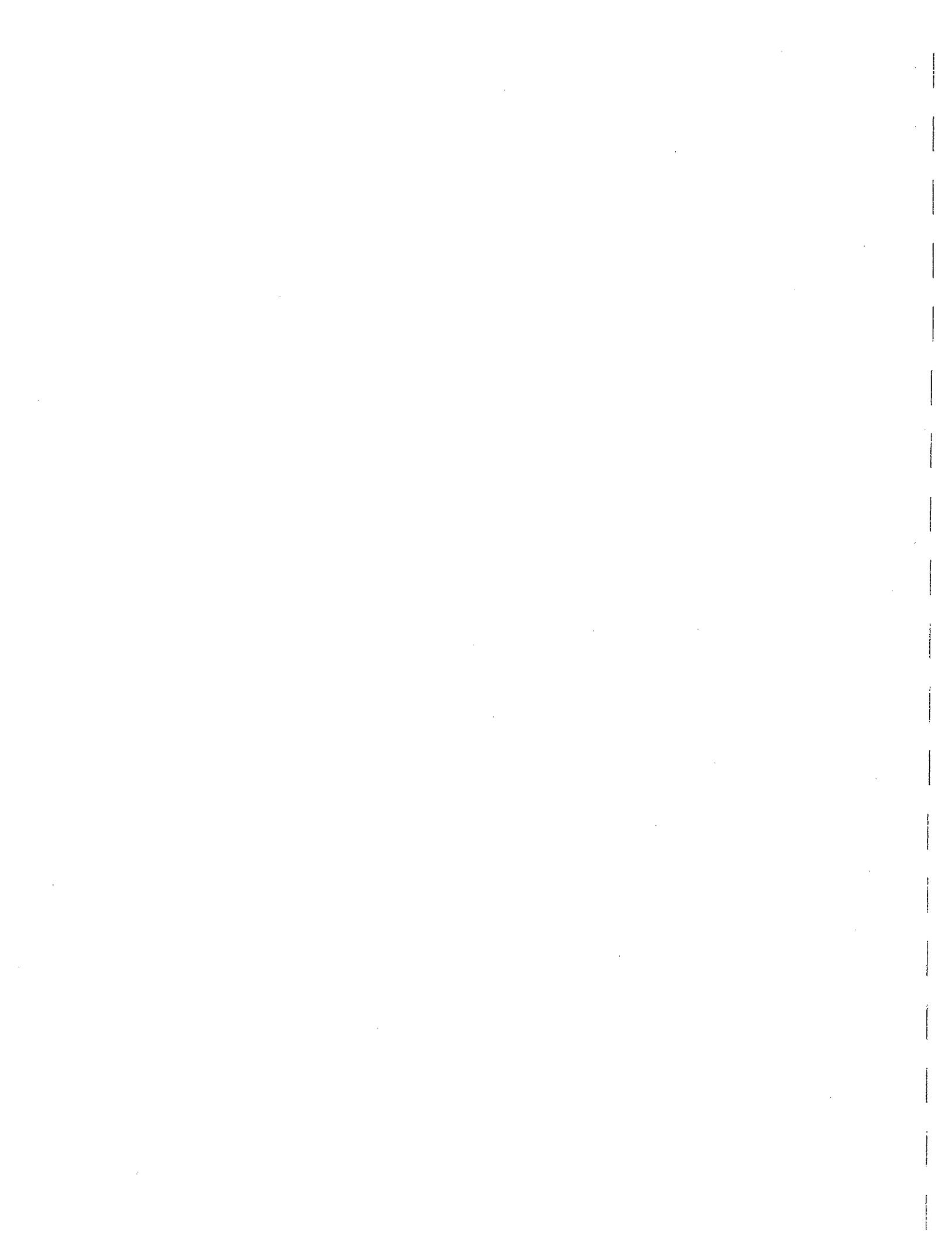


City of West Monroe

2305 North 7th Street  
West Monroe, Louisiana 71291

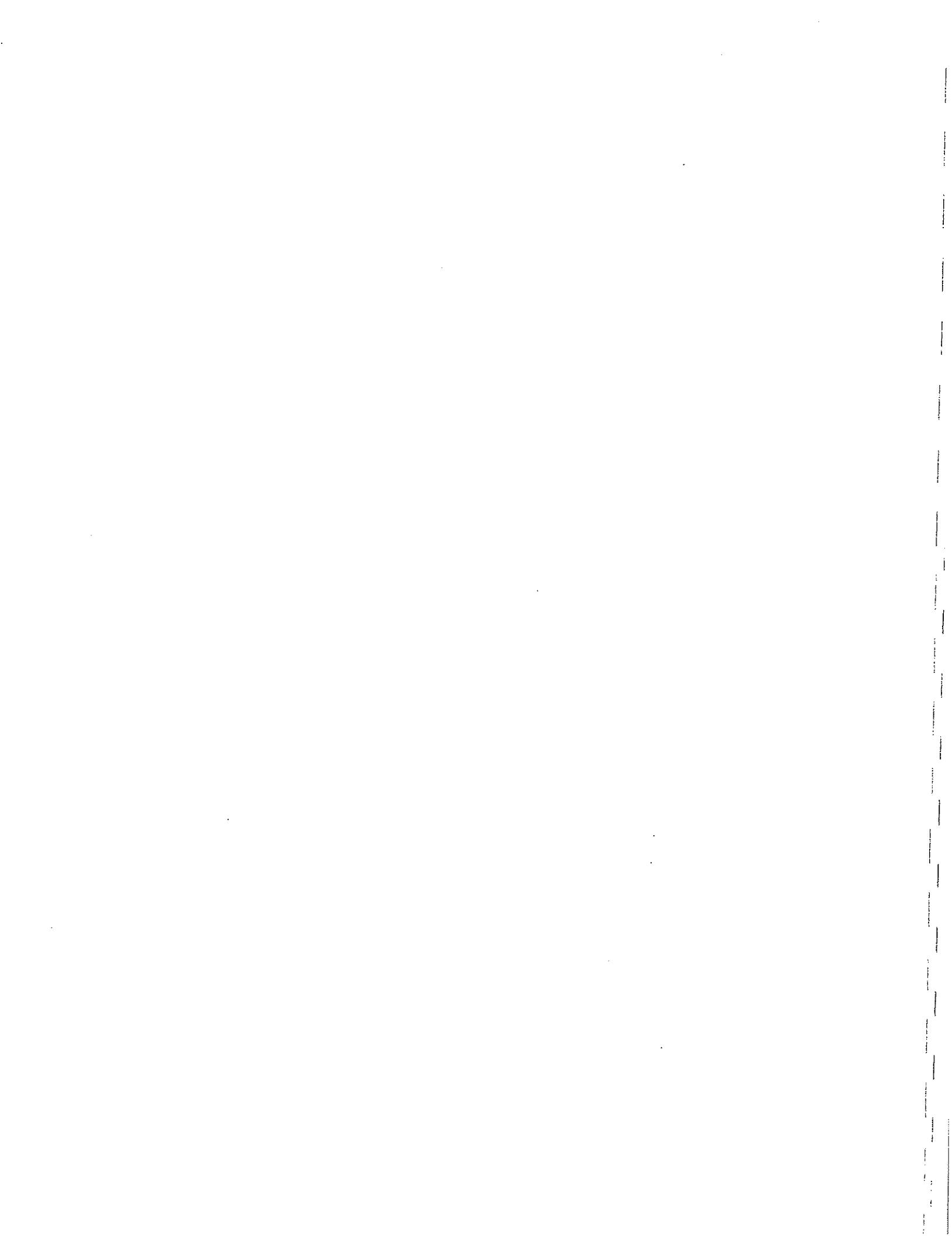
*Financial Report  
For The Year Ended June 30, 2007*



CITY OF WEST MONROE, LOUISIANA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2007

