</u>	<u>-</u>	<u>755,944</u>	<u>2,053,915</u>
FUND BALANCES:				
Nonspendable				
Prepaid expenses and other assets	647,447	-	-	647,447
Spendable				
Restricted	9,368,232	5,208,944	1,977,457	16,554,633
Committed	309,364	-	-	309,364
Assigned	1,423,321	-	-	1,423,321
Unassigned (deficit)	(98,313)	-	-	(98,313)
TOTAL FUND BALANCES	<u>11,650,051</u>	<u>5,208,944</u>	<u>1,977,457</u>	<u>18,836,452</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,948,022</u>	<u>\$ 5,208,944</u>	<u>\$ 2,733,401</u>	<u>\$ 20,890,367</u>

CITY OF MONROE
Monroe, Louisiana

NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended April 30, 2015

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	Exhibit 5 TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 1,215,226	\$ -	\$ -	\$ 1,215,226
Sales	7,919,504	4,221,980	-	12,141,484
Intergovernmental revenues	1,463,724	-	1,318,564	2,782,288
Fees, charges and commissions for services	717,177	-	-	717,177
Fines and forfeitures	17,557	-	-	17,557
Use of money and property	21,661	1,639	1,334	24,634
Miscellaneous revenues	789,297	-	-	789,297
Total revenues	12,144,146	4,223,619	1,319,898	17,687,663
EXPENDITURES				
Current:				
General government				
Judicial	53,586	-	-	53,586
Executive	7,013	-	-	7,013
Financial administration	75,358	-	(68,890)	6,468
Other general government	10,940	-	-	10,940
Public safety				
Police	3,274,126	-	-	3,274,126
Fire	4,167,734	-	-	4,167,734
Public works	91,588	-	-	91,588
Culture and recreation	545,639	-	-	545,639
Planning and urban development	1,205,397	-	-	1,205,397
Economic development and assistance	665,865	-	-	665,865
Capital outlay	1,705,238	-	2,004,482	3,709,720
Debt service:				
Principal retirement	785,045	2,905,000	-	3,690,045
Interest and bank charges	60,389	1,113,655	-	1,174,044
Total expenditures	12,647,918	4,018,655	1,935,592	18,602,165
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(503,772)	204,964	(615,694)	(914,502)
OTHER FINANCING SOURCES (USES)				
Transfers in	592,192	4	562,832	1,155,028
Transfers out	(2,231,348)	-	(4)	(2,231,352)
Capital proceeds	2,500,000	-	-	2,500,000
Insurance proceeds	98,358	-	-	98,358
TOTAL OTHER FINANCING SOURCES	959,202	4	562,828	1,522,034
NET CHANGE IN FUND BALANCES	455,430	204,968	(52,866)	607,532
FUND BALANCES - BEGINNING	11,194,621	5,003,976	2,030,323	18,228,920
FUND BALANCES - ENDING	\$ 11,650,051	\$ 5,208,944	\$ 1,977,457	\$ 18,836,452

**City of Monroe
Monroe, Louisiana**

**COMBINING NONMAJOR
SPECIAL REVENUE FUNDS
STATEMENTS**

DIVIDER

**City of Monroe
Monroe, Louisiana**

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DIVIDER

**City of Monroe
Monroe, Louisiana**

Special Revenue Funds

Fire Department Insurance - The fund receives an annual share of property insurance commissions from the State of Louisiana. The monies are dedicated for fire department maintenance and supplies.

Community Development Block Grant (CDBG) - The fund accounts for federal Community Development Block Grant funds, which are used for various community development projects.

Urban Development Action - The fund accounts for federal funds used to aid in construction of single-family dwellings.

Rental Rehabilitation - The fund accounts for federal funds used to bring rental units to minimum standards.

CDBG Economic Development - The fund receives funds from the Community Development fund and is used to make temporary loans to community businesses that have difficulty obtaining other financing.

Fire & Police Capital Tax - The fund receives dedicated ad valorem taxes for fire and police capital expenditures.

Emergency Shelter - The fund accounts for the federal funding from the US Department of Housing and Urban Development passed through the LA Office of Community Services to assist the homeless through sub-awards to non-profit organizations that assist with rehabilitation, essential services and operations for homeless prevention.

CDBG Home - The fund accounts for federal funds to aid in rehabilitation and new construction of low-income housing.

CDBG Loan - The fund accounts for revolving loans made for substantial rehabilitation to owner-occupied dwellings.

City Prosecuting Attorney - The fund accounts for the prosecuting attorney's share of bond forfeitures from bonding companies and cash bond forfeitures.

DARE Program - The fund accounts for a grant received from the Louisiana Commission on Law Enforcement and Administration of Criminal Justice to provide for the salaries and supplies of officers who work in the Drug Abuse Resistance Education program in the City.

Delta Fest - The fund accounts for activities associated with the Delta Fest program sponsored by the City.

Diversion Program - The fund accounts for fees paid by first-time crime offenders to be used for the operation of the program and victim's assistance.

Equitable Share-Federal Seizure - The fund accounts for the local allocation of funds received stemming from federal drug seizure cases.

**City of Monroe
Monroe, Louisiana**

Special Revenue Funds

Drug Seizure-Local/State - The fund accounts for monies obtained during drug seizure operations at the local and state level.

Police Salary Sales Tax - The fund receives dedicated sales tax monies for raises above the general fund base salary. The tax is .49% shared equally between police & fire departments.

Fire Salary Sales Tax - The fund receives dedicated sales tax monies for raises above the general fund base salary. The tax is .49% shared equally between police & fire departments.

Justice Assistance Grant - The fund accounts for the federal grant from the Justice Department for law enforcement expenses. Parish applies for the funds agreed to be split between OP Sheriff's office and the Monroe Police Department.

State Homeland Security - Ouachita Parish Homeland Security and Emergency Preparedness applies for grants to federal Homeland Security and allocates to the local law enforcement and fire department agencies at a percentage decided by the Board, which can vary based on determined needs.

Downtown Economic Development - The fund accounts for the activities sponsored by the Downtown Economic Development District.

Administrative Economic Development - The fund accounts for monies allocated for projects which spur economic development in the northeastern area of the state. Funds are derived from a dedicated portion of the settlement with Entergy.

HOME Program Loans - The fund accounts for revolving loans made for substantial rehabilitation to owner-occupied dwellings.

Repairs & Maintenance - The fund accounts for various unplanned major repairs and maintenance at city facilities. Funds are derived from various land and surplus asset sales.

Capital - The fund accounts for various major capital purchases and projects for which individual departments are unable to fund through their operations budget. The funds are derived from 1/2 of the video bingo commissions received and a portion of the settlement with Entergy.

Demolition - The fund accounts for the various demolition activities, usually performed by the City's Public Works Department. Expenses incurred are billed back to the homeowner, funds through the CDBG program or allocations made by the City Council.

Comprehensive Resiliency Program - The fund accounts for the expenses of developing the City's comprehensive zoning and subdivision ordinances and the Comprehensive Plan. The grant is federally funded (pass-through) with a 50% match by the City.

Employees' Benefits - The fund receives revenue from one-half of the video bingo and proceeds are used to pay for the City's expense of employees' benefits, such as insurance and pension.

**City of Monroe
Monroe, Louisiana**

Special Revenue Funds

Downtown River Market - The fund accounts for the revenues and expenditures generated by the activities at the Downtown RiverMarket.

MPD K-9/Donations - The fund accounts for the donations for and purchases of K-9 dogs used by the Monroe Police Department.

PTFA-2012 - The fund receives its funding from the Public Trust Finance Authority. The funds in this year are dedicated to the Community Centers and Parks & Recreation upgrades.

Ouachita Well - The funds are provided by the Blue Cross/Blue Shield Challenge grant. The grant purpose is to promote a healthy lifestyle and healthy living in Louisiana.

Fire Capital Lease - The fund accounts for the lease funds obtained on behalf of the Monroe Fire Department and the capital purchases made with those funds.

PTFA-2015 - The fund receives its funding from the Public Trust Finance Authority. The funds will be used for infrastructure and economic development.

CITY OF MONROE
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
April 30, 2015

	FIRE DEPARTMENT INSURANCE	COMMUNITY DEVELOPMENT BLOCK GRANT	URBAN DEVELOPMENT ACTION	RENTAL REHABILITATION
ASSETS				
Cash and cash equivalents	\$ 1,033,095	\$ -	\$ 18,190	\$ 162,774
Receivables	-	156,535	-	-
Interfund receivables	-	40,565	-	209,459
Prepaid expenses and other assets	-	-	-	-
TOTAL ASSETS	1,033,095	197,100	18,190	372,233
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts and retainage payable	29,098	84,478	-	190,400
Interfund payables	387	111,823	-	-
Unearned revenue	-	799	-	-
Due to others	-	-	-	2,000
TOTAL LIABILITIES	29,485	197,100	-	192,400
FUND BALANCES:				
Nonspendable				
Prepaid expenses and other assets	-	-	-	-
Spendable				
Restricted	1,003,610	-	18,190	179,833
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	1,003,610	-	18,190	179,833
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,033,095	\$ 197,100	\$ 18,190	\$ 372,233

Exhibit 6

CDBG ECONOMIC DEVELOPMENT	FIRE AND POLICE CAPITAL TAX	EMERGENCY SHELTER	CDBG HOME	CDBG LOAN	CITY PROSECUTING ATTORNEY
\$ 10,835	\$ 2,127,283	\$ 2,053	\$ 15,919	\$ -	\$ 169,092
-	14,541	36,741	27,861	-	-
-	10,079	-	-	327	-
-	-	-	-	74,263	-
10,835	2,151,903	38,794	43,780	74,590	169,092
-	94,141	35,671	39,776	-	5,878
-	1,101	15	1,504	97,362	-
-	-	-	-	-	-
-	-	-	2,500	1,278	-
-	95,242	35,686	43,780	98,640	5,878
-	-	-	-	74,263	-
10,835	2,056,661	3,108	-	-	163,214
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(98,313)	-
10,835	2,056,661	3,108	-	(24,050)	163,214
\$ 10,835	\$ 2,151,903	\$ 38,794	\$ 43,780	\$ 74,590	\$ 169,092

(Continued)

CITY OF MONROE
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
April 30, 2015

	DARE PROGRAM	DELTA FEST	DIVERSION PROGRAM	EQUITABLE SHARE FEDERAL SEIZURE
ASSETS				
Cash and cash equivalents	\$ 85,734	\$ 6,058	\$ 12,759	\$ 25,258
Receivables	5,361	-	-	-
Interfund receivables	-	-	165	-
Prepaid expenses and other assets	-	-	-	-
TOTAL ASSETS	91,095	6,058	12,924	25,258
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts and retainage payable	4,130	6,058	15	-
Interfund payables	4,497	-	-	-
Unearned revenue	-	-	-	-
Due to others	-	-	-	-
TOTAL LIABILITIES	8,627	6,058	15	-
FUND BALANCES:				
Nonspendable				
Prepaid expenses and other assets	-	-	-	-
Spendable				
Restricted	82,468	-	-	25,258
Committed	-	-	-	-
Assigned	-	-	12,909	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	82,468	-	12,909	25,258
TOTAL LIABILITIES AND FUND BALANCES	\$ 91,095	\$ 6,058	\$ 12,924	\$ 25,258

Exhibit 6

DRUG SEIZURE LOCAL/STATE	POLICE SALARY SALES TAX	FIRE SALARY SALES TAX	JUSTICE ASSISTANCE GRANT	STATE HOMELAND SECURITY
\$ 27,688	\$ 853,217	\$ 910,234	\$ -	\$ 6,739
-	314,501	314,501	6,970	-
-	-	-	-	6,070
-	-	-	-	-
<u>27,688</u>	<u>1,167,718</u>	<u>1,224,735</u>	<u>6,970</u>	<u>12,809</u>
81	-	-	-	-
-	-	-	6,970	12,809
-	-	-	-	-
-	-	-	-	-
<u>81</u>	<u>-</u>	<u>-</u>	<u>6,970</u>	<u>12,809</u>
-	-	-	-	-
-	1,167,718	1,224,735	-	-
-	-	-	-	-
27,607	-	-	-	-
-	-	-	-	-
<u>27,607</u>	<u>1,167,718</u>	<u>1,224,735</u>	<u>-</u>	<u>-</u>
\$ 27,688	\$ 1,167,718	\$ 1,224,735	\$ 6,970	\$ 12,809

(Continued)

CITY OF MONROE
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
April 30, 2015

	DOWNTOWN ECONOMIC DEVELOPMENT	ADMINISTRATIVE ECONOMIC DEVELOPMENT	HOME PROGRAM LOANS	REPAIRS AND MAINTENANCE
ASSETS				
Cash and cash equivalents	\$ 6,449	\$ 1,310,239	\$ 304,733	\$ 114,287
Receivables	-	-	86	-
Interfund receivables	-	-	-	-
Prepaid expenses and other assets	-	-	189,152	-
TOTAL ASSETS	6,449	1,310,239	493,971	114,287
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts and retainage payable	-	25,796	133	5,934
Interfund payables	-	56,295	-	-
Unearned revenue	-	-	-	-
Due to others	-	-	13,215	-
TOTAL LIABILITIES	-	82,091	13,348	5,934
FUND BALANCES:				
Nonspendable				
Prepaid expenses and other assets	-	-	189,152	-
Spendable				
Restricted	-	-	291,471	-
Committed	-	-	-	-
Assigned	6,449	1,228,148	-	108,353
Unassigned	-	-	-	-
TOTAL FUND BALANCES	6,449	1,228,148	480,623	108,353
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,449	\$ 1,310,239	\$ 493,971	\$ 114,287

Exhibit 6

CAPITAL	DEMOLITION	COMPREHENSIVE RESILIENCY PROGRAM	EMPLOYEES' BENEFITS
\$ 664,233	\$ 39,855	\$ -	\$ 32,018
19,845	-	-	19,845
-	-	-	-
384,032	-	-	-
<u>1,068,110</u>	<u>39,855</u>	<u>-</u>	<u>51,863</u>
69,475	-	-	-
357,102	-	-	-
-	-	-	-
-	-	-	-
<u>426,577</u>	<u>-</u>	<u>-</u>	<u>-</u>
384,032	-	-	-
-	-	-	-
257,501	-	-	51,863
-	39,855	-	-
-	-	-	-
<u>641,533</u>	<u>39,855</u>	<u>-</u>	<u>51,863</u>
<u>\$ 1,068,110</u>	<u>\$ 39,855</u>	<u>\$ -</u>	<u>\$ 51,863</u>

(Continued)

CITY OF MONROE
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
April 30, 2015

	DOWNTOWN RIVER MARKET	MPD K-9 DONATIONS	PTFA - 2012	OUACHITA WELL
ASSETS				
Cash and cash equivalents	\$ 8,055	\$ 39,608	\$ 208,341	\$ -
Receivables	-	-	-	17,800
Interfund receivables	-	-	-	-
Prepaid expenses and other assets	-	-	-	-
TOTAL ASSETS	8,055	39,608	208,341	17,800
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts and retainage payable	8,055	-	-	-
Interfund payables	-	-	-	17,800
Unearned revenue	-	-	-	-
Due to others	-	-	-	-
TOTAL LIABILITIES	8,055	-	-	17,800
FUND BALANCES:				
Nonspendable				
Prepaid expenses and other assets	-	-	-	-
Spendable				
Restricted	-	39,608	208,341	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	-	39,608	208,341	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,055	\$ 39,608	\$ 208,341	\$ 17,800