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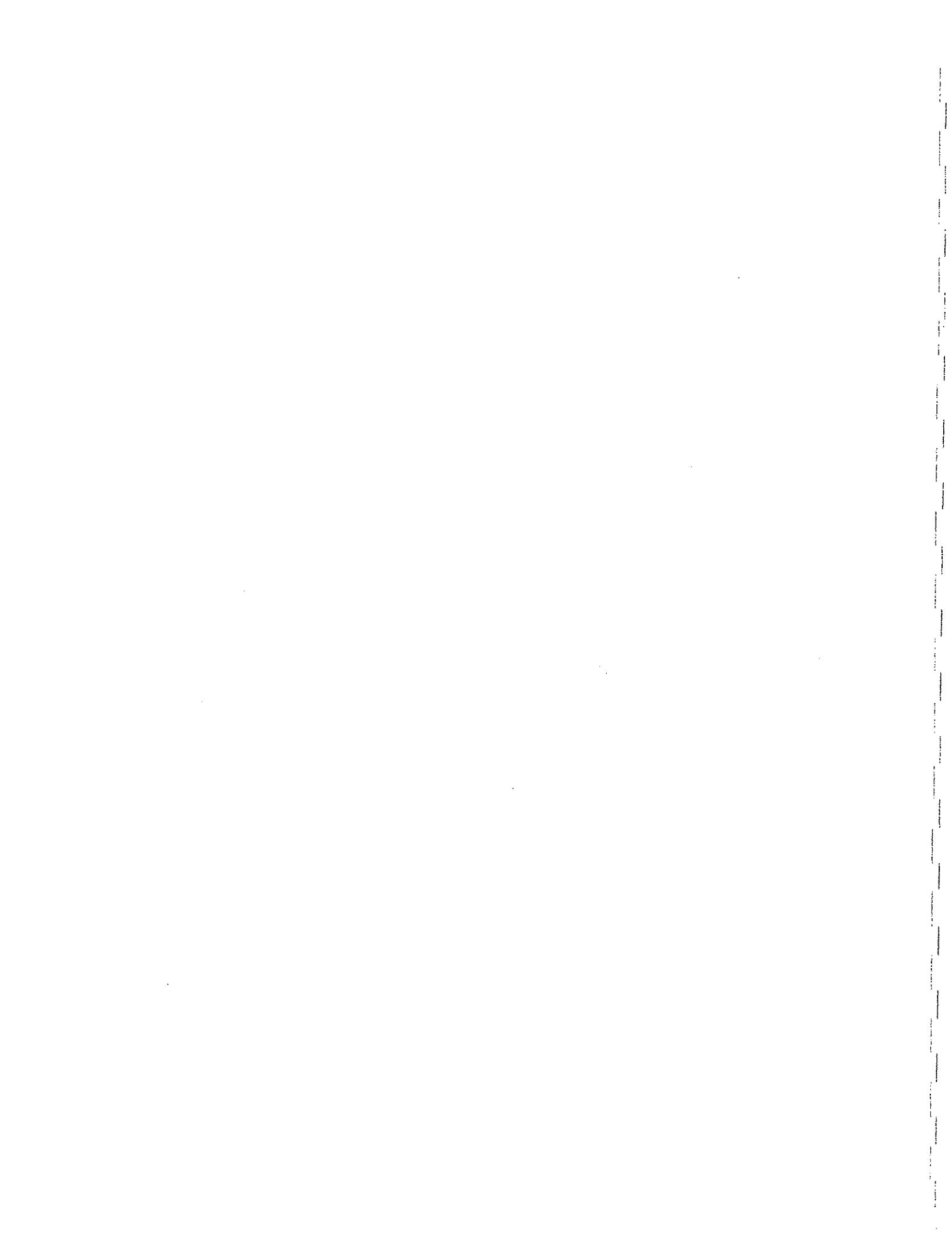


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# CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

## Certified Public Accountants

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## INDEPENDENT AUDITORS' REPORT

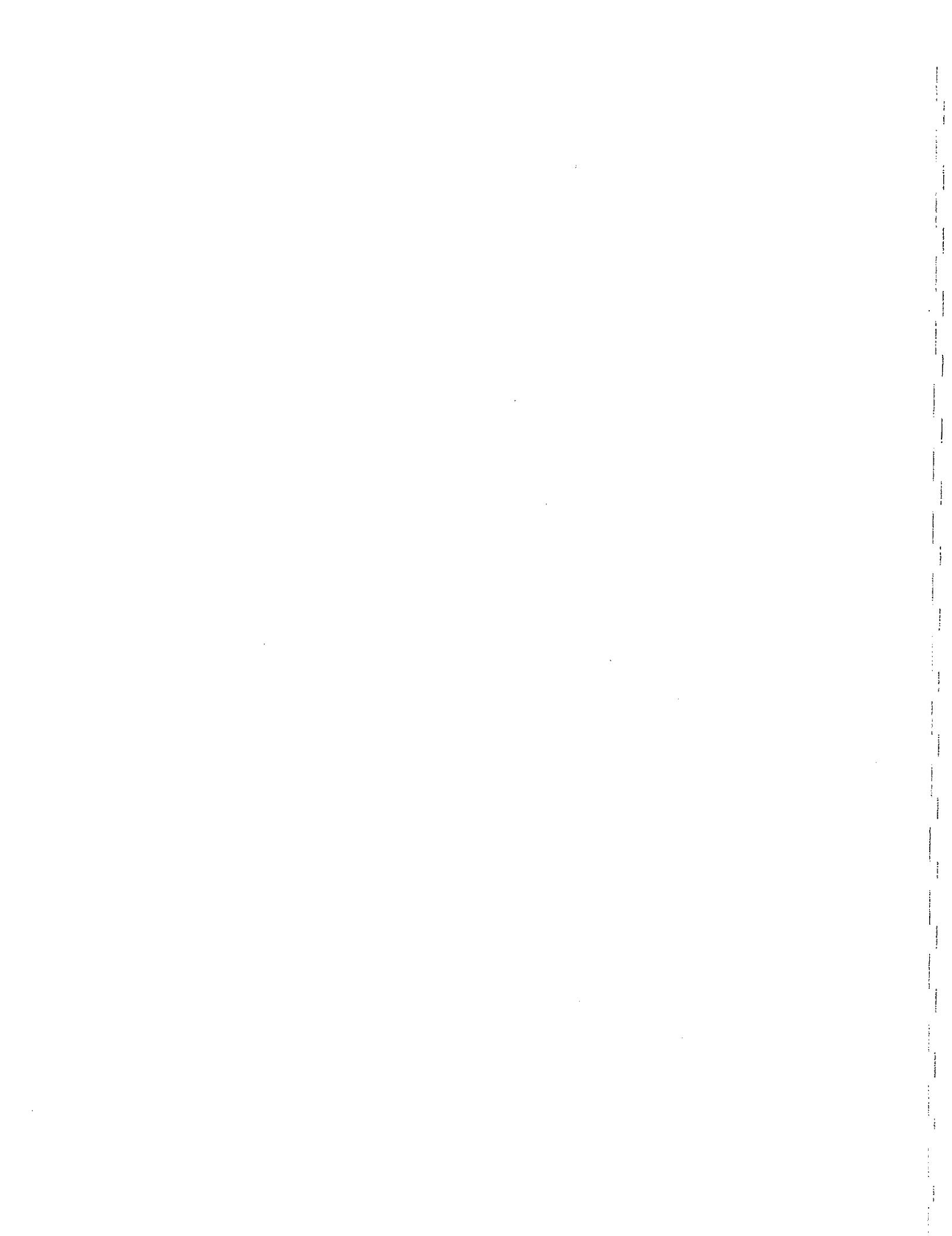
Honorable Mayor and Board of Aldermen of the  
City of West Monroe, Louisiana

We have audited the accompanying basic primary government financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of West Monroe, Louisiana (which is "the City" as well as "the primary government"), as of and for the year ended June 30, 2007, which collectively comprise the basic primary government financial statements of the City's primary government as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The financial statements referred to above include only the primary government of the City, which consists of all funds, organizations, institutions, agencies, departments and offices that comprise the City's legal entity. The financial statements do not include financial data for the City's legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City as of June 30, 2007, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information for the primary government of the City as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



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

Page 2

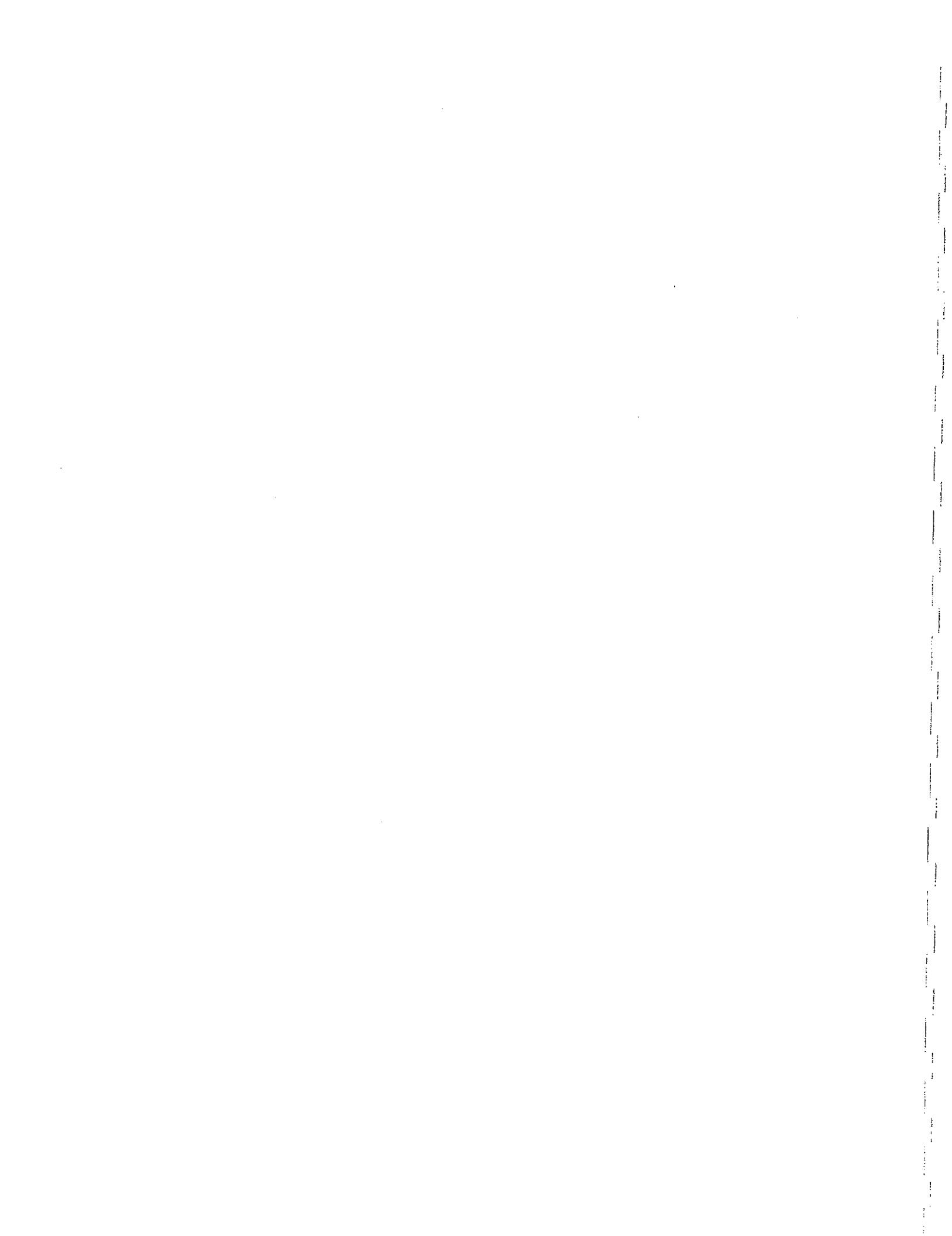
In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2007, on our consideration of the City of West Monroe's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 43 through 45, are not a required part of the basic primary government financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

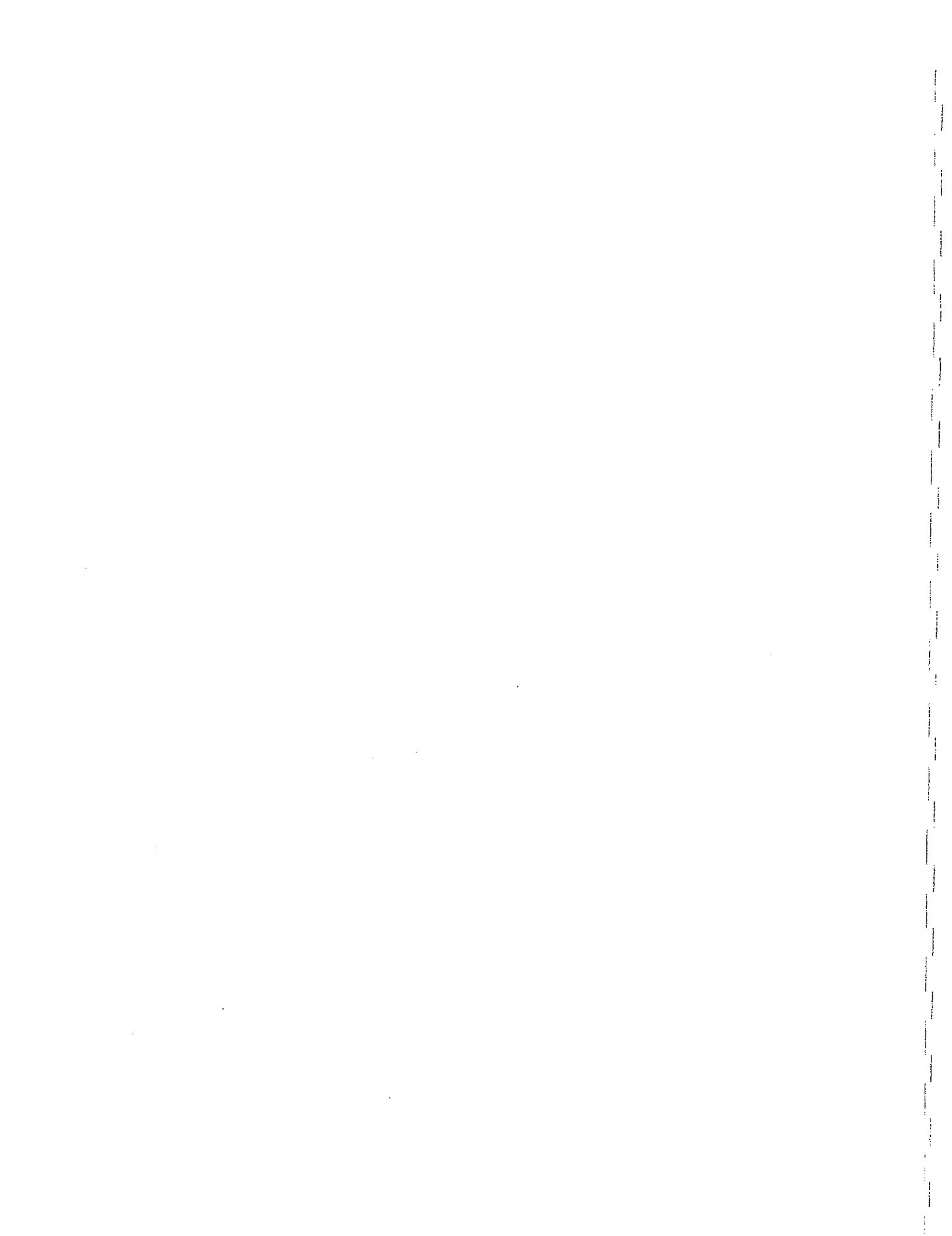
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic primary government financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis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

*Cameron, Hines & Haatt (APAC)*

West Monroe, Louisiana  
September 30, 2007



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



# CITY OF WEST MONROE, LOUISIANA

## Management's Discussion and Analysis

---

### Year Ended June 30, 2007

As management of the City of West Monroe, we offer readers of the Financial Statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter and the accompanying basic financial statements. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

### FINANCIAL HIGHLIGHTS

- The assets of the City of West Monroe, on a government-wide basis, exceeded its liabilities of the close of the fiscal year by \$47.4 million (net assets). Of this amount, \$4.3 million is unrestricted.
- The City's total net assets increased by \$1.8 million for the current fiscal year. This increase is a result of a \$1.1 million decrease in liabilities and an increase in assets of \$741,000.00.
- At the end of the current fiscal year, the City of West Monroe's governmental funds reported combined ending fund balances of \$5.1 million.
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$5.1 million, or 33% of the total general fund expenditures.
- The general fund reported a surplus of \$1.2 million before transfers, and a surplus of \$534,000.00 after transfers.
- The City's bonded debt had a net decrease of \$750,000.00. Total bonded debt at 6-30-07 was \$6,670,000.00

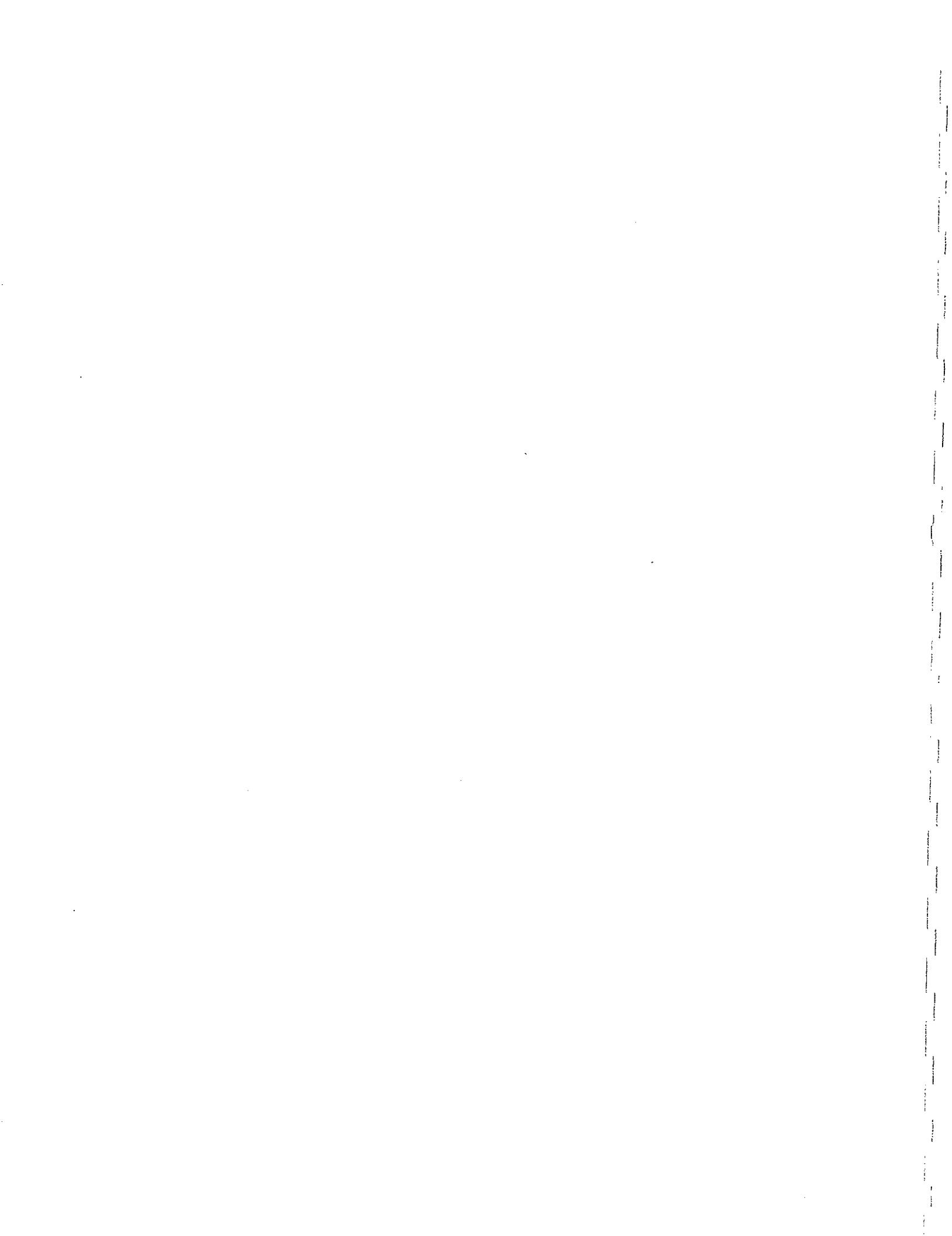
### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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