Exhibit 6

FIRE CAPITAL LEASE	PTFA - 2015	TOTAL
\$ 2,332,577	\$ -	\$ 10,527,323
-	572,000	1,506,587
-	-	266,665
-	-	647,447
<u>2,332,577</u>	<u>572,000</u>	<u>12,948,022</u>
-	-	599,119
-	11,395	679,060
-	-	799
-	-	18,993
<u>-</u>	<u>11,395</u>	<u>1,297,971</u>
-	-	647,447
2,332,577	560,605	9,368,232
-	-	309,364
-	-	1,423,321
-	-	(98,313)
<u>2,332,577</u>	<u>560,605</u>	<u>11,650,051</u>
<u>\$ 2,332,577</u>	<u>\$ 572,000</u>	<u>\$ 12,948,022</u>

(Concluded)

CITY OF MONROE
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended April 30, 2015

	FIRE DEPARTMENT INSURANCE	COMMUNITY DEVELOPMENT BLOCK GRANT	URBAN DEVELOPMENT ACTION	RENTAL REHABILITATION
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Intergovernmental revenues	194,207	551,436	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	<u>194,207</u>	<u>551,436</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government				
Judicial	-	-	-	-
Executive	-	-	-	-
Financial administration	-	-	-	-
Other general government	-	-	-	-
Public safety				
Police	-	-	-	-
Fire	190,227	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Planning and urban development	-	566,030	-	-
Economic development and assistance	-	-	-	-
Capital outlay	123,747	25,971	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>313,974</u>	<u>592,001</u>	<u>-</u>	<u>-</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(119,767)</u>	<u>(40,565)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	40,565	-	-
Transfers out	-	-	-	-
Capital proceeds	-	-	-	-
Insurance proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>40,565</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(119,767)	-	-	-
FUND BALANCES - BEGINNING	<u>1,123,377</u>	<u>-</u>	<u>18,190</u>	<u>179,833</u>
FUND BALANCES - ENDING	<u>\$ 1,003,610</u>	<u>\$ -</u>	<u>\$ 18,190</u>	<u>\$ 179,833</u>

Exhibit 7

CDBG ECONOMIC DEVELOPMENT	FIRE AND POLICE CAPITAL TAX	EMERGENCY SHELTER	CDBG HOME	CDBG LOAN	CITY PROSECUTING ATTORNEY
\$ -	\$ 1,215,226	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	307,048	312,718	-	-
-	-	-	107	1,256	-
-	-	-	-	-	5,250
-	820	-	-	1,292	-
-	-	-	-	67	-
-	1,216,046	307,048	312,825	2,615	5,250
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	159,941	-
-	-	304,407	312,825	-	-
-	516,171	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	516,171	304,407	312,825	159,941	-
-	699,875	2,641	-	(157,326)	5,250
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	699,875	2,641	-	(157,326)	5,250
10,835	1,356,786	467	-	133,276	157,964
\$ 10,835	\$ 2,056,661	\$ 3,108	\$ -	\$ (24,050)	\$ 163,214

(Continued)

CITY OF MONROE
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended April 30, 2015

	DARE PROGRAM	DELTA FEST	DIVERSION PROGRAM	EQUITABLE SHARE FEDERAL SEIZURE
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Intergovernmental revenues	20,810	-	-	-
Fees, charges and commissions for services	-	4,247	53,952	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous revenues	-	475	-	-
Total revenues	<u>20,810</u>	<u>4,722</u>	<u>53,952</u>	<u>-</u>
EXPENDITURES				
Current:				
General government				
Judicial	-	-	53,586	-
Executive	-	-	-	-
Financial administration	-	-	-	-
Other general government	-	-	-	-
Public safety				
Police	19,743	-	-	1,804
Fire	-	-	-	-
Public works				
Culture and recreation	-	53,886	-	-
Planning and urban development	-	-	-	-
Economic development and assistance	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>19,743</u>	<u>53,886</u>	<u>53,586</u>	<u>1,804</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>1,067</u>	<u>(49,164)</u>	<u>366</u>	<u>(1,804)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	49,164	-	-
Transfers out	-	-	-	-
Capital proceeds	-	-	-	-
Insurance proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>49,164</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,067	-	366	(1,804)
FUND BALANCES - BEGINNING	<u>81,401</u>	<u>-</u>	<u>12,543</u>	<u>27,062</u>
FUND BALANCES - ENDING	<u>\$ 82,468</u>	<u>\$ -</u>	<u>\$ 12,909</u>	<u>\$ 25,258</u>

Exhibit 7

DRUG SEIZURE LOCAL/STATE	POLICE SALARY SALES TAX	FIRE SALARY SALES TAX	JUSTICE ASSISTANCE GRANT	STATE HOMELAND SECURITY
\$ -	\$ -	\$ -	\$ -	\$ -
-	3,959,752	3,959,752	-	-
-	-	-	6,970	12,809
-	-	-	-	-
12,307	-	-	-	-
-	1,416	2,771	-	-
-	-	-	-	-
<u>12,307</u>	<u>3,961,168</u>	<u>3,962,523</u>	<u>6,970</u>	<u>12,809</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
17,326	3,216,659	-	6,970	5,589
-	-	3,977,507	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	7,220
-	-	-	-	-
-	-	-	-	-
<u>17,326</u>	<u>3,216,659</u>	<u>3,977,507</u>	<u>6,970</u>	<u>12,809</u>
<u>(5,019)</u>	<u>744,509</u>	<u>(14,984)</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(5,019)</u>	<u>744,509</u>	<u>(14,984)</u>	<u>-</u>	<u>-</u>
<u>32,626</u>	<u>423,209</u>	<u>1,239,719</u>	<u>-</u>	<u>-</u>
<u>\$ 27,607</u>	<u>\$ 1,167,718</u>	<u>\$ 1,224,735</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

CITY OF MONROE
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended April 30, 2015

	DOWNTOWN ECONOMIC DEVELOPMENT	ADMINISTRATIVE ECONOMIC DEVELOPMENT	HOME PROGRAM LOANS	REPAIRS AND MAINTENANCE
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Intergovernmental revenues	-	-	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	5,783	6,522	54
Miscellaneous revenues	-	91,771	334	-
Total revenues	<u>-</u>	<u>97,554</u>	<u>6,856</u>	<u>54</u>
EXPENDITURES				
Current:				
General government				
Judicial	-	-	-	-
Executive	-	-	-	-
Financial administration	-	-	-	8,024
Other general government	-	-	-	-
Public safety				
Police	-	-	-	-
Fire	-	-	-	-
Public works				
Culture and recreation	-	-	-	-
Planning and urban development	-	-	-	-
Economic development and assistance	900	664,965	-	-
Capital outlay	-	76,796	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>900</u>	<u>741,761</u>	<u>-</u>	<u>8,024</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(900)</u>	<u>(644,207)</u>	<u>6,856</u>	<u>(7,970)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	60,897	-	-
Transfers out	-	(368,851)	-	-
Capital proceeds	-	-	-	-
Insurance proceeds	-	-	-	98,358
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>(307,954)</u>	<u>-</u>	<u>98,358</u>
NET CHANGE IN FUND BALANCES	<u>(900)</u>	<u>(952,161)</u>	<u>6,856</u>	<u>90,388</u>
FUND BALANCES - BEGINNING	<u>7,349</u>	<u>2,180,309</u>	<u>473,767</u>	<u>17,965</u>
FUND BALANCES - ENDING	<u>\$ 6,449</u>	<u>\$ 1,228,148</u>	<u>\$ 480,623</u>	<u>\$ 108,353</u>

Exhibit 7

CAPITAL	DEMOLITION	COMPREHENSIVE RESILIENCY PROGRAM	EMPLOYEES' BENEFITS
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
295,950	23,857	-	295,950
-	-	-	-
2,441	-	-	-
91,771	-	-	-
<u>390,162</u>	<u>23,857</u>	<u>-</u>	<u>295,950</u>
-	-	-	-
7,013	-	-	-
59,000	-	-	8,334
10,940	-	-	-
-	-	-	-
-	-	-	-
49,025	42,563	-	-
93,039	-	-	-
-	-	2,300	-
-	-	-	-
709,835	-	-	-
785,045	-	-	-
60,389	-	-	-
<u>1,774,286</u>	<u>42,563</u>	<u>2,300</u>	<u>8,334</u>
<u>(1,384,124)</u>	<u>(18,706)</u>	<u>(2,300)</u>	<u>287,616</u>
281,655	-	2,300	-
(357,102)	-	-	(1,494,000)
-	-	-	-
-	-	-	-
<u>(75,447)</u>	<u>-</u>	<u>2,300</u>	<u>(1,494,000)</u>
(1,459,571)	(18,706)	-	(1,206,384)
2,101,104	58,561	-	1,258,247
<u>\$ 641,533</u>	<u>\$ 39,855</u>	<u>\$ -</u>	<u>\$ 51,863</u>

(Continued)

CITY OF MONROE
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended April 30, 2015

	DOWNTOWN RIVER MARKET	MPD K-9 DONATIONS	PTFA - 2012	OUACHITA WELL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Intergovernmental revenues	4,354	-	-	53,372
Fees, charges and commissions for services	41,858	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	562	-
Miscellaneous revenues	10,596	22,283	-	-
Total revenues	<u>56,808</u>	<u>22,283</u>	<u>562</u>	<u>53,372</u>
EXPENDITURES				
Current:				
General government				
Judicial	-	-	-	-
Executive	-	-	-	-
Financial administration	-	-	-	-
Other general government	-	-	-	-
Public safety				
Police	-	6,035	-	-
Fire	-	-	-	-
Public works				
Culture and recreation	214,231	-	24,542	-
Planning and urban development	-	-	-	19,835
Economic development and assistance	-	-	-	-
Capital outlay	-	15,400	28,950	33,725
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>214,231</u>	<u>21,435</u>	<u>53,492</u>	<u>53,560</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(157,423)</u>	<u>848</u>	<u>(52,930)</u>	<u>(188)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	157,423	-	-	188
Transfers out	-	-	-	-
Capital proceeds	-	-	-	-
Insurance proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>157,423</u>	<u>-</u>	<u>-</u>	<u>188</u>
NET CHANGE IN FUND BALANCES	-	848	(52,930)	-
FUND BALANCES - BEGINNING	-	38,760	261,271	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 39,608</u>	<u>\$ 208,341</u>	<u>\$ -</u>

Exhibit 7

FIRE CAPITAL LEASE	PTFA - 2015	TOTAL
\$ -	\$ -	\$ 1,215,226
-	-	7,919,504
-	-	1,463,724
-	-	717,177
-	-	17,557
-	-	21,661
-	572,000	789,297
-	572,000	12,144,146
-	-	53,586
-	-	7,013
-	-	75,358
-	-	10,940
-	-	3,274,126
-	-	4,167,734
-	-	91,588
-	-	545,639
-	-	1,205,397
-	-	665,865
167,423	-	1,705,238
-	-	785,045
-	-	60,389
167,423	-	12,647,918
(167,423)	572,000	(503,772)
-	-	592,192
-	(11,395)	(2,231,348)
2,500,000	-	2,500,000
-	-	98,358
2,500,000	(11,395)	959,202
2,332,577	560,605	455,430
-	-	11,194,621
\$ 2,332,577	\$ 560,605	\$ 11,650,051

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City of Monroe
Monroe, Louisiana

**COMBINING NONMAJOR
DEBT SERVICE FUNDS
STATEMENTS**

DIVIDER

City of Monroe
Monroe, Louisiana

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DIVIDER

**City of Monroe
Monroe, Louisiana
Debt Service Funds**

I-20 Economic Development District - The fund accounts for the accumulation of resources necessary for, and the payment of, general long-term debt principal, interest, and related costs associated with all bonds issued on behalf of the I-20 Economic Development District. Financing of this debt is through incremental sales tax funds returned by the State of Louisiana.

Tower Drive Economic Development District - The fund accounts for the accumulation of resources necessary for, and the payment of, general long-term debt principal, interest, and related costs associated with all bonds issued on behalf of the Tower Drive Economic Development District. Financing of this debt is through incremental sales tax funds returned by the State of Louisiana.

CITY OF MONROE
Monroe, Louisiana

NONMAJOR DEBT SERVICE FUNDS
Combining Balance Sheet
April 30, 2015

Exhibit 8

	<u>I-20 ECONOMIC DEVELOPMENT DISTRICT</u>	<u>TOWER DRIVE ECONOMIC DEVELOPMENT DISTRICT</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 3,924,568	\$ 301,612	\$ 4,226,180
Receivables	756,138	226,626	982,764
TOTAL ASSETS	<u>4,680,706</u>	<u>528,238</u>	<u>5,208,944</u>
FUND BALANCES:			
Restricted for debt service	<u>4,680,706</u>	<u>528,238</u>	<u>5,208,944</u>
TOTAL FUND BALANCES	<u>\$ 4,680,706</u>	<u>\$ 528,238</u>	<u>\$ 5,208,944</u>

CITY OF MONROE
Monroe, Louisiana

NONMAJOR DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended April 30, 2015

Exhibit 9

	I-20 ECONOMIC DEVELOPMENT DISTRICT	TOWER DRIVE ECONOMIC DEVELOPMENT DISTRICT	TOTAL
REVENUES			
Local sources:			
Taxes			
Sales	\$ 3,261,874	\$ 960,106	\$ 4,221,980
Use of money and property	1,221	418	1,639
Total revenues	3,263,095	960,524	4,223,619
EXPENDITURES			
Debt service:			
Principal retirement	2,160,000	745,000	2,905,000
Interest and bank charges	858,222	255,433	1,113,655
Total expenditures	3,018,222	1,000,433	4,018,655
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	244,873	(39,909)	204,964
OTHER FINANCING SOURCES (USES)			
Transfers in	-	4	4
TOTAL OTHER FINANCING SOURCES (USES)	-	4	4
NET CHANGE IN FUND BALANCES	244,873	(39,905)	204,968
FUND BALANCES - BEGINNING	4,435,833	568,143	5,003,976
FUND BALANCES - ENDING	\$ 4,680,706	\$ 528,238	\$ 5,208,944

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**City of Monroe
Monroe, Louisiana**

**COMBINING NONMAJOR
CAPITAL PROJECT FUNDS
STATEMENTS**

DIVIDER

**City of Monroe
Monroe, Louisiana**

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DIVIDER

City of Monroe
Monroe, Louisiana

US 165 Lighting project - This fund is to account for the lighting project along US Hwy 165.

North 18TH Street Extension - The fund is used to account for construction along the North 18th Street Extension.

Tower Drive - The fund is used to account for the infrastructure improvement projects within the defined Tower Drive District that are funded from the issuance of incremental sales tax bonds.