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

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

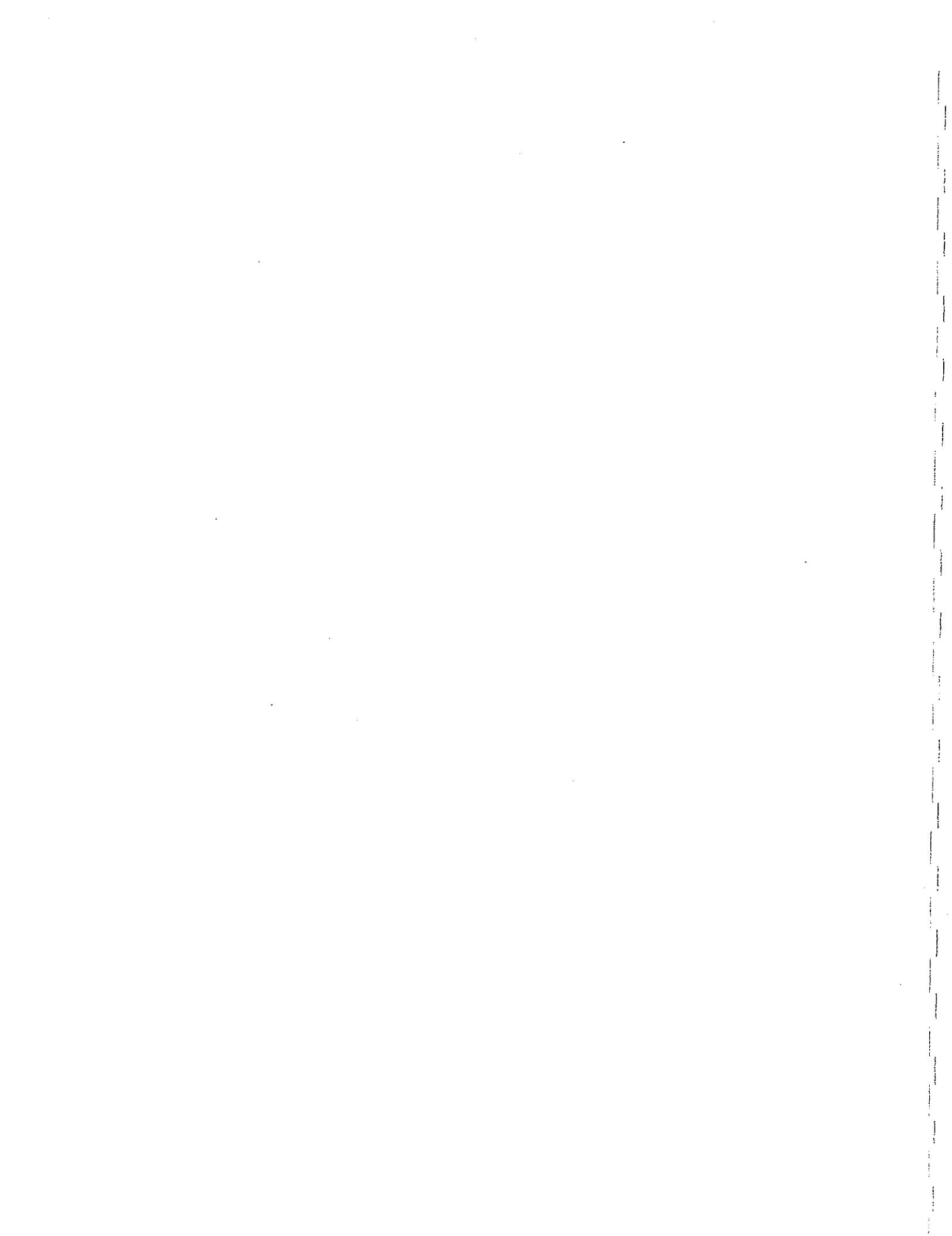
In the past, the primary focus of local government financial statements has been summarized fund type information on a current financial resources basis. However, with the implementation of Statement No. 34 of the Governmental Accounting Standards Board (GASB Statement No. 34) for June 30, 2003, the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

## GOVERNMENT-WIDE STATEMENTS

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

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

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



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

## FUND FINANCIAL STATEMENTS

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

The City has three kinds of funds:

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

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



## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's combined net assets for the 2006-2007 fiscal year increased by \$1.8 million. Table 1 shows the statement of net assets for the year ending 2006 and the year ending 2007. The table also shows the net assets for governmental activities, business type activities and combines them into the total primary government.

### Statement of Net Assets

The following table reflects the condensed statement of net assets:

TABLE 1  
NET ASSETS OF GOVERNMENTAL AND BUSINESS TYPE ACTIVITIES

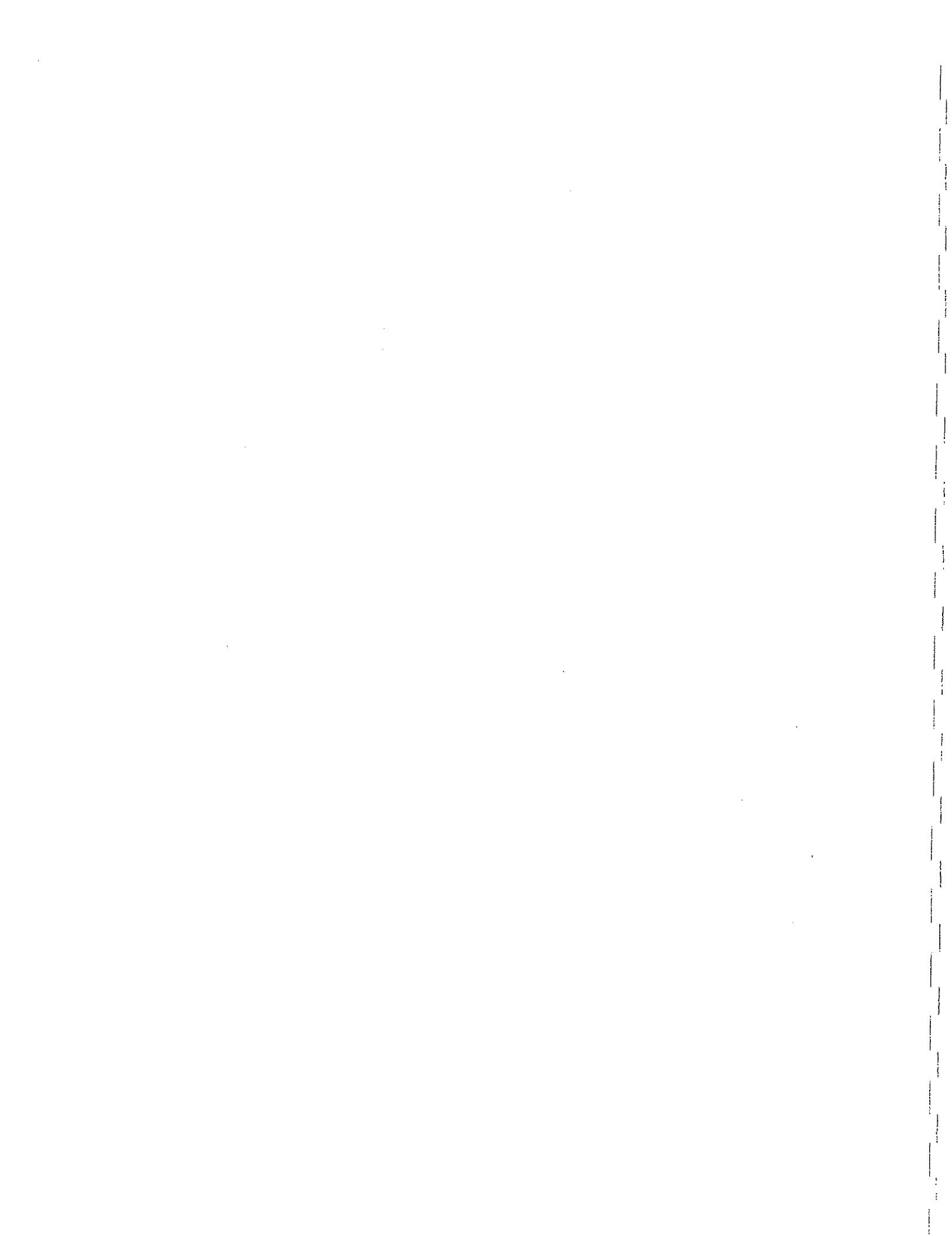
	(in Millions)					
	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2006	2007	2006	2007	2006	2007
<b>ASSETS:</b>						
Current and other assets	\$ 8.08	\$ 6.05	\$ 0.53	\$ 0.50	\$ 8.61	\$ 6.55
Capital Assets	43.22	45.90	5.42	5.50	48.64	51.40
Total Assets	\$ 51.30	\$ 51.95	\$ 5.95	\$ 6.00	\$ 57.25	\$ 57.95
<b>LIABILITIES:</b>						
Long-term debt outstanding	\$ 10.71	\$ 9.40	\$ 0.12	\$ 0.13	\$ 10.83	\$ 9.53
Other liabilities	0.69	0.91	0.14	0.12	.83	1.03
Total Liabilities	\$ 11.40	\$ 10.31	\$ 0.26	\$ 0.25	\$ 11.66	\$ 10.56
<b>NET ASSETS:</b>						
Invested in Capital Assets						
Net of debt	\$ 35.22	\$ 39.00	\$ 5.42	\$ 5.50	\$ 40.64	\$ 44.50
Restricted	(.45)	(1.40)	-	-	(.45)	(1.4)
Unrestricted	5.13	4.0	0.27	0.30	5.40	4.30
Total Net Assets	\$ 39.90	\$ 41.60	\$ 5.69	\$ 5.80	\$ 45.59	\$ 47.40