Street Construction - The fund is used to account for the reconstruction and repair of the streets in the City.

Fire/Drainage Improvements - The fund accounts for improvements to the City's overall drainage system/facilities, and constructing fire stations or acquiring fire trucks and apparatus. The fund is financed by bond funds and the 1% Capital Infrastructure Tax.

US 165 Business Connector - The fund is used to account for expenses associated with the construction of a connector road from US Hwy 165 to the Louisiana Purchase Gardens & Zoo entrance. The funding source is the State of Louisiana, Facility, Planning and Control.

Community Center Roof Repairs - The fund is used to account for expenses associated with the roof repairs at the City's community centers. The project is funded by the City and is the City's match for the Community Center repair grant from GOHSEP.

Community Center Repairs - The fund accounts for the expenses associated with repairs and upgrades to the restrooms/dressing rooms at the City's community centers and Civic Center, thereby enabling these facilities to be utilized as official GOHSEP disaster relief shelters. The project is funded by GOHSEP and the city match is repairs to the community center roofs.

DRU Gustav/Ike Storm Water - The fund accounts for the expenses associated with the repairs/replacement of certain storm water facilities throughout the City. The City's match is the engineering expense.

Masur Museum Roof Renovations - The fund accounts for the expenses associated with the renovation of the Masur Museum roof. The project is funded by the City.

CITY OF MONROE
Monroe, Louisiana

NONMAJOR CAPITAL PROJECTS FUNDS
Combining Balance Sheet
April 30, 2015

	U. S. 165 LIGHTING PROJECT	NORTH 18TH STREET EXTENSION	TOWER DRIVE	STREET CONSTRUCTION
ASSETS				
Cash and cash equivalents	\$ -	\$ 104,713	\$ 658,339	\$ 335,521
Receivables	-	-	-	-
Interfund receivables	11,395	-	-	-
TOTAL ASSETS	11,395	104,713	658,339	335,521
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts and retainage payable	1,314	-	-	691
Interfund payables	10,081	-	-	-
TOTAL LIABILITIES	11,395	-	-	691
FUND BALANCES:				
Spendable				
Restricted for capital improvements	-	104,713	658,339	334,830
TOTAL FUND BALANCES	-	104,713	658,339	334,830
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,395	\$ 104,713	\$ 658,339	\$ 335,521

Exhibit 10

FIRE/DRAINAGE IMPROVEMENTS	US 165 BUSINESS CONNECTOR	COMMUNITY CENTER ROOF REPAIRS	COMMUNITY CENTER REPAIRS	DRU GUSTAV/IKE STORM WATER	MASUR MUSEUM ROOF RENOVATIONS	TOTAL
\$ 503,901	\$ 379,709	\$ -	\$ -	\$ -	\$ 13,679	\$ 1,995,862
-	-	-	433	312,314	-	312,747
-	-	394,443	-	18,954	-	424,792
503,901	379,709	394,443	433	331,268	13,679	2,733,401
-	4,035	65,103	-	150,065	13,679	234,887
-	-	329,340	433	181,203	-	521,057
-	4,035	394,443	433	331,268	13,679	755,944
503,901	375,674	-	-	-	-	1,977,457
503,901	375,674	-	-	-	-	1,977,457
\$ 503,901	\$ 379,709	\$ 394,443	\$ 433	\$ 331,268	\$ 13,679	\$ 2,733,401

CITY OF MONROE
Monroe, Louisiana

NONMAJOR CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended April 30, 2015

	U.S. 165 LIGHTING PROJECT	NORTH 18TH STREET EXTENSION	TOWER DRIVE	STREET CONSTRUCTION
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	19	-
Total revenues	-	-	19	-
EXPENDITURES				
Current:				
General government				
Financial administration	-	-	-	(68,890)
Capital outlay	11,395	-	44,912	-
Total expenditures	11,395	-	44,912	(68,890)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(11,395)	-	(44,893)	68,890
OTHER FINANCING SOURCES (USES)				
Transfers in	11,395	-	-	-
Transfers out	-	-	(4)	-
TOTAL OTHER FINANCING SOURCES (USES)	11,395	-	(4)	-
NET CHANGE IN FUND BALANCES	-	-	(44,897)	68,890
FUND BALANCES - BEGINNING	-	104,713	703,236	265,940
FUND BALANCES - ENDING	\$ -	\$ 104,713	\$ 658,339	\$ 334,830

Exhibit 11

FIRE/DRAINAGE IMPROVEMENTS	US 165 BUSINESS CONNECTOR	COMMUNITY CENTER ROOF REPAIRS	COMMUNITY CENTER REPAIRS	DRU GUSTAV/IKE STORM WATER	MASUR MUSEUM ROOF RENOVATIONS	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ 1,318,564	\$ -	\$ 1,318,564
1,315	-	-	-	-	-	1,334
1,315	-	-	-	1,318,564	-	1,319,898
-	-	-	-	-	-	(68,890)
10,738	106,986	394,443	-	1,297,968	138,040	2,004,482
10,738	106,986	394,443	-	1,297,968	138,040	1,935,592
(9,423)	(106,986)	(394,443)	-	20,596	(138,040)	(615,694)
-	-	394,443	-	18,954	138,040	562,832
-	-	-	-	-	-	(4)
-	-	394,443	-	18,954	138,040	562,828
(9,423)	(106,986)	-	-	39,550	-	(52,866)
513,324	482,660	-	-	(39,550)	-	2,030,323
\$ 503,901	\$ 375,674	\$ -	\$ -	\$ -	\$ -	\$ 1,977,457

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**City of Monroe
Monroe, Louisiana**

**COMBINING
INTERNAL SERVICE FUNDS
STATEMENTS**

DIVIDER

City of Monroe
Monroe, Louisiana

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DIVIDER

**City of Monroe
Monroe, Louisiana
Internal Service Funds**

Employees' Group Insurance - The fund is used to account for the provision of the City's self-insurance health benefits. This includes administration fees, collection of premiums and payment of expenses.

Central Shop - The fund is used to account for the provision of repair and maintenance services and motor fuels to the various City departments (except for Transit and Fire Department).

CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Combining Statement of Net Position
April 30, 2015

Exhibit 12

	EMPLOYEES' GROUP INSURANCE	CENTRAL SHOP	TOTAL
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 393,213	\$ -	\$ 393,213
Inventories	-	65,102	65,102
Total current assets	393,213	65,102	458,315
Noncurrent Assets			
Land and construction in progress	-	45,000	45,000
Depreciable assets, net of depreciation	-	2,048,694	2,048,694
Total noncurrent assets	-	2,093,694	2,093,694
TOTAL ASSETS	393,213	2,158,796	2,552,009
LIABILITIES			
Current Liabilities:			
Accounts and retainage payable	-	55,392	55,392
Accrued liabilities	872,419	-	872,419
Interfund payables	609,606	5,698	615,304
Total current liabilities	1,482,025	61,090	1,543,115
NET POSITION			
Net investment in capital assets	-	2,093,694	2,093,694
Unrestricted	(1,088,812)	4,012	(1,084,800)
Total Net Position	\$ (1,088,812)	\$ 2,097,706	\$ 1,008,894

CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Net Position
For the Year Ended April 30, 2015

Exhibit 13

	EMPLOYEES' GROUP INSURANCE	CENTRAL SHOP	TOTAL
Operating revenues			
Charges for services	\$ 7,744,826	\$ 1,101,448	\$ 8,846,274
Total operating revenues	7,744,826	1,101,448	8,846,274
Operating expenses			
Benefits paid to participants	11,228,145	-	11,228,145
Salaries, wages, and benefits	-	900,371	900,371
Materials, repairs, and supplies	-	17,177	17,177
Utilities and communications	-	45,390	45,390
Shop expenses	-	550,263	550,263
Other operating expenses	749	39,736	40,485
Depreciation and amortization	-	92,170	92,170
Total operating expenses	11,228,894	1,645,107	12,874,001
Operating income (loss)	(3,484,068)	(543,659)	(4,027,727)
Nonoperating revenues (expenses)			
Interest income	803	-	803
Total nonoperating revenues (expenses)	803	-	803
Income (loss) before contributions and transfer	(3,483,265)	(543,659)	(4,026,924)
Other Financing Sources (Uses)			
Transfers in	1,994,000	474,223	2,468,223
Total other financing sources (uses)	1,994,000	474,223	2,468,223
Change in net position	(1,489,265)	(69,436)	(1,558,701)
Total net position - Beginning	400,453	2,167,142	2,567,595
Total net position - Ending	\$ (1,088,812)	\$ 2,097,706	\$ 1,008,894

CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Combining Statement of Cash Flows
For the Year Ended April 30, 2015

Exhibit 14

	EMPLOYEES' GROUP INSURANCE	CENTRAL SHOP	TOTAL
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 7,744,826	\$ 1,101,448	\$ 8,846,274
Payments to suppliers for goods and services	(10,709,491)	(675,300)	(11,384,791)
Payments to employees for services and benefits	-	(900,371)	(900,371)
Net cash provided (used) for operating activities	<u>(2,964,665)</u>	<u>(474,223)</u>	<u>(3,438,888)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Earnings on investments	803	-	803
Net cash provided (used) for investing activities	<u>803</u>	<u>-</u>	<u>803</u>
CASH FLOW (USES) FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	1,994,000	474,223	2,468,223
Net cash provided (used) for noncapital financing activities	<u>1,994,000</u>	<u>474,223</u>	<u>2,468,223</u>
Net increase (decrease) in cash and cash equivalents	(969,862)	-	(969,862)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>1,363,075</u>	<u>-</u>	<u>1,363,075</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 393,213</u>	<u>\$ -</u>	<u>\$ 393,213</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (3,484,068)	\$ (543,659)	\$ (4,027,727)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	92,170	92,170
Changes in assets and liabilities			
Inventories	-	(28,797)	(28,797)
Accounts payable	-	365	365
Accrued liabilities	(90,203)	-	(90,203)
Due to other funds	609,606	5,698	615,304
Net cash provided (used) for operating activities	<u>\$ (2,964,665)</u>	<u>\$ (474,223)</u>	<u>\$ (3,438,888)</u>

**City of Monroe
Monroe, Louisiana**

**COMBINING
PENSION TRUST FUNDS
STATEMENTS**

DIVIDER

City of Monroe
Monroe, Louisiana

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DIVIDER

**City of Monroe
Monroe, Louisiana
Pension Trust Funds**

Bus Drivers' Pension Fund - The fund accounts for the payments to the eligible retirees. In 1983 the employees of the Transit system agreed to join the Municipal Employees' Retirement System of Louisiana (MERS). This fund makes payments only and has sufficient funds to meet its obligations to remaining retirees.

Police Pension Fund - The fund accounts for the payments to the eligible retirees. In 1983 the employees of the Monroe Police Department agreed to join the Municipal Police Employees' Retirement System of Louisiana (MPERS). This fund makes payments only and has sufficient funds to meet its obligations to remaining retirees.

**CITY OF MONROE
Monroe, Louisiana**

**FIDUCIARY FUNDS
Combining Statement of Net Position
April 30, 2015**

Exhibit 15

	PENSION TRUST FUNDS		TOTAL
	BUS DRIVERS' PENSION FUND	POLICE PENSION FUND	
ASSETS			
Current assets			
Cash and cash equivalents	\$ 19,505	\$ 110,221	\$ 129,726
Total assets	19,505	110,221	129,726
Net position			
Restricted for retirement benefits	19,505	110,221	129,726
Total net position	\$ 19,505	\$ 110,221	\$ 129,726

CITY OF MONROE
Monroe, Louisiana

FIDUCIARY FUNDS
Combining Statement of Changes in Net Position
For the Year Ended April 30, 2015

Exhibit 16

	PENSION TRUST FUNDS		TOTAL
	BUS DRIVERS' PENSION FUND	POLICE PENSION FUND	
ADDITIONS			
Investment income			
Interest	\$ 6	\$ 286	\$ 292
Total additions	6	286	292
DEDUCTIONS			
Benefits paid	3,500	2,246	5,746
Total deductions	3,500	2,246	5,746
Changes in net position	(3,494)	(1,960)	(5,454)
Net Position, beginning	22,999	112,181	135,180
Net Position, ending	\$ 19,505	\$ 110,221	\$ 129,726

**City of Monroe
Monroe, Louisiana**

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**City of Monroe
Monroe, Louisiana**

**COMBINING
AGENCY FUNDS
STATEMENTS**

DIVIDER

**City of Monroe
Monroe, Louisiana**

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DIVIDER

**City of Monroe
Monroe, Louisiana
Agency Funds**

Monroe Police Department Evidence - The fund accounts for the assets seized by the Monroe Police Department.

Property Tax Collection - The fund accounts for the collection and distribution of property taxes for the City.

Bid Bond Agency Fund - The fund accounts for the collection/return of deposits for bids or permits to contractors.

Sales Tax Collection Agency - The fund accounts for the collection and distribution of sales taxes assessed by the various taxing bodies within Ouachita Parish.

Hotel/Motel Tax Collection - The fund accounts for the collection and distribution of the Hotel/Motel Tax assessed by the Monroe/West Monroe Convention and Visitors Bureau.

BellSouth (AT&T) - The fund accounts for the collection and remittance of payments on behalf of AT&T.

CITY OF MONROE
Monroe, Louisiana

AGENCY FUNDS
Combining Statement of Net Position
For the Year Ended April 30, 2015

	MONROE POLICE DEPARTMENT EVIDENCE	PROPERTY TAX COLLECTION	BID BOND AGENCY FUND	SALES TAX COLLECTION AGENCY
ASSETS				
Current assets				
Cash and cash equivalents	\$ 156,792	\$ 59,954	\$ 13,376	\$ 1,249,002
Receivables	-	-	-	14,508,981
Total assets	<u>156,792</u>	<u>59,954</u>	<u>13,376</u>	<u>15,757,983</u>
LIABILITIES				
Current liabilities				
Due to others	<u>156,792</u>	<u>59,954</u>	<u>13,376</u>	<u>15,757,983</u>
Total liabilities	<u>\$ 156,792</u>	<u>\$ 59,954</u>	<u>\$ 13,376</u>	<u>\$ 15,757,983</u>

Exhibit 17

HOTEL/MOTEL TAX COLLECTION	BELL SOUTH (AT&T)	TOTAL
\$ 9,548	\$ 2,784	\$ 1,491,456
-	-	14,508,981
9,548	2,784	16,000,437
9,548	2,784	16,000,437
\$ 9,548	\$ 2,784	\$ 16,000,437

CITY OF MONROE
Monroe, Louisiana

Exhibit 18

AGENCY FUNDS
Combining Statement of Changes in Assets and Liabilities
For the Year Ended April 30, 2015

	Balance		Balance	
	May 1, 2014	Additions	Deductions	April 30, 2015
*****MONROE POLICE DEPARTMENT EVIDENCE*****				
ASSETS				
Cash and cash equivalents	\$ 152,414	\$ 5,755	\$ 1,377	\$ 156,792
Receivables	-	-	-	-
Total assets	<u>152,414</u>	<u>5,755</u>	<u>1,377</u>	<u>156,792</u>
LIABILITIES				
Current liabilities				
Due to others	152,414	5,755	1,377	156,792
Total liabilities	<u>\$ 152,414</u>	<u>\$ 5,755</u>	<u>\$ 1,377</u>	<u>\$ 156,792</u>
*****PROPERTY TAX COLLECTION*****				
ASSETS				
Cash and cash equivalents	\$ 59,652	\$ 69,985	\$ 69,683	\$ 59,954
Receivables	-	-	-	-
Total assets	<u>59,652</u>	<u>69,985</u>	<u>69,683</u>	<u>59,954</u>
LIABILITIES				
Current liabilities				
Accounts payable	108	24,822	24,930	-
Due to others	59,544	45,163	44,753	59,954
Total liabilities	<u>\$ 59,652</u>	<u>\$ 69,985</u>	<u>\$ 69,683</u>	<u>\$ 59,954</u>
*****BID BOND AGENCY FUND*****				
ASSETS				
Cash and cash equivalents	\$ 13,076	\$ 900	\$ 600	\$ 13,376
Receivables	-	-	-	-
Total assets	<u>13,076</u>	<u>900</u>	<u>600</u>	<u>13,376</u>
LIABILITIES				
Current liabilities				
Due to others	13,076	900	600	13,376
Total liabilities	<u>\$ 13,076</u>	<u>\$ 900</u>	<u>\$ 600</u>	<u>\$ 13,376</u>
*****SALES TAX COLLECTION AGENCY*****				
ASSETS				
Cash and cash equivalents	\$ 1,161,154	\$ 158,120,921	\$ 158,033,073	\$ 1,249,002
Receivables	5,563	14,508,981	5,563	14,508,981
Total assets	<u>1,166,717</u>	<u>172,629,902</u>	<u>158,038,636</u>	<u>15,757,983</u>
LIABILITIES				
Current liabilities				
Accounts payable	26,592	-	26,592	-
Due to others	1,140,125	172,629,902	158,012,044	15,757,983
Total liabilities	<u>\$ 1,166,717</u>	<u>\$ 172,629,902</u>	<u>\$ 158,038,636</u>	<u>\$ 15,757,983</u>

(Continued)

CITY OF MONROE
Monroe, Louisiana

Exhibit 18

AGENCY FUNDS
Combining Statement of Changes in Assets and Liabilities
For the Year Ended April 30, 2015

	Balance May 1, 2014	Additions	Deductions	Balance April 30, 2015
*****HOTEL/MOTEL TAX COLLECTION*****				
ASSETS				
Cash and cash equivalents	\$ 155,360	\$ 264,015	\$ 409,827	\$ 9,548
Receivables	-	-	-	-
Total assets	<u>155,360</u>	<u>264,015</u>	<u>409,827</u>	<u>9,548</u>
LIABILITIES				
Current liabilities				
Accounts payable	145,812	130,577	276,389	-
Due to others	9,548	133,438	133,438	9,548
Total liabilities	<u>\$ 155,360</u>	<u>\$ 264,015</u>	<u>\$ 409,827</u>	<u>\$ 9,548</u>
*****BELL SOUTH (AT&T)*****				
ASSETS				
Cash and cash equivalents	\$ 2,494	\$ 419,255	\$ 418,965	\$ 2,784
Receivables	-	-	-	-
Total assets	<u>2,494</u>	<u>419,255</u>	<u>418,965</u>	<u>2,784</u>
LIABILITIES				
Current liabilities				
Due to others	2,494	419,255	418,965	2,784
Total liabilities	<u>\$ 2,494</u>	<u>\$ 419,255</u>	<u>\$ 418,965</u>	<u>\$ 2,784</u>
*****TOTAL*****				
ASSETS				
Cash and cash equivalents	\$ 1,544,150	\$ 158,880,831	\$ 158,933,525	\$ 1,491,456
Receivables	5,563	14,508,981	5,563	14,508,981
Total assets	<u>1,549,713</u>	<u>173,389,812</u>	<u>158,939,088</u>	<u>16,000,437</u>
LIABILITIES				
Current liabilities				
Accounts payable	172,512	155,399	327,911	-
Due to others	1,377,201	173,234,413	158,611,177	16,000,437
Total liabilities	<u>\$ 1,549,713</u>	<u>\$ 173,389,812</u>	<u>\$ 158,939,088</u>	<u>\$ 16,000,437</u>

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**City of Monroe
Monroe, Louisiana**

OTHER MISCELLANEOUS SCHEDULES

DIVIDER

**City of Monroe
Monroe, Louisiana**

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DIVIDER

**City of Monroe
Monroe, Louisiana**

**SCHEDULE OF LONG-TERM OBLIGATIONS
FOR THE YEAR ENDED APRIL 30, 2015**

Exhibit 19

Issue Dates	Remaining Interest Rates	Original Amount	Balance April 30, 2014	Issued	Retired	Balance April 30, 2015	Amount Due Within A Year	Principal Maturity Schedule For Future Years
GOVERNMENTAL ACTIVITIES								
Tax Increment Bonds:								
Tower Drive Series 2012	2012	2.71%	\$ 10,590,000	\$ 9,415,000		\$ 8,670,000	\$ 765,000	\$765,000 - \$975,000 to March 1, 2025
I-20 Development Series 2011	2011	3.00% - 5.00%	10,000,000	8,490,000		7,840,000	670,000	\$670,000 - \$935,000 to March 1, 2025
I-20 Development Series 2012	2012	2.71%	20,530,000	19,055,000		17,545,000	1,555,000	\$1,555,000 - \$1,975,000 to March 1, 2025
Total Tax Increment Bonds			<u>41,120,000</u>	<u>36,960,000</u>	<u>-</u>	<u>34,055,000</u>	<u>2,990,000</u>	
Sales Tax Bonds:								
Series 2007 A Refunding	2007	1.703%	19,951,200	14,990,600		(941,800)	14,048,800	989,400 \$1,164,000 - \$2,624,000 to July 1, 2026
Series 2011 A Refunding	2011	3.19%	14,690,000	14,410,000		(260,000)	14,150,000	270,000 \$270,000 - \$1,780,000 to July 1, 2027
Series 2012 Refunding	2012	2.00% - 4.00%	16,860,000	16,435,000		(915,000)	15,520,000	940,000 \$245,000 - \$1,740,000 to July 1, 2027
Total Sales Tax Bonds			<u>51,501,200</u>	<u>45,835,600</u>	<u>-</u>	<u>(2,116,800)</u>	<u>43,718,800</u>	<u>2,199,400</u>
Bond Premium				928,440		(157,036)	771,404	140,342
Total Bonds Payable, net				<u>83,724,040</u>	<u>-</u>	<u>(5,178,836)</u>	<u>78,545,204</u>	<u>5,329,742</u>
Other:								
Claims and Judgments			-	9,754,763	814,998	(349,780)	10,219,981	349,780
Capital Leases		3.49%-7.30%	-	1,326,417	2,500,000	(169,811)	3,656,606	650,950 \$712,752 - \$130,113 to November 1, 2022
Notes payable	2013	1.87%	6,967,113	4,701,850		(954,852)	3,746,998	1,131,852 \$1,045,978 - \$219,687 to March 1, 2021
Accrued Vacation and Sick Pay			-	5,939,694	3,793,088	(3,459,013)	6,273,769	3,459,013
Other post employment benefits			-	12,662,824	3,170,282	(1,291,061)	14,542,045	1,291,061
Total Other			<u>6,967,113</u>	<u>34,385,548</u>	<u>10,278,368</u>	<u>(6,224,517)</u>	<u>38,439,399</u>	<u>6,882,656</u>
TOTAL GOVERNMENTAL ACTIVITIES			<u>99,588,313</u>	<u>118,109,588</u>	<u>10,278,368</u>	<u>(11,403,353)</u>	<u>116,984,603</u>	<u>12,212,398</u>
BUSINESS TYPE ACTIVITIES								
Sales Tax Bonds - Water:								
Series 2006	2006	3.45%	3,000,000	2,430,000		(125,000)	2,305,000	130,000 \$130,000 - \$205,000 to July 1, 2028
Series 2007 A Refunding	2007	1.703%	1,877,760	1,410,880		(88,640)	1,322,240	93,120 \$93,120 - \$209,920 to July 1, 2026
Series 2011 Refunding	2011	2.50% - 5.00%	1,916,000	1,679,000		(221,000)	1,458,000	225,000 \$225,000 - \$264,000 to July 1, 2020
Total Sales Tax Bonds - Water			<u>6,793,760</u>	<u>5,519,880</u>	<u>-</u>	<u>(434,640)</u>	<u>5,085,240</u>	<u>448,120</u>
Sales Tax Bonds - Sewer:								
Series 2007 A Refunding	2007	1.703%	7,511,040	5,643,520		(354,560)	5,288,960	372,480 \$372,480 - \$839,680 to July 1, 2026
Series 2008 - DEQ #5	2008	0.95%	14,000,000	7,438,940	581,390	(655,000)	7,365,330	665,000 \$665,000 - \$765,000 to July 1, 2030
Series 2011 Refunding	2011	2.50% - 5.00%	7,664,000	6,716,000		(884,000)	5,832,000	900,000 \$900,000 - \$1,056,000 to July 1, 2020
Series 2012 A Refunding	2012	2.89%	32,000,000	30,125,000		(1,775,000)	28,350,000	1,830,000 \$1,830,000 - \$2,575,000 to June 1, 2027
Series 2013 - DEQ #6	2013	0.95%	11,700,000	75,133	810,076	-	885,209	55,000 \$736,340 - \$832,648 to July 1, 2029
Total Sales Tax Bonds - Sewer			<u>72,875,040</u>	<u>49,998,593</u>	<u>1,391,466</u>	<u>(3,668,560)</u>	<u>47,721,499</u>	<u>3,822,480</u>
Airport General Obligation Bonds:								
Series 2009 Airport Bonds	2009	3.25% - 5.5%	19,250,000	17,360,000		(475,000)	16,885,000	510,000 \$510,000 - \$964,000 to February 1, 2039
Total Airport General Obligation Bonds			<u>19,250,000</u>	<u>17,360,000</u>	<u>-</u>	<u>(475,000)</u>	<u>16,885,000</u>	<u>510,000</u>
Other:								
Accrued Vacation and Sick Pay			-	1,122,928	749,168	(593,538)	1,278,558	593,538
TOTAL BUSINESS TYPE ACTIVITIES			<u>\$ 98,918,800</u>	<u>\$ 74,001,401</u>	<u>\$ 2,140,634</u>	<u>\$ (5,171,738)</u>	<u>\$ 70,970,297</u>	<u>\$ 5,374,138</u>
TOTAL ALL ACTIVITIES			<u>\$ 198,507,113</u>	<u>\$ 192,110,989</u>	<u>\$ 12,419,002</u>	<u>\$ (16,575,091)</u>	<u>\$ 187,954,900</u>	<u>\$ 17,586,536</u>

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

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

**City of Monroe
Monroe, Louisiana**

**Schedule of Compensation Paid Board Members
For the Year Ended April 30, 2015**

Exhibit 20

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

<u>Board Member</u>	<u>District</u>	<u>Amount</u>
Dr. Ray Armstrong	1	\$16,708
Gretchen Ezernack	2	12,000
Betty Blakes	3	12,000
Kenneth Wilson	4	12,000
Eddi Clark	5	<u>13,292</u>
Total		<u>\$66,000</u>

City of Monroe
Monroe, Louisiana

Schedule of Compensation Benefits, and Other Payments to Agency Head
or Chief Executive Officer

For the Year Ended April 30, 2015

Exhibit 21



Employee: Mayor Jamie Mayo
Year ended: April 30, 2015

ANNUALLY

WAGES (Gross)		\$90,000
BENEFITS		
Life Insurance B/W	274	
Dental FULL Benefit - Employee	919	
Medical B/W Employee & Spouse	10,794	
Medicare	1,404	
Car Allowance	6,850	
Pension - Municipal	<u>17,602</u>	
BENEFITS		
Total Employer Cost		37,843
Travel expenditures (conferences, etc.)		1,921
Gas card		1,821
Grand Total		<u><u>\$131,585</u></u>

**City of Monroe
Monroe, Louisiana**

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**City of Monroe
Monroe, Louisiana**

**SINGLE AUDIT
DIVIDER**

**City of Monroe
Monroe, Louisiana**

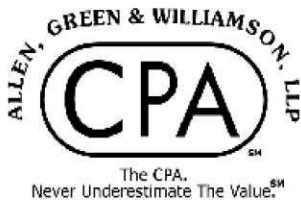
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DIVIDER

City of Monroe
Monroe, Louisiana

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND
OFFICE OF MANAGEMENT AND BUDGET (OMB)
CIRCULAR A-133**

ALLEN, GREEN & WILLIAMSON, LLP



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Ernest L. Allen, CPA
(Retired) 1963 - 2000

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

Independent Auditor's Report

Council Members and Honorable Mayor Mayo
City of Monroe
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, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Monroe (the City) as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 31, 2015. Our report includes a reference to other auditors who audited the financial statements of the Monroe City Court and the Monroe City Marshal, which represents the aggregate discretely presented component units, as described, in our report on the City's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting and compliance and other matters that are reported on separately by the other auditor.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the significant deficiencies described in the accompanying Schedule of Findings and Questioned Costs as 2015-005

a material weakness.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as 2015-001, 2015-002, and 2015-003 to be significant deficiencies.

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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned Costs as item 2015-004.

The City's Response to Findings

The City's response to the findings identified in our audit are described in the accompanying Corrective Action for Current Year Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

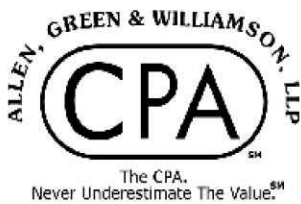
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
October 31, 2015



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Ernest L. Allen, CPA
(Retired) 1963 - 2000

Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; Required by OMB Circular A-133

Independent Auditor's Report

Council Members and Honorable Mayor Mayo
City of Monroe
Monroe, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Monroe's (the City) compliance with the types of compliance requirements described in the *OMB Circular Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended April 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

Basis for Qualified Opinion on Community Development Block Grant Entitlement Program

As described in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with requirements regarding CFDA#14.218, Community Development Block Grant, as described in finding numbers 2015-006 for Allowable Costs and 2015-009 for Subrecipient Monitoring. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Qualified Opinion on Community Development Block Grant Entitlement Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 Community Development Block Grant Entitlement Program for the year ended April 30, 2015.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended April 30, 2015.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-007, 2015-008 and 2015-010. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit are described in the accompanying Corrective Action Plan for Current Year Audit Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 requirements 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 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2015-006 and 2015-009 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2015-007, 2015-008, and 2015-010 to be significant deficiencies.