Net assets (assets less liabilities) may serve over time as a useful indicator of a government's financial position. The City of West Monroe's assets exceeded liabilities by \$47.4 million at the close of the fiscal year. The largest portion of the City's net assets (94%) reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure, less accumulated depreciation and less any related outstanding debt used to acquire those assets. The city uses these assets to provide services to its citizens and these assets are not available for spending. The resources needed to repay any debt related to these capital assets will be provided from other sources.

Less than one percent of the City's net assets are subject to restrictions. The remaining balance of unrestricted net assets \$4.2 million may be used to meet the City's ongoing obligations.

### Governmental Activities

Net assets of the City's governmental activities increased from \$39.9 million to \$41.6 million. This increase is mainly due to an increase in capital assets.



### Business-type Activities

Net assets of the City's business-type activities increased by approximately \$60,000.00.

### Statement of Activities

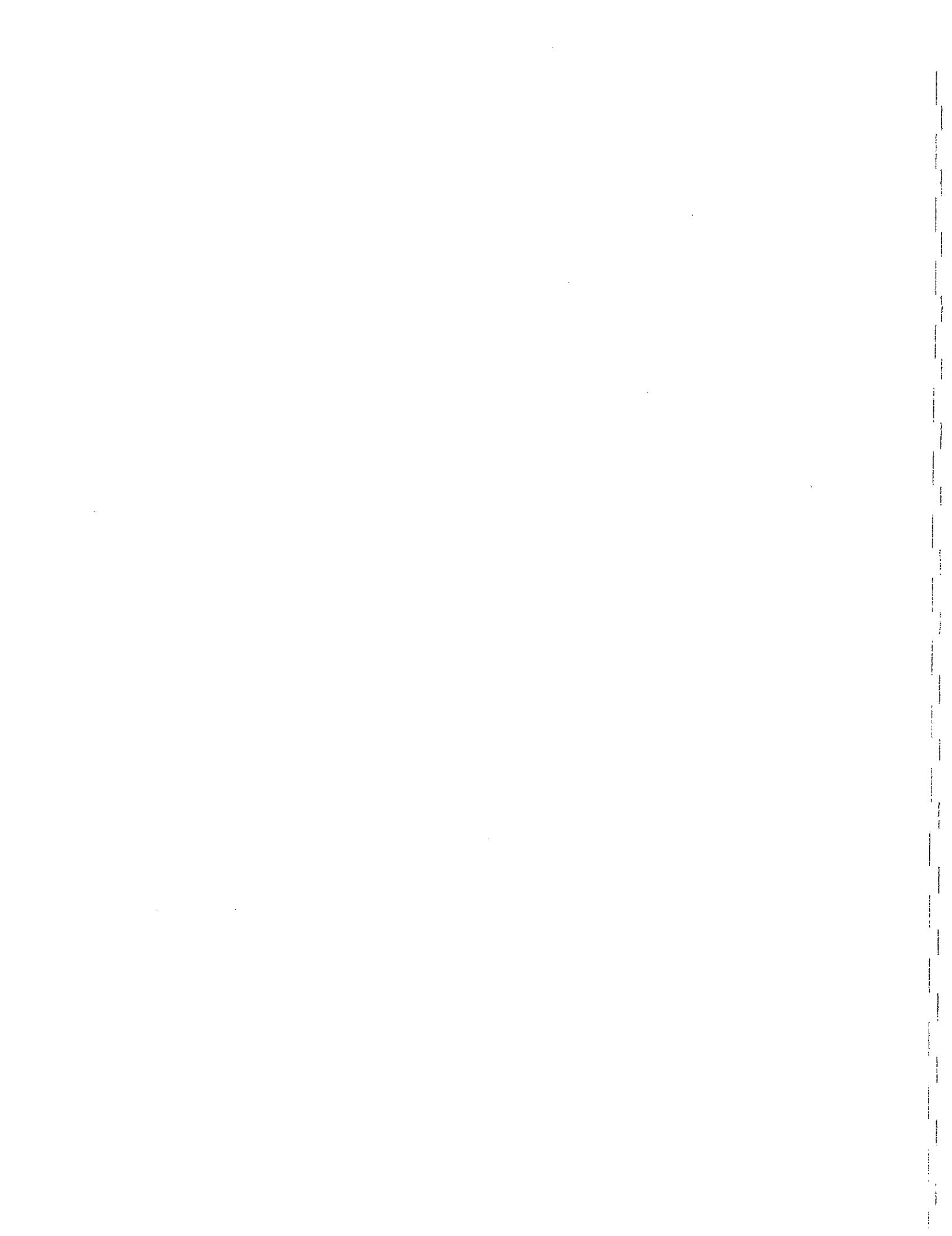
The following table shows the revenues and expenses of the governmental and business-type activities:

TABLE 2  
CHANGES IN NET ASSETS  
(in Millions)

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2006	2007	2006	2007	2006	2007
<b>REVENUES:</b>						
Program Revenues						
Charges for services	\$ 4.08	\$ 4.15	\$ 2.43	\$ 2.41	\$ 6.51	\$ 6.58
Operating grants and contributions	3.24	3.03			3.24	3.03
Capital grants and contributions	.69	2.69			.69	2.69
General Revenues						
Property Taxes	0.86	0.90			0.86	0.90
Other taxes	13.66	14.94			13.66	14.94
Intergovernmental	.16	.15			0.16	0.15
Franchise	0.86	0.97			0.86	0.97
Miscellaneous	0.15	0.11			0.15	0.11
Sale of Assets	0.19	.28			0.19	0.28
Interest earned	0.27	0.27			0.27	0.27
Capital contributions	-	-	.69	.51	0.69	0.52
Total Revenues	<b>\$ 24.16</b>	<b>\$ 27.49</b>	<b>\$ 3.12</b>	<b>\$ 2.92</b>	<b>\$ 27.28</b>	<b>\$ 30.44</b>
<b>EXPENSES:</b>						
General government	\$ 5.66	\$ 6.03			\$ 5.66	\$ 6.03
Public safety	8.79	8.80			8.79	8.80
Public works	3.04	3.14			3.04	3.14
Culture and recreations	3.89	3.73			3.89	3.73
Urban Development	0.62	0.65			0.62	0.65
Health and welfare	2.67	2.73			2.67	2.73
Interest on long-term debt	0.39	0.38			0.39	0.38
Utilities	-	-	2.84	3.18	2.84	3.17
Total Expenses	<b>\$ 25.06</b>	<b>\$ 25.46</b>	<b>\$ 2.84</b>	<b>\$ 3.18</b>	<b>\$ 27.90</b>	<b>\$ 28.63</b>
Increase in net assets before						
transfers	\$ (.90)	\$ 2.03	\$ .28	\$ (.26)	\$ (.61)	\$ 1.81
Transfers	(.01)	(.33)	(.01)	.32	-	-
Increase/decrease in assets	<b>\$ (.89)</b>	<b>\$ 1.70</b>	<b>\$ .27</b>	<b>\$ .06</b>	<b>\$ (.61)</b>	<b>\$ 1.81</b>

### Governmental Activities

The City's total revenues from governmental activities increased from \$24.16 million (year end 2006) to \$27.49 million (year end 2007). West Monroe's largest source of general revenue (\$15.84 million) is taxes, composed of property tax, sales tax, insurance premium taxes, and beer tax. Fifty-eight percent of the City's revenue from governmental activities comes from these tax.



taxes. Charges for services (\$4.15 million) were the second largest revenue source for governmental activities.

The City's expenses for the fiscal year end June 30, 2007 were \$25.46 million, an increase of \$400,000.00 from year end 2006. These expenses cover a wide range of services with the largest being public safety \$8.80 million or 35%, general government \$6.03 million or 22% and public works \$3.14 million or 11%.

#### Business-Type Activities

The total revenues from business-type activities were \$2.95 million for the fiscal year ended June 30, 2007. This is a \$170,000.00 decrease from last year. This decrease is a result of a decrease in capital contributions. Charges for services remained unchanged. Expenses for the City's business-type activities were \$3.17 million. The business-type activities had a net gain of \$110,000.00 for the fiscal year ended June 30, 2007.