The City's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan for Current Year Findings and Questioned Costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
October 31, 2015

City of Monroe
Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2015

Federal Grantor / Pass-Through Grantor / Program Title	CFDA No.	Pass-Through Grant Number	Grant Identification Number	Federal Expenditures
<u>U. S. Department of Housing and Urban Development</u>				
Direct:				
Community Development Block Grant - 2012	14.218	N/A	B-12-MC-22-0005	\$ 18,473
Community Development Block Grant - 2013	14.218	N/A	B-13-MC-22-0005	370,398
Community Development Block Grant -2014	14.218	N/A	B-14-MC-22-0005	162,565
CDBG Subtotal				<u>551,436</u>
Home Investment Partnership Grant - 2011	14.239	N/A	M-11-MC-22-0206	33,083
Home Investment Partnership Grant - 2012	14.239	N/A	M-12-MC-22-0206	182,576
Home Investment Partnership Grant 2013	14.239	N/A	M-13-MC-22-0206	77,260
Home Investment Partnership Grant 2014	14.239	N/A	M-14-MC-22-0206	19,799
Home Investment Partnership Grant Subtotal				<u>312,718</u>
Pass-Through Programs:				
Ouachita Parish Police Jury:				
CDBG DRU Gustav/Ike Stormwater	14.228		FEMA -178-DR-LA	1,318,565
				<u>1,318,565</u>
LA Dept of Social Services/Office of Community Services:				
Emergency Shelter Grants Program - 2011	14.231	715227	N/A	75,530
Emergency Shelter Grants Program - 2012	14.231	715227-LHC2	N/A	95,623
Emergency Shelter Grants Program -2013	14.231	LHA13-15-16	N/A	135,895
Emergency Shelter Grants Program Subtotal				<u>307,048</u>
Comprehensive Resiliency Pilot Program-CAT 2	14.218	6991 07	N/A	2,300
				<u>2,300</u>
Total Dept. Housing & Urban Development				<u><u>2,492,067</u></u>
<u>U. S. Department of Justice</u>				
Direct:				
Office of Justice Program (JAG)-2012	16.738		2012 DJ-BX-1048	5,159
Office of Justice Program (JAG)-2013	16.738	N/A	2013 DJ-BX-0148	1,811
Bulletproof Vest Partnership Program 2012	16.607	N/A	N/A	1,330
Bulletproof Vest Partnership Program 2013	16.607	N/A	N/A	8,652
Total Department of Justice				<u>16,952</u>
<u>U. S. Department of Transportation</u>				
Direct:				
Airport Improvement Program:				
Airport Terminal- Construct Term. Blding, Ph III; ARFF & Wildlife	20.106	N/A	3-22-0033-028-2010	4,704
MLU Taxiway Gate & Fence-Realignment #31	20.106	N/A	3-22-033-028-2011	1,398,070
MLU Drainage & Perimeter Road Grant #32	20.106	N/A		214,412
				<u>1,617,186</u>
Federal Transit Cluster				
Federal Transit Formula Grants	20.507	N/A	LA-90-X412-00	475,697
Federal Transit Formula Grants	20.507	N/A	LA-90-X337-01	590,317
Federal Transit Formula Grants	20.507	N/A	LA-90-X425-00	1,181,733
Federal Transit Formula Grants	20.507	N/A	LA-90-X352-03	6,808
Total Federal Transit Cluster				<u>2,254,555</u>
Pass-Through Programs:				
Highway Planning and Construction Cluster				
LA Highway Safety Commission				
Highway Safety Improvement Program	20.205	2015-30-43	N/A	
State and Community Highway Safety (Section 402)	20.600	2015-30-43	N/A	75,783
Alcohol High Visibility Enforcement (Section 410 HVE)	20.601		N/A	19,343
Total Highway Planning and Construction Cluster				<u>95,126</u>
LA Dept of Transportation and Development				
New Freedom Program	20.521	N/A	LA-90-X363-01	17,362
Kansas Lane Connector	20.205	N/A	STP-3705(500)	333,972
Total Department of Transportation				<u><u>\$ 4,318,201</u></u>

City of Monroe
Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2015

Federal Grantor / Pass-Through Grantor / Program Title	CFDA No.	Pass-Through Grant Number	Grant Identification Number	Federal Expenditures
<u>Environmental Protection Agency</u>				
Direct:				
Pass-Through Programs:				
LA Dept of Environmental Quality				
Capitalization Grant for Clean Water States	66.458	N/A	DEQ Revolving Loan	\$ 237,657
Total Environmental Protection Agency				237,657
<u>U. S. Department of Homeland Security</u>				
Direct:				
Disaster Grants-Public Assistance (Severe Storms, Tornadoes, & Flooding)-FEMA	97.036	N/A	FEMA-1863-DR-LA	7,567
Transportation Security Administration	97.090	N/A	HSTS0208HSLR215	104,390
Pass-Through Programs:				
LA Governor's Office of Homeland Security and Ouachita Parish Office of Homeland Security and Emergency Preparedness				
Hazard Mitigation Grant	97.039	FEMA-1603-DR-LA-0079	N/A	1,569,336
State Homeland Security Program- LETPP 08	97.067	2008-GE-T8-0013	N/A	12,809
Total U. S. Department of Homeland Security				1,694,102
U.S. Department of Health and Human Services				
Direct:				
Jefferson Parish Sheriff's Office/West Monroe Police Department Office of National Drug Control Policy-High Intensity Drug Trafficking Area (HIDTA)	93.276		N/A	152,605
Total U.S. Department of Health and Human Services - Office of National Drug Policy				152,605
Total Federal Expenditures				\$ 8,911,584

City of Monroe
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2015

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards, presents the activity of all federal financial assistance of the City of Monroe (the City) for the year ended April 30, 2015. All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed through other government agencies.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's primary government financial statements.

NOTE 3- LOANS OUTSTANDING The City has loans outstanding under Federal loan or loan guarantee award programs of \$263,415 at April 30, 2015.

NOTE 4 - RELATIONSHIP OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS The following reconciliation is provided to help the reader of the City's financial statements and supplementary information relate such information to the Schedule of Expenditures of Federal Awards for the year ended April 30, 2015:

Major funds:	
General Fund	\$ 369,671
Kansas Lane Connector	333,972
Enterprise funds:	
Monroe Regional Airport	1,617,186
Monroe Transit System	2,271,917
Monroe Civic Center	1,569,336
Sewer Fund	237,657
Nonmajor special revenue funds:	
Community Development Block Grant	551,436
Emergency Shelter	307,048
CDBG Home	312,718
Justice Assistance Program	6,970
State Homeland Security	12,809
Comprehensive Resiliency Program	2,300
Nonmajor capital project funds:	
DRU Gustav/Ike Storm Water	1,318,564
Total	<u>\$ 8,911,584</u>

NOTE 5- FUNDS PROVIDED TO SUBRECIPIENTS Of the Federal expenditures presented on this schedule, the City provided \$370,106 through the Community Development Block Grants, Home Investment Partnership Grants and the Emergency Shelter Grant Programs to sub recipients.

City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2015

Part I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was unmodified.
- ii. There were four significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America. The significant deficiency described as 2015-005 was considered to be a material weakness.
- iii. There was one instance of noncompliance, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

- iv. There were five significant deficiencies required to be disclosed by OMB Circular A-133. The significant deficiencies described as 2015-006 and 2015-009 were considered to be material weaknesses.
- v. The type of report the auditor issued on compliance for major programs was qualified for Community Development Block Grant Entitlement Program and unmodified for all others.
- vi. The audit disclosed five audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:
 - CFDA #14.218 Community Development Block Grant – Entitlement Program
 - CFDA #14.239 Home Investment Partnership Program
 - CFDA #14.228 Community Development Block Grant – State Program (DRU Gustav/Ike)
 - CFDA #20.507 Federal Transit Formula Grants
 - CFDA #97.039 Hazard Mitigation Grant
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular A-133, Section .530.

City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2015

Part II- Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Reference # and Title: **2015-001** **Inadequate Controls over Inventory**

Entity-wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: In order to have good internal controls over inventory, policies and procedures should be established to ascertain that inventory is properly maintained and tracked. Annual inventory reports should have proper totals, include updated unit cost information and agree to year-end inventory counts.

Condition found: When testing the main four departments of the City that account for inventory, the following items were noted:

- Transit Department –
 - Various exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.
 - Some items noted on the inventory listing with a negative number as the final count reported.
 - When tracing unit cost, exceptions were noted in which the unit cost per invoices paid did not agree to the unit cost per the inventory listing.
- Central Shop –
 - It was noted that the final count report contained formula errors, which caused the report not to total correctly.
 - Various exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.
 - It was also noted at the time of observation, when the auditor performed recounts, differences were noted.
 - When tracing unit cost, exceptions were noted in which the unit cost per invoices paid did not agree to the unit cost per the inventory listing.
- Water Department –
 - It was noted that the final count report contained calculation errors, which caused the report not to total correctly.
 - Various exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.
 - The inventory for this department is piecemealed in which part of the inventory is maintained on the Water Departments system, and located at the Water Department. The larger part of the inventory is maintained at the Purchasing Department, and is tracked on the Purchasing Department's system.
 - Furthermore, it was noted that the Water Department's inventory system is not updated regarding counts and unit cost information.
- Purchasing Department –
 - Various exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.

Possible asserted effect (cause and effect):

Cause: The City's inventory for the water department, central shop and transit department are maintained through an excel spreadsheet, or manually, which caused errors in the total of the reports not being mathematically correct. Additionally, the water department inventory is not stored nor maintained in a central location which caused errors in total counts. The auditor was unable to determine the cause

City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2015

Part II- Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

regarding unit cost not being updated to actual cost paid as well as the final observations counts not agreeing to the final report.

Effect: Controls over inventory are weakened as well as the general ledger could be incorrect regarding inventory on-hand at year-end.

Recommendation to prevent future occurrences: The City should establish quality control procedures to ensure year end reports foot properly, as well as unit costs are being updated. Additionally, the City should establish policies and procedures over the maintaining of the water department inventory.

View of responsible official: Accounting will work with these departments to move their inventories to inventory software, either in the general ledger inventory system or an industry-specific inventory software system. Costs for items should reflect the most recent actual cost paid. The warehouse inventory should reflect accurately what is in stock.

Reference # and Title: 2015-002 Controls over Utility Adjustments and Disconnections

Entity-wide or program/department specific: This finding relates to the Utility Department.

Criteria or specific requirement: Good internal controls over utilities requires the establishment of policies and procedures over adjustments and disconnections. This should require that all adjustments are properly approved and have adequate supporting documentation for the purpose of the adjustments. Additionally, disconnections procedures should be properly implemented, which would require all delinquent customers to pay the full balance before service is reconnected, as well as waivers of reconnect fees should be properly documented.

Condition found: In testing 40 adjustments to utility bills, it was noted that 25 adjustments did not have scanned support to substantiate the basis of the adjustment and 24 of those scanned did not have proper documentation to show the adjustment was approved.

When testing 40 delinquent accounts from the cut-off listing, it was noted that 1 account had the reconnect fee waived and 6 accounts were allowed to continue service without paying the bill in full.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The City's controls over adjustments and disconnections are weakened.

Recommendation to prevent future occurrences: The City should establish policies and procedures, as well as better separation of duties as to those individuals that can post adjustments and those that are to approve adjustments. These procedures should include ensuring all supporting documentation is adequately scanned to support adjustments and waiver of fees before they are approved and applied to accounts. Additionally, these procedures should include that all bills are paid in full before services are continued.

City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2015

Part II- Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

View of responsible official: The management and staff of the Utility Operations division currently observes Ordinance #11567 Sec. 36-23.1 Page 4 as it relates to adjustments. Utility currently has 3 authorized individuals that can approve and 2 of the 3 that post those adjustments. The 3 individuals that can give approval to adjust consist of the Director of Administration or his appointee, Utility Operations Supervisor and the Support Service Specialist.

Utility Operations management plans to revise the current adjustment policy and procedures to provide better separation between those who post and approve adjustments, and ensuring each adjustment has the necessary supporting documents.

Management will create a form that will allow the customer to request an adjustment from the City of Monroe Utility Operations division. Utility agents (CSRs and Clerks) will accept the form along with supporting documents, after which the agent will enter the adjustment amount and scan all documents to the customer's account. When the agents have completed their process, the Supervisor or Support Service Specialist will review and approve the adjustment within 3-5 business days. To ensure that all Utility agents are aware of the process, management will write a step by step list of the procedures.

Ordinance #11567 Sec. 36-23.1 under Payment Arrangements, allow customers to make partial payments to continue service.

Reference # and Title: **2015-003** **Year-End Financial Reporting**

Entity-wide or program/department specific: This finding relates to entity-wide.

Criteria or specific requirement: Good internal control over financial reporting requires that accounting records contain accurate and complete information to ensure that financial accruals are accurate at year-end. Additionally, reconciliations should be performed on sub-ledgers for agreement to the general ledger.

Condition found: During the testing year-end report balances, it was noted that accruals were not properly reported. Several departments had recorded transactions to cash rather than to accounts receivable accounts as well as transactions that should have been recorded as an accounts payable were not accrued. On the other hand, there were some receivables that should have been accrued, but were not.

It was also noted that the year-end report balances for some accounts were not reconciled to subsidiary ledgers such as the CDBG/HOME loan programs and the utility customer deposits. Additionally, due to lack of understanding of the software program, the airport subsidiary ledger did not agree with the year-end accounts receivable balance. As a result of these items noted, the Accounting Department made journal entries to correct the year-end report balances in order for the financial data to be relied upon.

Possible asserted effect (cause and effect):

Cause: The City decentralized functions regarding accounts payable and receivable data entry as well as had a software conversion during the fiscal year.

Effect: The City's controls over year-end financial reporting are weakened.

City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2015

Part II- Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Recommendation to prevent future occurrences: The City should establish quality control procedures to ensure that year-end financial reporting is complete and accurate. The City should also provide additional training to the staff regarding the new software and regarding accruals.

View of responsible official: The software conversion during the middle of the year presented many challenges for all departments. The City decentralized the Accounts Payable invoice entry function and some additional Revenue Collection functions. Although much of the Revenue Collections was already being done at the site of collection, some departments are now responsible for the entry of their receipts at the point of receipt of funds. In addition to the challenge of training all departments for these things, the conversion was performed during the middle of the year. This presented challenges for the Accounting Staff in reconciling items, as well as a challenge for providing information for the auditors. Also, the City has not completed the full conversion of all its programs. Capital assets have not been converted to the new software. The set up for the Government Reporting system of the software has not been completed. All of these issues added considerable challenges in being able to provide consolidated reports for subsidiary ledgers that accurately reflected the general ledger balances.

Reference # and Title: **2015-004** **Uncollateralized Deposits**

Entity-wide or program/department specific: This finding relates to entity-wide.

Criteria or specific requirement: Louisiana Revised Statute 39:1218 requires that all deposits over the \$250,000 FDIC insured limit be secured by collateral with designated security and deposited with an unaffiliated bank. Additionally, the bank must comply within five business dates from receipt of demand to provide the collateralized security.

Condition found: During the testing of collateralized deposits, it was noted that the City had one bank that was uncollateralized, beyond the FDIC insured limit, by approximately \$2 million.

Possible asserted effect (cause and effect):

Cause: The City received lease proceeds, which were deposited into a separate bank. Due to the lease being for specialized equipment, which required additional time to be purchased, the City did not immediately spend the funds.

Effect: The City did not meet state requirements regarding collateralized deposits.

Recommendation to prevent future occurrences: The City should establish quality control procedures to ensure new bank accounts that are being utilized are properly collateralizing deposits in excess of the FDIC insured amount.

View of responsible official: Accounting will work more closely with the banks to ensure that all deposits are fully collateralized. Particular attention will be given to banks used outside the City's regular financial institutions to make sure the banks follow the state requirements.

City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2015

Part II- Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Reference # and Title: 2015-005 Full Implementation of Enterprise Fund Reporting

Entity-wide or program/department specific: This finding relates to entity-wide.

Criteria or specific requirement: The Governmental Accounting Standards Board, the standard setter for governmental financial reporting in the United States, prescribes two distinct accounting methods to be used by governments for fund financial statement reporting in the fund financial statements: modified accrual and full accrual.

A bit of background is in order to understand the issue noted in this finding. There are three fund types for reporting by a government – governmental fund types, proprietary fund types and or fiduciary fund types. The method of accounting for the governmental fund types versus proprietary fund types and fiduciary fund types reporting is different. Governmental fund types are reported on a current resources measurement focus and modified accrual basis of accounting (what we describe as a fancy cash basis) whereas the proprietary fund types and fiduciary fund types are reported on an economic resources measurement focus and the accrual basis of accounting. In simple terms governmental fund types, such as the general fund, are accounted for on a short term view using a fancy cash basis of accounting whereas proprietary fund types and fiduciary fund types are more of a long term view and full accrual basis of accounting, similar to what is used for reporting by public and private companies.

The big differences between the two accounting methods are that governmental fund types do not generally capitalize long-term assets nor report long term debt balances within a fund. For reporting in the proprietary fund types the financial statements include all assets, liabilities and related transactions, including those for capital assets and long-term debt.

A government’s annual financial report includes two sets of financial statements: government-wide financial statements and fund financial statements.

- The “Government-wide Financial Statements” is what we describe as a repackaging of the “Fund Financial Statements” information. Both categories of financial statements are complete sets of financial statements prepared from different perspectives. The Governmental Fund Types and generally the Internal Service Funds roll up into the Governmental Activities in the “Government-wide Financial Statements” whereas the Enterprise Funds roll up into the Business-type Activities at the “Government-wide Financial Statements.”
- The “Fund Financial Statements” provide a detail short-term view on a cash basis of accounting of the government’s operation whereas the “Government-wide Financial Statements” present a much aggregated long-term view on an accrual basis of accounting, much like a commercial business’ financial statements. For the City, the “Government-wide Financial Statements” reflect four columns of information in two financial statements whereas the “Fund Financial Statements” include nine financial statements and twenty columns of information. To a non-accountant and even many, and maybe most, governmental accountants, this repackaging is ludicrous. However, there is value in the two financial statements presentations once you understand what each perspective provides.

Condition found: The City’s financial reporting of Enterprise Funds, such as the Airport, Water and Sewer funds, in the Fund Financial Statements and the corresponding roll up into the Business-type activities has

City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2015

Part II- Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

historically included all capital and other long-term assets, but did not include the related long term debt. The long term debt balances and activities, such as revenue and general obligation bonds, were not reported in the Enterprise Funds at the Fund Financial Statement level nor in the Business-type Activities at the Government-wide Financial Statement level. The long-term debt transactions were instead being reported as part of the Governmental Activities in the Government-wide Financial Statements and in the Governmental Fund Types in the Fund Financial Statements.

In other words, the long term debt was being reported in the Governmental Activities and as part of the Governmental Fund Types. These long-term debt balances and related transactions should have been included as part of the Enterprise Funds reporting and the related rollup into the Business-type Activities for the three Enterprise Funds that had long-term debt – Airport, Water and Sewer.

This required reporting would provide the reader of the report a comprehensive view of the operations of the Enterprise Funds including long-term debt obligations transactions and balances.

Also, a separate issue regarding full implementation of Enterprise Fund accounting was unbilled revenues for utilities services provided during the City's fiscal year by the Water and Sewer Funds but were not accrued at April 30. This unbilled utility revenue was for services provided by the City to utility customers in April but not billed until the first week of May.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The City's external financial reporting did not comply with the standards promulgated by the Governmental Accounting Standards Board, again the standard setter for external financial reporting by governments in the United States.

Recommendation to prevent future occurrences: The City should continue the new practice of presenting all long-term debt activities and balances related to an Enterprise Fund as part of that fund's financial statements and accruing unbilled utility revenues at year-end.

Note to the Reader of this Finding: The financial statements included in the annual audited financial report of the City for the year ended April 30, 2015 were prepared as recommended. Also, a reader of this comment should realize the long-term debt balances and transactions related to long-term debt associated with Enterprise Funds were included in prior annual financial reports. However, the data was improperly reported in the Governmental Fund Types and the Governmental Activities financial statements' columns whereas it should have been reported in the Enterprise Funds and the Business-type Activities columns. The City's other long-term debt related to general operations was properly reported in the Governmental Fund Types and the Governmental Activities financial statements.

View of responsible official: Administration concurs with this finding and are taking the measures to ensure the full accrual method of accounting will be utilized going forward for all Enterprise Funds.

City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2015

Part III- Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 section .510(a):

Reference # and Title: **2015-006** **Community Development Division – Allowable Costs**

Federal program and specific federal award identification: The finding relates to the Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.

Criteria or specific requirement: Louisiana Revised Statute 37:2175.2 provides in part, that no person shall undertake; offer to undertake, or agree to perform home improvement contracting services unless registered with and approved by the Residential Building Contractors Subcommittee of the Louisiana State Licensing Board for Contractors as a home improvement contractor.

Condition found: The City of Monroe utilizes contractors to complete Community Development Block Grant (CDBG) projects during the year. For the year ended April 30, 2015, one of the contractors hired by the City was not licensed prior to being awarded the project through a bidding process, nor was the contractor licensed during any of the time projects were underway. The City awarded projects through a bidding process on January 29, 2015 in which one of the contractors awarded did not have a valid contractor's license due to not properly maintaining required insurances. The unlicensed contractor was awarded a total of five projects.

Questioned Costs: Based on the testing of the contractor above and reviewing the vendor payments during the fiscal year, the questioned costs calculated were \$94,990.

Proper perspective for judging the prevalence and consequences: The sample size consisted of six projects constructed during the fiscal year, which included three contractors reviewed.

Possible asserted effect (cause and effect):

Cause: The City is not reviewing contractor licenses information at the time of the bidding process to ensure the contractors are maintaining proper insurances and hold valid contractor license.

Effect: The City did not meet federal regulation regarding allowable costs.

Recommendation to prevent future occurrences: The City should establish procedures to review all contractors' license information before bids are awarded to ensure contractors are properly licensed.

View of responsible official: The contractor in question submitted his August of 2014 Active License for Home Improvement Contracting from the Subcommittee of the Louisiana State Licensing Board for Contractors as a Home Improvement Contractor to the Community Development Division. According to that document the License was valid from August 21, 2014 to August 21, 2015; however in the interim, the Louisiana State Licensing Board for Contractors cancelled the license due to cancellation by the Contractor's Insurance Agency. The Community Development Department did not receive any cancellation notice(s) from the state licensing board or the insurance agency to state that the contractor's licenses were no longer valid.

City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2015

Part III- Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 section .510(a):

Reference # and Title: 2015-007 Community Development Division – Cash Management

Federal program and specific federal award identification: The finding relates to the Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development and the Home Investment Partnership Program (HOME), CFDA #14.239, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.

Criteria or specific requirement: When entities are funded on a cost reimbursement basis, program costs must be paid for by the entity before reimbursement is requested from the federal government.

Condition found: In testing a sample of 11 claims for reimbursement submitted to the federal government, it was noted that 4 claims included retainage payable amounts which had not been paid for by the City before the reimbursement was requested.

Possible asserted effect (cause and effect):

Cause: The City was accruing the retainage payable as required; however was not netting out the retainage when requesting the reimbursement.

Effect: The City did not meet the requirements of cash management.

Recommendation to prevent future occurrences: The City should establish quality control procedures that ensures all requests are properly reviewed and only include amounts paid for by the City before being submitted to the federal government.

View of responsible official: The Accountant assigned to the CDBG Programs is now aware that retainage payable should not be drawn inclusive with contractor payments because the disbursement will be more than 3 days. The city will take all corrective action measures and request draw contractor payments on a net basis. The Community Development director will ensure all contractor payments will be drawn on a net basis before approving any Federal request.

Reference # and Title: 2015-008 Community Development Division - Earmarking

Federal program and specific federal award identification: The finding relates to the Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.

Criteria or specific requirement: According to 24 CFR sections 570.200(a)(3) and 570.208(a), not less than 70 percent of the funds must be used for activities that benefit low- and moderate-income persons. However, according to the City's 2014 consolidated annual action plan, 100 percent will be earmarked for providing services to benefit low-moderate income residents.

City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2015

Part III- Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 section .510(a):

Condition found: In testing the files for six residents receiving benefits during the fiscal year, it was noted that the City incorrectly calculated income for two of the residents. When recalculating the income for the two residents, it was determine that one resident would not have met the definition of low- and moderate-income. Therefore, the resident was not eligible to receive such benefit per the City's policy.

Questioned Costs: Based on the testing of the eligibility during the fiscal year, the questioned costs calculated were \$12,500.

Proper perspective for judging the prevalence and consequences: The sample size consisted of six residents receiving benefits during the fiscal year.

Possible asserted effect (cause and effect):

Cause: The City was not calculating the income correctly due regarding biweekly income versus semi-monthly income.

Effect: The City did not meet the requirements of the City's policy regarding earmarking.

Recommendation to prevent future occurrences: The City should establish quality control procedures that consist of reviewing income calculations of residents before grants are awarded.

View of responsible official: The Housing Technician Staff person calculated the income in error which resulted in providing services to an ineligible applicant. The calculation of income was not calculated correctly due to the Housing Program Technician calculating income at a Semi-Monthly (24 Pay Periods) rate to obtain the participant's annual salary. After reviewing the homeowners file, the error was discovered and it was determined that the participant's annual income should have been calculated on a bi-weekly pay period (26 pay periods).

Reference # and Title: **2015-009 Community Development Division – Subrecipient Monitoring**

Federal program and specific federal award identification: The finding relates to the Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.

Criteria or specific requirement: Any non-federal entity that receives federal funding and the entity passes the funds through to a subrecipient, the non-federal entity is required to perform variance pass-through responsibilities. Part of the responsibilities include establishing policies and procedures regarding subrecipient risk assessments and monitoring of the subrecipient. The monitoring activities normally occur throughout the year and may take various forms such as reviewing financial and performance reports submitted by the subrecipient, on-site visits at the subrecipient's location to observe operations, and staying in regular contact with subrecipients.

City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2015

Part III- Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 section .510(a):

Condition found: Although the City has established policies regarding subrecipient monitoring, in reviewing the subrecipients for the CDBG program, it was noted that the City did not perform any monitoring during the fiscal year April 30, 2015 for those subrecipients that had received funding during the audit period.

Possible asserted effect (cause and effect):

Cause: The City was shorthanded regarding staffing during the fiscal year.

Effect: The City did not meet the requirements of subrecipient monitoring.

Recommendation to prevent future occurrences: The City should establish quality control procedures that consist of reviewing income calculations of residents before grants are awarded.

View of responsible official: Due to short staffing issues, the monitoring of CDBG subrecipients was not completed. However, the staff person responsible did conduct desk monitoring throughout the program year for each subrecipient that entails the following: Monitoring reports & processing monthly invoices, staff communicates on a regular basis with the subrecipient about performance, technical assistance as well as anticipated changes in staff. This type of monitoring is conducted more often than the once a year on-site monitoring visit. The CDBG program was the only program where subrecipients did not receive an on-site monitoring. The ESG & HOME programs monitoring site visits were completed.

Reference # and Title: **2015-010** **Suspension and Debarment**

Federal program and specific federal award identification: The finding relates to the following programs:

- Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.
- Home Investment Partnership Program (HOME), CFDA #14.239, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.
- Federal Transit Formula Grants, CFDA #20.507, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Transportation.
- Community Development Block Grant – State Program, CFDA #14.228, for the Federal Award Year 2011 received from Federal Agency: Department of Housing and Urban Development pass-through from Ouachita Parish Police Jury.

Criteria or specific requirement: According to 2 CFR section 180.220, non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. This include those procurement contracts for goods and services awarded that are expected to equal or exceed \$25,000. Therefore, the City is required to establish controls to verify vendors are not suspended and debarred from receiving federal funds. This verification process may be accomplished by (a) checking the Excluded Parties List system at www.sam.gov; (b) collecting a certification from the vendor, or (c) adding a clause or condition to the vendor's contract.

City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2015

Part III- Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 section .510(a):

Condition found: In testing transactions for the programs listed above, it was noted that, unless the City purchased from the La. State Contract, no vendors of the above federal programs were reviewed by the City to ensure the vendor was not suspended nor debarred.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The City did not meet the requirements of suspension and debarment.

Recommendation to prevent future occurrences: The City should establish policies and procedures to ensure that at least annually all vendors that are expected to be paid in excess of \$25,000 are reviewed to ensure they are not listed on the suspension and debarment listing. Additionally, the City should maintain supporting documentation for the verification of the vendor such as printing the screen from the website.

View of responsible official: The city was not aware that individual departments were not checking the vendor's being used. By centralizing this process, this should ensure that most of this issue will be resolved.

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City of Monroe
Monroe, Louisiana

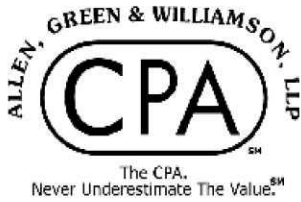
**PASSENGER FACILITY CHARGE PROGRAM (PFC)
REPORTS AS REQUIRED BY FEDERAL AVIATION
ADMINISTRATION**

DIVIDER

**City of Monroe
Monroe, Louisiana**

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DIVIDER



ALLEN, GREEN & WILLIAMSON, LLP

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Ernest L. Allen, CPA
(Retired) 1963 - 2000

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE FO THE PASSENGER FACILIY CHARGE PROGRAM AND ON INTERAL CONTROL OVER COMPLIANCE

City of Monroe
Monroe, Louisiana

Compliance

We have audited the compliance of the City of Monroe (the "City") with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the "Guide"), for its passenger facility charge program for the year ended April 30, 2015.

Management's Responsibility

Management is responsible for compliance with the requirements of the laws and regulations of the Passenger Facility Charge Program (the "Program").