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

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

#### Government Funds

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5.14 million. Approximately \$5.14 million constitutes unreserved fund balance, which is available for spending at the government's discretion.

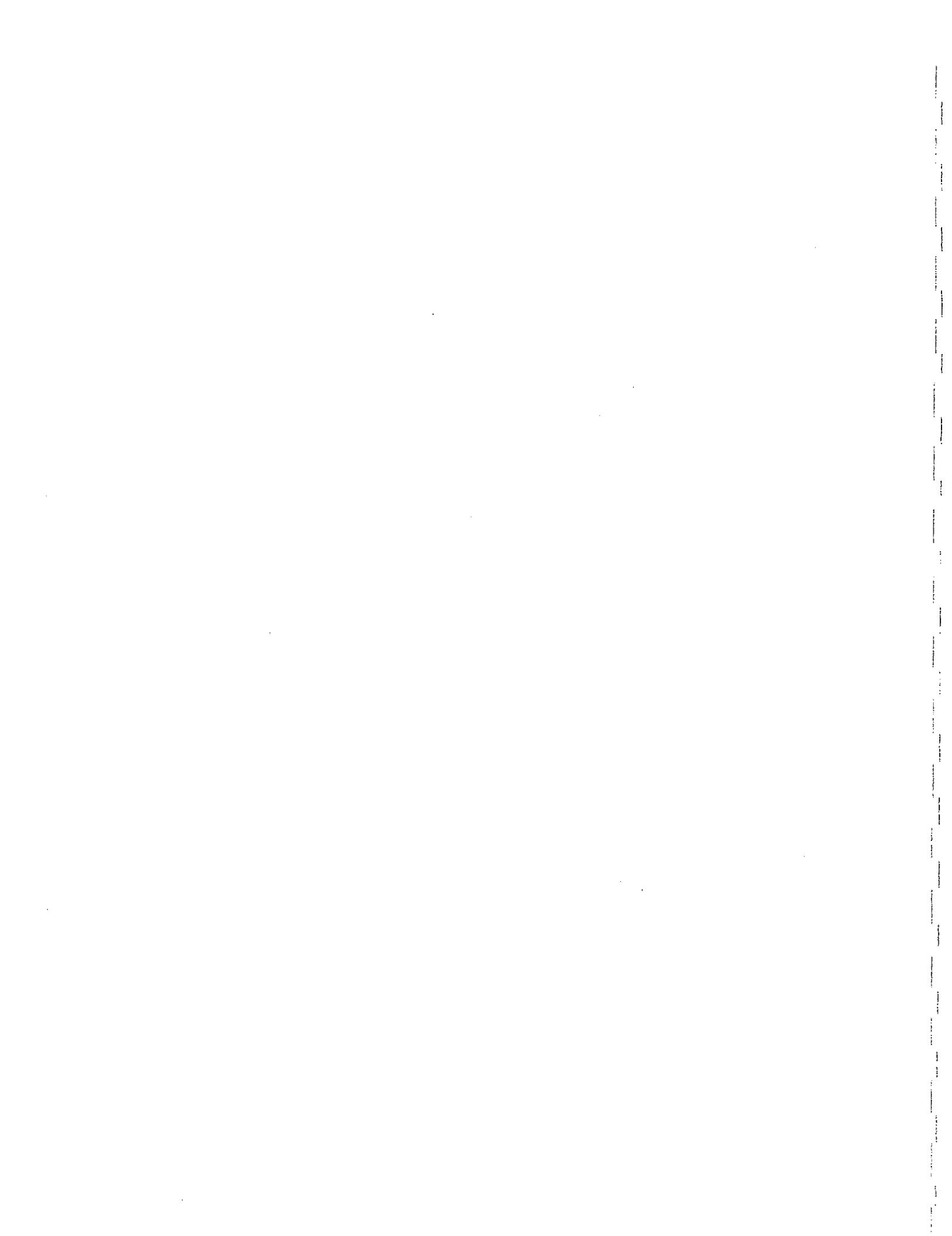
The general fund is the chief operating fund of the City. At the end of the fiscal year, unreserved fund balance of the general fund was \$5.7 million, an increase of \$515,000 from year end June 30, 2006. As a measure of the general fund liquidity, it may be useful to compare unreserved fund balance to total expenditures. Unreserved fund balance represents 36% of the total general fund expenditures. Due to the uncertain economic conditions, expenditures were closely monitored and correlated to revenues received.

The City spent a total of \$4.5 million out of the 86 Sales Tax Capital Fund to fund major capital projects and purchases. This amount increased \$500,000.00 from last year. The fund transferred out \$987,000.00 to pay for debt service.

#### Proprietary Funds

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

Net assets of the Utilities Enterprise Fund at the end of the year were \$5.75 million. The fund had an operating profit for the year of \$110,000.00 after depreciation and transfers.



Net assets of the Internal Service fund (Employees Health Insurance Fund) ended the year with a zero balance. The year ending June 30, 2007 had a \$131,000.00 operating loss. The City General Fund transferred \$131,000.00 to cover the operating loss for the current year.

### General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget twice. The difference between the original expenditure budget and the actual amount of expenditures was a decrease of \$1.15 million. Actual total revenues exceed the original budget by \$513,000.00 or 3%.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

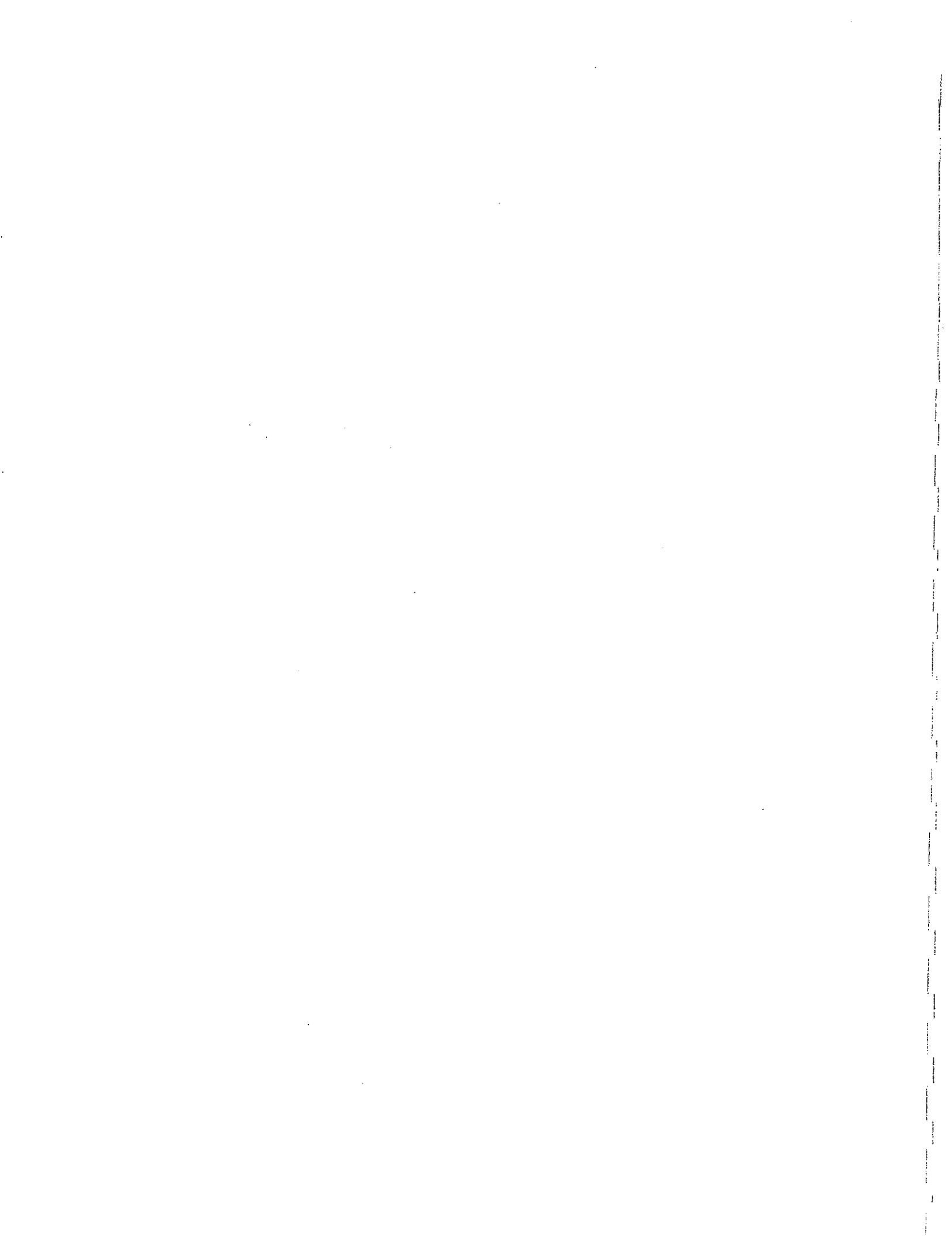
The following table shows the Capital Assets (net of depreciation) of the governmental and business type activities:

TABLE 3  
CAPITAL ASSETS  
(NET OF DEPRECIATION in millions)

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL	
	2006	2007	2006	2007	2006	2007
Land	\$ 5.43	\$ 5.40	\$ 0.06	\$ 0.06	\$ 5.49	\$ 5.46
Construction in progress	0.99	5.30	-	0.60	1.22	5.90
Buildings	18.00	17.40	-	-	18.00	17.40
Improvements	0.77	0.88	-	-	0.77	0.88
Equipment	0.80	0.56	0.37	0.34	1.17	0.90
Vehicles	1.14	0.66	-	-	1.14	0.66
Infrastructure	16.05	15.70	-	-	16.05	15.70
Water Plant			1.53	1.48	1.53	1.48
Treatment Plant			3.23	3.00	3.23	3.00
Total	\$ 43.18	\$ 45.90	\$ 5.42	\$ 5.48	\$ 48.60	\$ 51.38

The City of West Monroe's investment in Capital assets for its governmental and business-type activities as of June 30, 2007, amounts to \$51.38 million (net of depreciation). This is up \$2.8 million from last year. This investment includes land, construction in progress, buildings and improvements, equipment, vehicles, infrastructure, water and sewer treatment plant.

The City had a major capital project on going for the fiscal year 2006 and the year 2007. This was the construction of the westbound exit of the I-20 Downing Pines Interchange. This project was completed in September 2007. The total cost of the construction will be approximately \$4.8 million. This will bring the total cost of the Interchange Project to \$9.5 million



### Long-term Debt

The following table shows the City's outstanding debt:

TABLE 4  
OUTSTANDING DEBT AT YEAR END

	YR END 6/30/06	YR END 6/30/07
Capital Lease Obligations	\$ 580,972	\$ 212,953
Bond Payable Series 2003	\$ 6,505,000	\$ 5,790,000
Bond Payable Series 2005	275,000	250,000
Bond Payable Series 2006	640,000	630,000
Firefighters Retirement System	\$ 1,116,318	\$ 1,023,120
Heart and Lung Disability	\$ 987,532	\$ 907,259
Vacation, Sick and Comp. Time	\$ 606,978	\$ 587,956
Total	<u>\$ 10,711,800</u>	<u>\$ 9,401,288</u>

At the end of the fiscal year, the City of West Monroe had total bonded debt outstanding of \$6.67 million. This is a decrease of \$750,000.00 in total bond debt. All of the debt is backed by the full faith and credit of the City and is being repaid from the Sales Tax Capital Fund.

The City of West Monroe's total long-term debt obligations at year end were \$9.4 million.

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

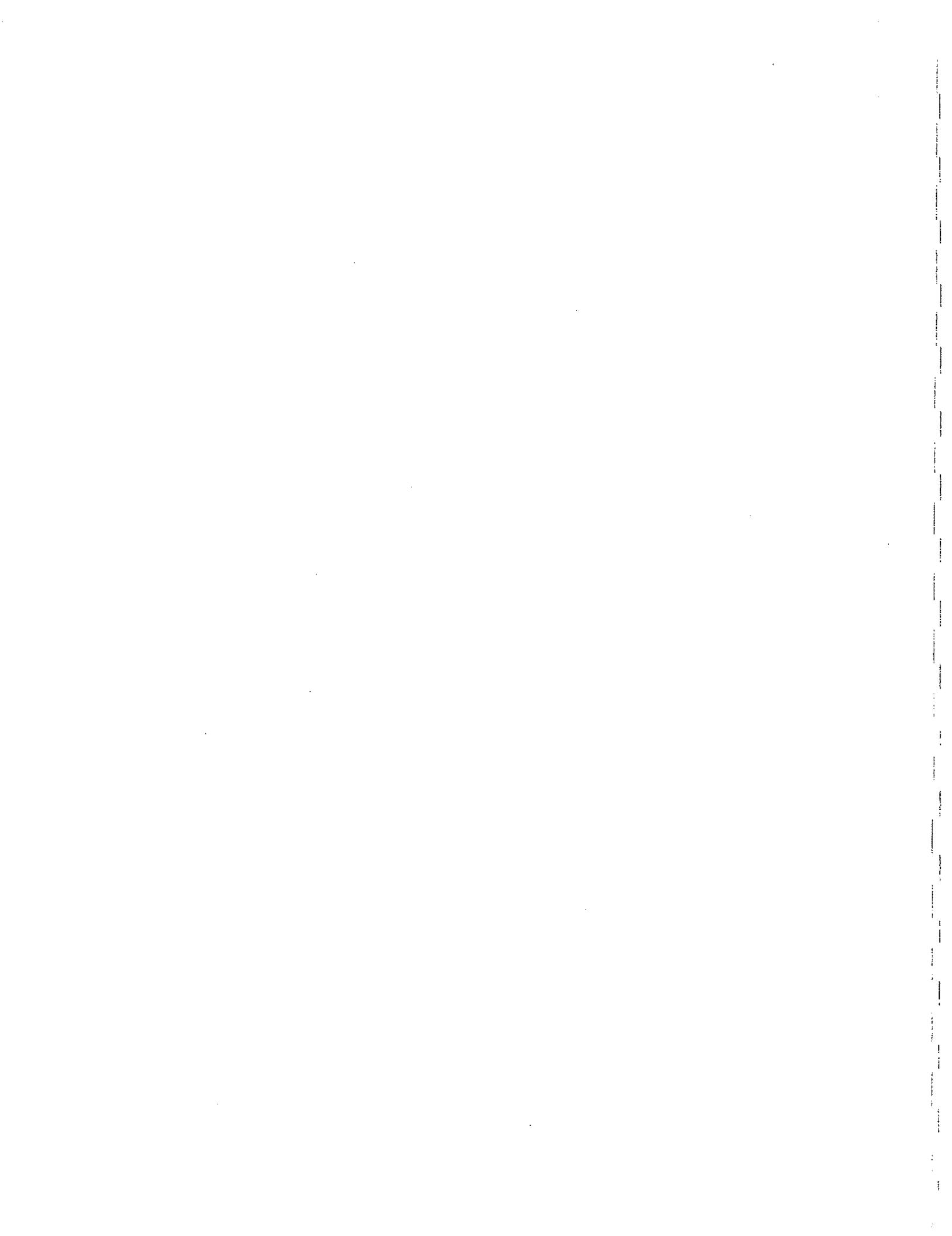
### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's management and elected officials considered many factors when preparing the 2007-2008 budget. The major factor in preparing the budget is to determine the revenue that will be generated from sales tax. Sales tax accounts for 62% of the total General Fund revenue. With current economic conditions, sales tax revenue is projected to increase by 5% for the 2007-2008 fiscal year. All other General Fund revenues should remain fairly consistent with prior year collections. The total General Fund revenue budget for the 2007-2008 fiscal year is \$16.6 million compared to \$15.2 million last year.

During the 2007-2008 fiscal year, three major retail stores and one hotel are scheduled to open. This development should substantially increase the city sales tax base.

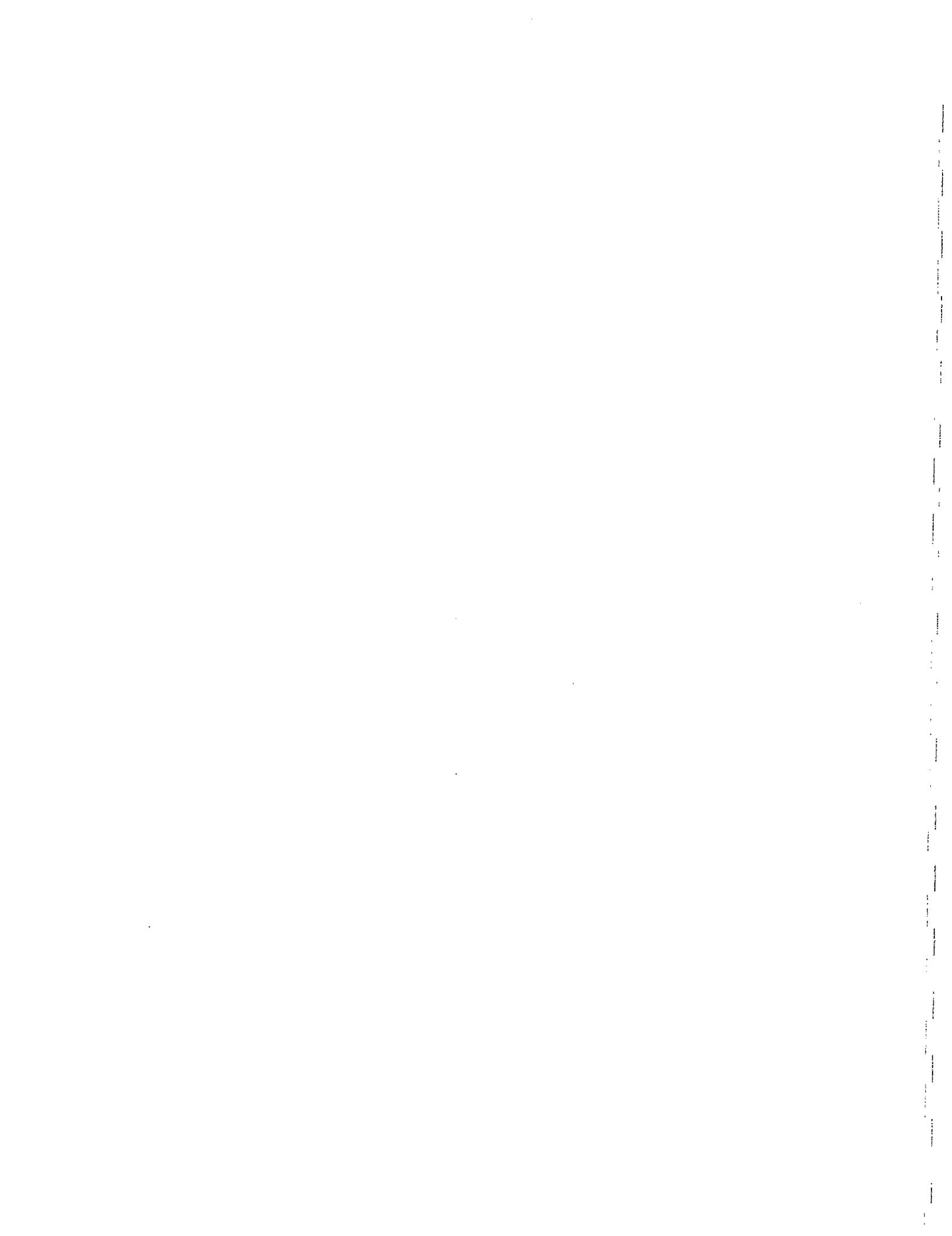
The budgeted expenses for the 2007-2008 fiscal year were \$16.2 million, an increase of \$350,000.00 over the prior year. The City gave all employees a 6% pay raise for the 2007-2008 year. The largest expense for the City is personnel cost. The City's administration has taken steps to reduce all overtime to minimal levels in the current year's budget.