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance 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 Guide. Those standards and the Guide 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 the Program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Passenger Facility Charge Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Passenger Facility Charge Program for the year ended April 30, 2015.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on compliance in order to determine the auditing procedures that are appropriate under the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the City's 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, misstatements 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 a material noncompliance with a compliance requirement of the 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 compliance requirement of the 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 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 that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on compliance and internal control over compliance is solely to describe the scope of our testing of compliance and internal control over compliances and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose. Although the report is not suitable for any other purpose, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Report on Schedule of Expenditures of Passenger Facility Charges

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Monroe as of and for the year ended April 30, 2015, and the related notes to the financial statements which collectively comprise the City's basic financial statements. We have issued our report thereon dated October 31, 2015 that includes a reference to the report of other auditors, which contained unmodified opinions on the those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements which collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Passenger Facility Charges is presented for the purpose of additional analysis, as required by the Guide, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Passenger Facility Charges is fairly stated in all material respects in relation to the basic financial statement as a whole.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

October 31, 2015

**Schedule of Expenditures of Passenger Facility Charges
Monroe Regional Airport
For the Year Ended April 30, 2015**

	FY-14 Program Total	Quarter 1 May- July	Quarter 2 Aug - Oct	Quarter 3 Nov- Jan	Quarter 4 Feb- Apr	FY-15 Total	Program Total
<u>Revenue</u>							
Collections	\$ 4,273,611	\$ 84,273	\$ 106,076	\$ 80,237	\$ 177,366	\$ 447,952	\$ 4,721,563
Interest, net of service charges	50,005	40	62	62	42	206	50,211
Total Revenue, net of service charges	4,323,616	84,313	106,138	80,299	177,408	448,158	4,771,774
<u>Disbursements</u>							
Application 03-01-C-00-MLU-001	504,334						504,334
Application 03-01-C-00-MLU-002	40,700						40,700
Application 03-01-C-00-MLU-003	401,025						401,025
Application 06-02-C-00-MLU-002	413,444						413,444
Application 08-03-C-00-MLU-001	2,146,573	105,000	105,000	105,000	105,000	420,000	2,566,573
Application 08-03-C-00-MLU-002	41,619	7	6	7	61	81	41,700
Total Disbursements	3,547,695	105,007	105,006	105,007	105,061	420,081	3,967,776
Net PFC Revenue	775,921	(20,694)	1,132	(24,708)	72,347	28,077	803,998
PFC Account Balance (cash basis)	\$ 775,921	\$ 755,227	\$ 756,359	\$ 731,651	\$ 803,998	\$ 803,998	\$ 803,998

**City of Monroe
Monroe, Louisiana**

**OTHER INFORMATION
DIVIDER**

**City of Monroe
Monroe, Louisiana**

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DIVIDER

City of Monroe
Corrective Action Plan for Current Year Findings and Questioned Costs
April 30, 2015

Reference # and Title: **2015-001** **Inadequate Controls over Inventory**

Entity-wide or program/department specific: This finding is entity-wide.

Condition: In order to have good internal controls over inventory, policies and procedures should be established to ascertain that inventory is properly maintained and tracked. Annual inventory reports should have proper totals, include updated unit cost information and agree to year-end inventory counts.

When testing the main four departments of the City that account for inventory, the following items were noted:

- Transit Department –
 - Various exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.
 - Some items noted on the inventory listing with a negative number as the final count reported.
 - When tracing unit cost, exceptions were noted in which the unit cost per invoices paid did not agree to the unit cost per the inventory listing.
- Central Shop –
 - It was noted that the final count report contained formula errors, which caused the report not to total correctly.
 - Various exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.
 - It was also noted at the time of observation, when the auditor performed recounts, differences were noted.
 - When tracing unit cost, exceptions were noted in which the unit cost per invoices paid did not agree to the unit cost per the inventory listing.
- Water Department –
 - It was noted that the final count report contained calculation errors, which caused the report not to total correctly.
 - Various exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.
 - The inventory for this department is piecemealed in which part of the inventory is maintained on the Water Departments system, and located at the Water Department. The larger part of the inventory is maintained at the Purchasing Department, and is tracked on the Purchasing Department's system.
 - Furthermore, it was noted that the Water Department's inventory system is not updated regarding counts and unit cost information.
- Purchasing Department –
 - Various exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.

Corrective action planned: Accounting will work with these departments to move their inventories to inventory software, either in the general ledger inventory system or an industry-specific inventory software system. Costs will be updated as item costs change. Purchasing will ensure that items charged out or received are entered correctly, so that the ending counts reflect the actual inventory on hand.

For Water Distribution, the following is the corrective action planned:
All material will be moved to property control division to be utilized as surplus inventory.

City of Monroe
Corrective Action Plan for Current Year Findings and Questioned Costs
April 30, 2015

No material will be stocked on Water Distribution property with the exceptions of the following: (See note listed below.)

Note: Fire Hydrants and Fire Hydrant Extensions will be the only stocked inventory at 1350 Grammont Street-Water Distribution Division.

All project materials purchased will be assigned a project number and once project is completed that material will be charged off and not stocked. (Moved to surplus inventory). (Will work closely with the accounting division to help complete and maintain this process).

Person responsible for corrective action:

Darryll Scott - Shop Manager; Sean Benton - Water System Manager; Marc Keenan - General Manager
and Greg Yoes - Purchase Manager
City of Monroe
P. O. Box 123
Monroe, Louisiana 71210
Telephone: (318) 329-2200

Anticipated completion date: December 31, 2015 for Water Distribution, April 30, 2016 for all others.

Reference # and Title: **2015-002** **Controls over Utility Adjustments and Disconnections**

Entity-wide or program/department specific: This finding relates to the Utility Department.

Condition: Good internal controls over utilities requires the establishment of policies and procedures over adjustments and disconnections. This should require that all adjustments are properly approved and have adequate supporting documentation for the purpose of the adjustments. Additionally, disconnection procedures should be properly implemented, which would require all delinquent customers to pay the full balance before service is reconnected as well as waivers of reconnect fees should be properly documented.

In testing 40 adjustments to utility bills, it was noted that 25 adjustments did not have scanned support to substantiate the basis of the adjustment and 24 of those scanned did not have proper documentation to show the adjustment was approved.

When testing 40 delinquent accounts from the cut-off listing, it was noted that 1 account had the reconnect fee waived and 6 accounts were allowed to continue service without paying the bill in full.

Corrective action planned: The management and staff of the Utility Operations division currently observes ordinance # 11567 sec 36-23.1 page 4 as it relates to adjustments. Utility currently has 3 authorized individuals that can approve and 2 of the 3 that post those adjustments. The 3 individuals that can give approval to adjust consist of the Director of Administration or his appointee, Utility Operations Supervisor and the Support Service Specialist.

Utility Operations management plans to revise the current adjustment policy and procedures to provide better separation between those who post and approve adjustments, and ensuring each adjustment has the necessary supporting documents.

City of Monroe
Corrective Action Plan for Current Year Findings and Questioned Costs
April 30, 2015

Management will create a form that will allow the customer to request an adjustment from the City of Monroe Utility Operations division. Utility agents (CSRs and Clerks) will accept the form along with supporting documents, after which the agent will enter the adjustment amount and scan all documents to the customer's account. When the agents have completed their process, the Supervisor or Support Service Specialist will review and approve the adjustment within 3-5 business days. To ensure that all Utility agents are aware of the process, management will write a step by step list of the procedures.

Ordinance # 11567 sec 36-23.1 under Payment Arrangements, allow customers to make partial payments to continue service.

Person responsible for corrective action:

Zachary Simmons, Director of Utilities Operation
City of Monroe
P. O. Box 123
Monroe, Louisiana 71210
Telephone: (318) 329-2200

Anticipated completion date: April 30, 2016.

Reference # and Title: **2015-003** **Year-End Financial Reporting**

Entity-wide or program/department specific: This finding relates to entity-wide.

Condition: Good internal control over financial reporting requires that accounting records contain accurate and complete information to ensure that financial accruals are accurate at year-end. Additionally, reconciliations should be performed on sub ledgers for agreement to the general ledger.

During the testing year-end report balances, it was noted that accruals were not properly reported. Several departments had recorded transactions to cash rather than to accounts receivable accounts as well as transactions that should have been recorded as an accounts payable were not accrued. On the other hand, there were some receivables that should have been accrued, but were not.

It was also noted that the year-end report balances for some accounts were not reconciled to subsidiary ledgers such as the CDBG/HOME loan programs and the utility customer deposits. Additionally, due to lack of understanding of the software program, the airport subsidiary ledger did not agree with the year-end accounts receivable balance. As a result of these items noted, the Accounting Department made journal entries to correct the year-end report balances in order for the financial data to be relied upon.

Corrective action planned: Accounting will complete the conversion of all items to the new software system. Additional training will be provided to the departments concerning their departmental roles in each process.

Person responsible for corrective action:

Stacey Haynie-Rowell, Director of Accounting
City of Monroe
P. O. Box 123
Monroe, Louisiana 71210
Telephone: (318) 329-2200

City of Monroe
Corrective Action Plan for Current Year Findings and Questioned Costs
April 30, 2015

Anticipated completion date: Prior to April 30, 2016.

Reference # and Title: **2015-004** **Uncollateralized Deposits**

Entity-wide or program/department specific: This finding relates to entity-wide.

Condition: Louisiana Revised Statute 39:1218 requires that all deposits over the \$250,000 FDIC insured limit be secured by collateral with designated security and deposited with an unaffiliated bank. Additionally, the bank must comply within five business days from receipt of demand to provide the collateralized security.

During the testing of collateralized deposits, it was noted that the City had one bank that was uncollateralized, beyond the FDIC insured limit, by approximately \$2 million.

Corrective action planned: Accounting will work more closely with the banks to ensure that all deposits are fully collateralized. Particular attention will be given to banks used outside the City's regular financial institutions to make sure the banks follow the state requirements.

Person responsible for corrective action:

Stacey Haynie-Rowell, Director of Accounting
City of Monroe
P. O. Box 123
Monroe, Louisiana 71210
Telephone: (318) 329-2200

Anticipated completion date: Immediately.

Reference # and Title: **2015-005** **Full Implementation of Enterprise Fund Reporting**

Entity-wide or program/department specific: This finding relates to entity-wide.

Condition: The Governmental Accounting Standards Board, the standard setter for governmental financial reporting in the United States, prescribes two distinct accounting methods to be used by governments for fund financial statement reporting in the fund financial statements: modified accrual and full accrual.

A bit of background is in order to understand the issue noted in this finding. There are three fund types for reporting by a government – governmental fund types, proprietary fund types and or fiduciary fund types. The method of accounting for the governmental fund types versus proprietary fund types and fiduciary fund types reporting is different. Governmental fund types are reported on a current resources measurement focus and modified accrual basis of accounting (what we describe as a fancy cash basis) whereas the proprietary fund types and fiduciary fund types are reported on an economic resources measurement focus and the accrual basis of accounting. In simple terms governmental fund types, such as the general fund, are accounted for on a short term view using a fancy cash basis of accounting whereas proprietary fund types and fiduciary fund types are more of a long term view and full accrual basis of accounting, similar to what is used for reporting by public and private companies.

City of Monroe
Corrective Action Plan for Current Year Findings and Questioned Costs
April 30, 2015

The big differences between the two accounting methods are that governmental fund types do not generally capitalize long-term assets nor report long term debt balances within a fund. For reporting in the proprietary fund types the financial statements include all assets, liabilities and related transactions, including those for capital assets and long-term debt.

A government's annual financial report includes two sets of financial statements: government-wide financial statements and fund financial statements.

- The "Government-wide Financial Statements" is what we describe as a repackaging of the "Fund Financial Statements" information. Both categories of financial statements are complete sets of financial statements prepared from different perspectives. The Governmental Fund Types and generally the Internal Service Funds roll up into the Governmental Activities in the "Government-wide Financial Statements" whereas the Enterprise Funds roll up into the Business-type Activities at the "Government-wide Financial Statements."
- The "Fund Financial Statements" provide a detail short-term view on a cash basis of accounting of the government's operation whereas the "Government-wide Financial Statements" present a much aggregated long-term view on an accrual basis of accounting, much like a commercial business' financial statements. For the City, the "Government-wide Financial Statements" reflect four columns of information in two financial statements whereas the "Fund Financial Statements" include nine financial statements and twenty columns of information. To a non-accountant and even many, and maybe most, governmental accountants, this repackaging is ludicrous. However, there is value in the two financial statements presentations once you understand what each perspective provides.

The City's financial reporting of Enterprise Funds, such as the Airport, Water and Sewer funds, in the Fund Financial Statements and the corresponding roll up into the Business-type activities has historically included all capital and other long-term assets, but did not include the related long term debt. The long term debt balances and activities, such as revenue and general obligation bonds, were not reported in the Enterprise Funds at the Fund Financial Statement level nor in the Business-type Activities at the Government-wide Financial Statement level. The long-term debt transactions were instead being reported as part of the Governmental Activities in the Government-wide Financial Statements and in the Governmental Fund Types in the Fund Financial Statements.

In other words, the long term debt was being reported in the Governmental Activities and as part of the Governmental Fund Types. These long-term debt balances and related transactions should have been included as part of the Enterprise Funds reporting and the related rollup into the Business-type Activities for the three Enterprise Funds that had long-term debt – Airport, Water and Sewer.

This required reporting would provide the reader of the report a comprehensive view of the operations of the Enterprise Funds including long-term debt obligations transactions and balances.

Also, a separate issue regarding full implementation of Enterprise Fund accounting was unbilled revenues for utilities services provided during the City's fiscal year by the Water and Sewer Funds but were not accrued at April 30. This unbilled utility revenue was for services provided by the City to utility customers in April but not billed until the first week of May.

Corrective action planned: Administration will report these activities in separate funds for tracking purposes; however for reporting purposes the City is taking the measures to ensure the affected funds are rolled up in the respective Enterprise Fund of which they belong for full accrual purposes.

City of Monroe
Corrective Action Plan for Current Year Findings and Questioned Costs
April 30, 2015

Person responsible for corrective action:

Stacey Haynie-Rowell, Director of Accounting
City of Monroe
P. O. Box 123
Monroe, Louisiana 71210
Telephone: (318) 329-2200

Anticipated completion date: Immediately.

Reference # and Title: **2015-006** **Community Development Division – Allowable Costs**

Federal program and specific federal award identification: The finding relates to the Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.

Condition: Louisiana Revised Statute 37:2175.2 provides in part, that no person shall undertake; offer to undertake, or agree to perform home improvement contracting services unless registered with and approved by the Residential Building Contractors. Subcommittee of the Louisiana State Licensing Board for Contractors as a home improvement contractor.

The City of Monroe utilizes contractors to complete Community Development Block Grant (CDBG) projects during the year. For the year ended April 30, 2015, one of the contractors hired by the City was not licensed prior to being awarded the project through a bidding process, nor was the contractor licensed during any of the time projects were underway. The City awarded projects through a bidding process on January 29, 2015 in which one of the contractors awarded did not have a valid contractor's license due to not properly maintaining required insurances. The unlicensed contractor was awarded a total of five projects.

Corrective action planned: Community Development Housing Programs staff will continue to require verification of license through the Louisiana State Licensing Board for Contractors as a home improvement contractor, as well as implementing the new procedure of contacting the respective insurance agencies to request documentation of cancellation notices for all contractors in order to verify that there has been "No Lapse of Policy" before the contractor is allowed to submit a bid on housing rehabilitation projects. The Community Development Division's Project Specialist staff person will ensure that all bidding contractors properly maintain their licenses before they are allowed to submit bids on projects.

Person responsible for corrective action:

Alecia Murphy, Community Development Director
City of Monroe
P. O. Box 123
Monroe, Louisiana 71210
Telephone: (318) 329-2200

Anticipated completion date: Immediately.

City of Monroe
Corrective Action Plan for Current Year Findings and Questioned Costs
April 30, 2015

Reference # and Title: **2015-007** **Community Development Division – Cash Management**

Federal program and specific federal award identification: The finding relates to the Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development and the Home Investment Partnership Program (HOME), CFDA #14.239, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.

Condition: When entities are funded on a cost reimbursement basis, program costs must be paid for by the entity before reimbursement is requested from the federal government.

In testing a sample of 11 claims for reimbursement submitted to the federal government, it was noted that 4 claims included retainage payable amounts which had not been paid for by the City before the reimbursement was requested.

Corrective action planned: The CDBG Accountant will begin drawing only the net invoice amounts for contractor payments. The Director of CDBG will ensure that drawdown's are at the net amount before approving.

Person responsible for corrective action:

Alecia Murphy, Community Development Director
City of Monroe
P. O. Box 123
Monroe, Louisiana 71210
Telephone: (318) 329-2200

Anticipated completion date: Immediately.

Reference # and Title: **2015-008** **Community Development Division - Earmarking**

Federal program and specific federal award identification: The finding relates to the Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.

Condition: According to 24 CFR sections 570.200(a)(3) and 570.208(a), not less than 70 percent of the funds must be used for activities that benefit low- and moderate-income persons. However, according to the City's 2014 consolidated annual action plan, 100 percent will be earmarked for providing services to benefit low-moderate income residents.

In testing the files for six residents receiving benefits during the fiscal year, it was noted that the City incorrectly calculated income for two of the residents. When recalculating the income for the two residents, it was determine that one resident would not have met the definition of low- and moderate-income. Therefore, the resident was not eligible to receive such benefit per the City's policy.

City of Monroe
Corrective Action Plan for Current Year Findings and Questioned Costs
April 30, 2015

Corrective action planned: Community Development Housing Programs' Technicians will calculate correctly all program participants' income to ensure that 100 percent of services provided are benefitting low-moderate income residents.

Person responsible for corrective action:

Alecia Murphy, Community Development Director
City of Monroe
P. O. Box 123
Monroe, Louisiana 71210
Telephone: (318) 329-2200

Anticipated completion date: Corrective action will began immediately.

Reference # and Title: **2015-009** **Community Development Division – Subrecipient Monitoring**

Federal program and specific federal award identification: The finding relates to the Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.

Condition: Any non-federal entity that receives federal funding and the entity passes the funds through to a subrecipient, the non-federal entity is required to perform variance pass-through responsibilities. Part of the responsibilities include establishing policies and procedures regarding subrecipient risk assessments and monitoring of the subrecipient. The monitoring activities normally occur throughout the year and may take various forms such as reviewing financial and performance reports submitted by the subrecipient, on-site visits at the subrecipient's location to observe operations, and staying in regular contact with subrecipients.

Although the City has established policies regarding subrecipient monitoring, in reviewing the subrecipients for the CDBG program, it was noted that the City did not perform any monitoring during the fiscal year April 30, 2015 for those subrecipients that had received funding during the audit period.

Corrective action planned: On-site Monitoring of Subrecipients per grant (HOME & CDBG) will be conducted each fiscal year by the Programs Monitor.

Person responsible for corrective action:

Alecia Murphy, Community Development Director
City of Monroe
P. O. Box 123
Monroe, Louisiana 71210
Telephone: (318) 329-2200

Anticipated completion date: Subrecipient Monitoring will be conducted by or before November 15, 2015.

City of Monroe
Corrective Action Plan for Current Year Findings and Questioned Costs
April 30, 2015

Reference # and Title: **2015-010** **Suspension and Debarment**

Federal program and specific federal award identification: The finding relates to the following programs:

- Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.
- Home Investment Partnership Program (HOME), CFDA #14.239, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.
- Federal Transit Formula Grants, CFDA #20.507, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Transportation.
- Community Development Block Grant – State Program, CFDA #14.228, for the Federal Award Year 2011 received from Federal Agency: Department of Housing and Urban Development pass-through from Ouachita Parish Police Jury.

Condition: According to 2 CFR section 180.220, non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. This include those procurement contracts for goods and services awarded that are expected to equal or exceed \$25,000. Therefore, the City is required to establish controls to verify vendors are not suspended and debarred from receiving federal funds. This verification process may be accomplished by (a) checking the Excluded Parties List system at www.sam.gov; (b) collecting a certification from the vendor, or (c) adding a clause or condition to the vendor's contract.

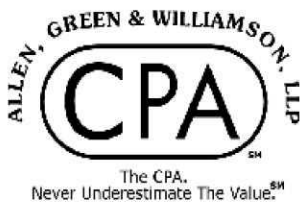
In testing transactions for the programs listed above, it was noted that, unless the City purchased from the La. State Contract, no vendors of the above federal programs were reviewed by the City to ensure the vendor was not suspended nor debarred.

Corrective action planned: At the beginning of each fiscal year, Purchasing will run a report from the prior year listing all vendors with whom the City spent over \$25,000. Purchasing will then check the Excluded Parties List system at www.sam.gov. Also, the city will consider adding a standard clause or condition to the vendor contract.

Person responsible for corrective action:

Greg Yoes, Purchase Manager
City of Monroe
P. O. Box 123
Monroe, Louisiana 71210
Telephone: (318) 329-2200

Anticipated completion date: Immediate. Purchasing will start this process immediately with a vendor list from the FYE 2015.



ALLEN, GREEN & WILLIAMSON, LLP

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Diane Ferschoff, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

Management Letter

City of Monroe
Monroe, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Monroe (the City) as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, we considered the City's internal control over financial reporting (internal control) to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving internal control that are presented for your consideration. This letter does not affect our report dated October 31, 2015, on the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Monroe (the City). We will review the status of this comment during our next audit engagement. Our comment and recommendation, which has been discussed with appropriate members of management, is intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comments and management's response are summarized as follows:

2015-M1

Monitoring Reports by Outside Agencies

Comment: During the audit process, it was noted that not all monitoring reports performed on the City's programs by state and federal agencies are being addressed to the City Hall first for their review before it is forwarded to the applicable departments. In some cases, these monitoring reports are going directly to the departments rather than to the Mayor's Office.

Recommendation: The City should establish procedures to ensure that all monitoring reports are being directly submitted to the Mayor's Office by the state and federal agencies before the reports are being disbursed to the individual departments. Additionally, all departments should be informed of such procedures so they may direct those state and federal agencies to incorporate the correct submission address.

Management's response: The City will contact the state and federal agencies requesting that all monitoring reports be sent to the Mayor's office as well as to the department responsible for the program.

Comment: One audit procedure performed of the Police Department by the auditors was to test the accounting for ticket books issued by the Police Department to the patrol officers. The ticket books included ten blank tickets that are used by the patrol officers to issue a citation whenever a driver violates a traffic ordinance. During this testing, it was noted that the number of ticket books issued to each patrol officer during the audit period averaged seven ticket books or seventy tickets per officer. Using fifty work weeks in a year, it appears an officer is issuing 1 ½ tickets per week. This calculated average number of tickets being issued per officer seems low.

When testing the police tickets, the following internal control items were noted:

- Ticket books are not being issued in numerical order as well as it was noted the numbers being issued are not always entered into the Police Department’s tracking system correctly.
- Once the ticket/citation goes to the City Court and payments are received back from the City Court, it does not appear anyone is reconciling the revenue with the tickets/citations issued by the Police Department.

Recommendation: Based on the raw data provided concerning ticket books disbursed, the number of tickets issued by the officers appears to be low by averaging one to two tickets being issued per week. Management should study this matter to determine if the number of tickets being issued appears reasonable.

Internal Control Items:

- The Police Department should strengthen internal controls over ticket books to ensure these are being issued in numerical order and being entered into the tracking program.
- The City should establish procedures to reconcile the number of tickets and expected after the resolution of the citation by the City Court. Without this reconciliation, tickets could inadvertently be lost in the system.

Management’s response: State law prohibits an organization from establishing a quota system, as stated below. Therefore, the suggestion that the “number of tickets being issued per officer seems low” (1 ½ tickets per week) is in conflict with this statute.

§R.S. 40:2401.1. Prohibition against quotas

A. No municipality or any police department thereof, nor any parish or any sheriff's department thereof, shall establish or maintain, formally or informally, a plan to evaluate, promote, compensate, or discipline a law enforcement officer on the basis of the officer making a predetermined or specified number of any type or combination of types of arrests or require or suggest to a law enforcement officer, that the law enforcement officer is required or expected to make a predetermined or specified number of any type or combination of types of arrests within a specified period.

B. No municipality or any police department thereof, nor any parish or any sheriff's department thereof, shall establish or maintain, formally or informally, a plan to evaluate, promote, compensate, or discipline a law enforcement officer on the basis of the officer's issuance of a predetermined or specified number of any type or combination of types of traffic citations or require or suggest to a law enforcement officer, that the law enforcement officer is required or expected to issue a predetermined or specified number of any type or combination of types of traffic citations within a specified period.

C. No state agency, political subdivision, or law enforcement agency shall offer a financial reward or other benefit to a law enforcement officer which is determined by or based on the number of citations issued.

D. This Section shall not prohibit a municipality from obtaining budgetary information from a municipal court or a municipal court of record, including an estimate of the amount of money the court anticipates will be collected in a budget year.

Acts 2008, No. 479, §1, eff. June 25, 2008.

As such, each Patrol Team Leader (the Lieutenant) has the discretion regarding what strategy to implement the enforcement of traffic laws. One Team Leader may require officers on his/her team to enforce traffic laws by making traffic stops and either issue a traffic citation or conduct a field interview. Another Team Leader, on the other hand, may elect to review an officer's performance at the end of the week or month and verbally discuss with the officer regarding his/her self-initiated activity, which includes traffic enforcement.

Also, for clarification purposes, the Patrol Bureau operates out of the City Hall Annex South and consist of 5 divisions. The 5 divisions consist of 4 Patrol Teams (A, B, C & D) and Patrol Support (consisting of Traffic, CASE Unit, DARE, OK Program, Fleet Manager and Meter Clerk). Each Patrol Team, at the time of this audit, is staffed with 1 lieutenant, 4 sergeants and 15 officers. The 4 patrol teams has the primary responsibility for patrolling throughout the entire city.

The ticket books may not always be issued in numerical due to a mistake of opening the wrong bundle before issuance or due to the order in which they were signed out based on the number of officers requesting ticket books at one time. The distribution of paper ticket books will be monitored closely to correct this concern to prevent future occurrences. Additionally, the agency is currently field testing an electronic ticketing system and expect to have full implementation during the next calendar year.

The department does not collect any revenue from traffic citations and, therefore, do not track the funds generation from each citation. As stated above, the department will improve efforts to adequately track all paper citations issued to officers until this is done electronically.

2015-M3

Internal Audit Functions

Comment: During the course of the audit, we gained an understanding of some of the internal audit functions that are performed throughout the year. From our understanding, we concluded that the role of the Internal Auditor is not functioning as well as it could. There are operational audits of the City's departments that could be performed by the Internal Auditor to help ensure certain aspects of those departments are performing in a manner that provides good internal controls. This would help alert management of potential issues before they become a problem.

Per the Institute of Internal Auditors' website, internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The following is a partial list of operational audits that could be performed by the Internal Auditor:

Follow up on all findings reported by the external auditor with the various departments in an effort to assist in correcting the finding and minimize the risk of the finding being repeated in the subsequent external audit.

Obtain the Federal and State monitoring reports of departments of the City and perform subsequent tests of any area cited in those reports. This testing would provide management assurance that the findings have been cleared up and the system is now working to prevent further reoccurrence or to alert management to the fact that there is a continuing problem.

Perform test counts on inventories in various departments and provide a report of the outcome.

Investigate reports of fraud, waste and abuse.

Test/Investigate areas of high risk identified by Management or those high risk areas identified through the Internal Auditor's risk assessment.

Review periodically the transactions that flow through the Tax and Revenue Department.

Reconcile traffic tickets issued by the Police Department to the resulting revenue after accounting for the disposed tickets by the City Court.

Perform tests throughout the year on capital asset purchases for validity and accuracy.

Additionally, written reports of the internal audits performed throughout the year would add significance and assurance to Administration and Council that policies and procedures are being adhere to.

Recommendation: We recommend that the Internal Auditor's role be expanded and redirected in order to focus more on operational audits.

This recommendation requires the support of both the Council and the Administration for this initiative to work effectively.

Management's response: The Monroe City Council has reviewed the Internal Audit functions #2015-M3. We concur with the finding recommendation.

Our audit procedures are designed primarily to enable us to form opinions on 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 Monroe, as of and for the year ended April 30, 2015, which collectively comprise the City's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

Immediately following this letter is a Status of Prior Management Letter Item. This information has not been audited by Allen, Green & Williamson, LLP, and no opinion is expressed. However, we did follow-up on the prior management letter item and performed procedures to assess the reasonableness of the Status of Prior Management Letter Item prepared by management and we would report, as a current-year management item when Allen, Green & Williamson, LLP concludes that the Status of Prior Management Letter Item materially misrepresents the Status of any prior management letter item.

Also included are management's responses to our current year management letter items. We have performed no audit work to verify the content of the responses.

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
October 31, 2015

City of Monroe
Status of Prior Year Management Letter Item
April 30, 2015

2014-M1 Misappropriation of Assets

Comment: Subsequent to year end, management of the City discovered that an employee of the Traffic Engineering Division had used a City credit card for personal use. The unauthorized use of the card resulted in purchases totaling \$463 over a two month period. After being ordered to attend a Pre-Disciplinary Hearing, the employee resigned his position. The Monroe Police Department and Ouachita Parish District Attorney were notified of this apparent theft and arrest warrants were issued for the employee's arrest.

Recommendation: The City should continue to be diligent in monitoring the efficiency of internal controls to ensure they are operating correctly and allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

Management's Response: The City has diligently continued to monitor the potential theft transactions, cash or otherwise. This item is considered cleared.

2014-M2 Expired Contract

Comment: The services contract with the firm managing the Monroe Transit Department expired November 30, 2013 and the City Council voted not to accept a proposed ordinance for these management services with the same company. These services have always been supported by a written contract. After the contract expired and the Council failed to approve a new contract, the Mayor elected to continue using the same company on a month to month basis without a contract. The company was paid approximately \$83,000 for services of managing the Monroe Transit Department from December 1, 2013 through April 30, 2014. Best practices would dictate a written contract for such services be executed and approved by the City Council. The contract should include the specific services to be provided as well as the rights and obligation of all parties to the contract.

Recommendation: The City should consider executing written contracts with all firms providing services for the City. The contracts should include the services to be provided and the rights and obligations of all parties to the contract.

Management's Response: The City is aware of the contract status.