Most of the City's expenses have remained fairly constant over the last year and should continue to do so. The City's matching contributions to the pension funds have decreased slightly for the 2007-2008 fiscal year. The City's administration will closely monitor all revenues and expenses to ensure the City maintains a positive fund balance. The projected General Fund balance for the year ending June 30, 2008 is \$5.0 million.



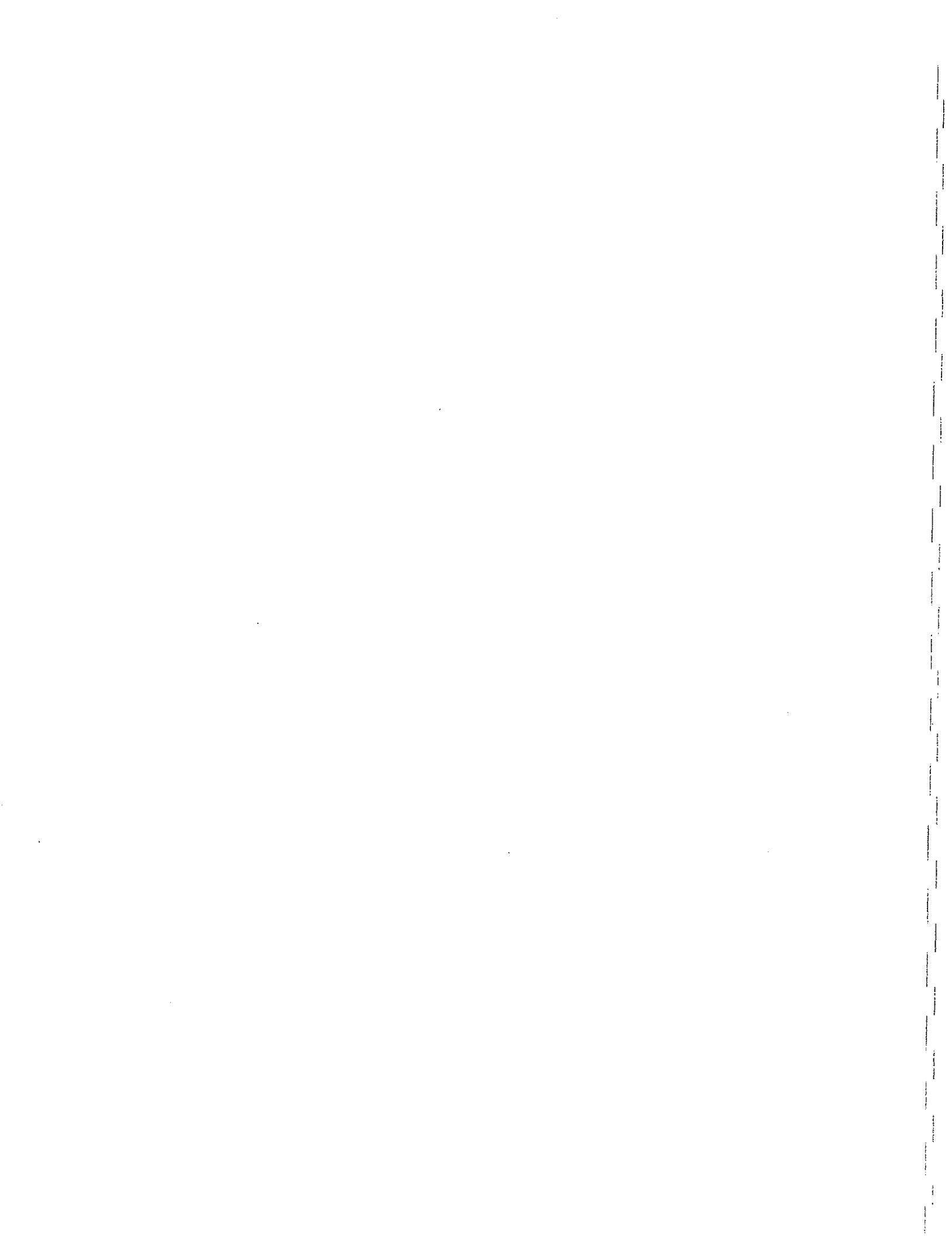
## REQUEST FOR INFORMATION

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



PRIMARY GOVERNMENT FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS



CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2007

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 2,667,016	\$ 122,457	\$ 2,789,473
Investments	701,295	-	701,295
Accounts Receivable	580,150	408,065	988,215
Minimum Lease Payments Receivable (Net)	1,348,067	-	1,348,067
Due From Other Governments	721,684	-	721,684
Internal Balances	4,115	(4,115)	-
Inventories	30,390	-	30,390
Capital Assets:			
Non-Depreciable	10,697,446	650,682	11,348,128
Depreciable	<u>35,204,831</u>	<u>4,831,002</u>	<u>40,035,833</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 51,954,994</u></b>	<b><u>\$ 6,008,091</u></b>	<b><u>\$ 57,963,085</u></b>
<b><u>LIABILITIES</u></b>			
Bank Overdraft	\$ 259,338	\$ -	\$ 259,338
Accounts Payable	619,465	1,528	620,993
Deposits Payable	30,827	122,457	153,284
Non-Current Liabilities			
Due Within One Year			
Bonds Payable	815,000	-	815,000
Notes Payable	99,721	-	99,721
Obligations Under Capital Leases	212,953	-	212,953
Compensated Absences	650,653	131,443	782,096
Due in More Than One Year			
Bonds Payable	5,855,000	-	5,855,000
Notes Payable	923,399	-	923,399
Obligations Under Capital Leases	-	-	-
Compensated Absences	<u>844,562</u>	<u>-</u>	<u>844,562</u>
<b>TOTAL LIABILITIES</b>	<b>10,310,918</b>	<b>255,428</b>	<b>10,566,346</b>
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets,			
Net of Related Debt	39,019,324	5,481,684	44,501,008
Restricted For:			
Capital Projects (Deficit)	(1,238,908)	-	(1,238,908)
Debt Service	(158,485)	-	(158,485)
Unrestricted	<u>4,022,145</u>	<u>270,979</u>	<u>4,293,124</u>
<b>Total Net Assets</b>	<b><u>41,644,076</u></b>	<b><u>5,752,663</u></b>	<b><u>47,396,739</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 51,954,994</u></b>	<b><u>\$ 6,008,091</u></b>	<b><u>\$ 57,963,085</u></b>

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

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

Function/Program Activities	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Government Activities:</b>				
General Government	\$ 6,031,197	\$ 1,563,293	\$ -	\$ 2,695,383
Public Safety	8,801,369	283,543	256,852	-
Public Works	3,137,196	1,024,984	-	-
Culture and Recreation	3,732,382	1,230,159	319,304	-
Urban Redevelopment	653,945	1,197	167,537	-
Health and Welfare	2,728,642	51,832	2,295,400	-
Interest on Long-Term Debt	375,304	-	-	-
<b>Total Governmental Activities</b>	<b>25,460,035</b>	<b>4,155,008</b>	<b>3,039,093</b>	<b>2,695,383</b>
<b>Business-Type Activities:</b>				
Utilities	3,183,105	2,413,466	-	-
<b>Total Primary Government</b>	<b>\$ 28,643,140</b>	<b>\$ 6,568,474</b>	<b>\$ 3,039,093</b>	<b>\$ 2,695,383</b>

**General Revenues:**

**Taxes:**

Property Taxes Levied for General Purposes

Property Taxes Levied for Street Maintenance

Sales Taxes

Insurance Premium Taxes

Intergovernmental Revenues

Insurance Proceeds

Franchise Revenue

Miscellaneous

Special Item - Sale of Assets

Interest Earned

Capital Contributions

Transfers

Total General Revenues, Special Items and Transfers

**Changes in Net Assets**

Net Assets - Beginning

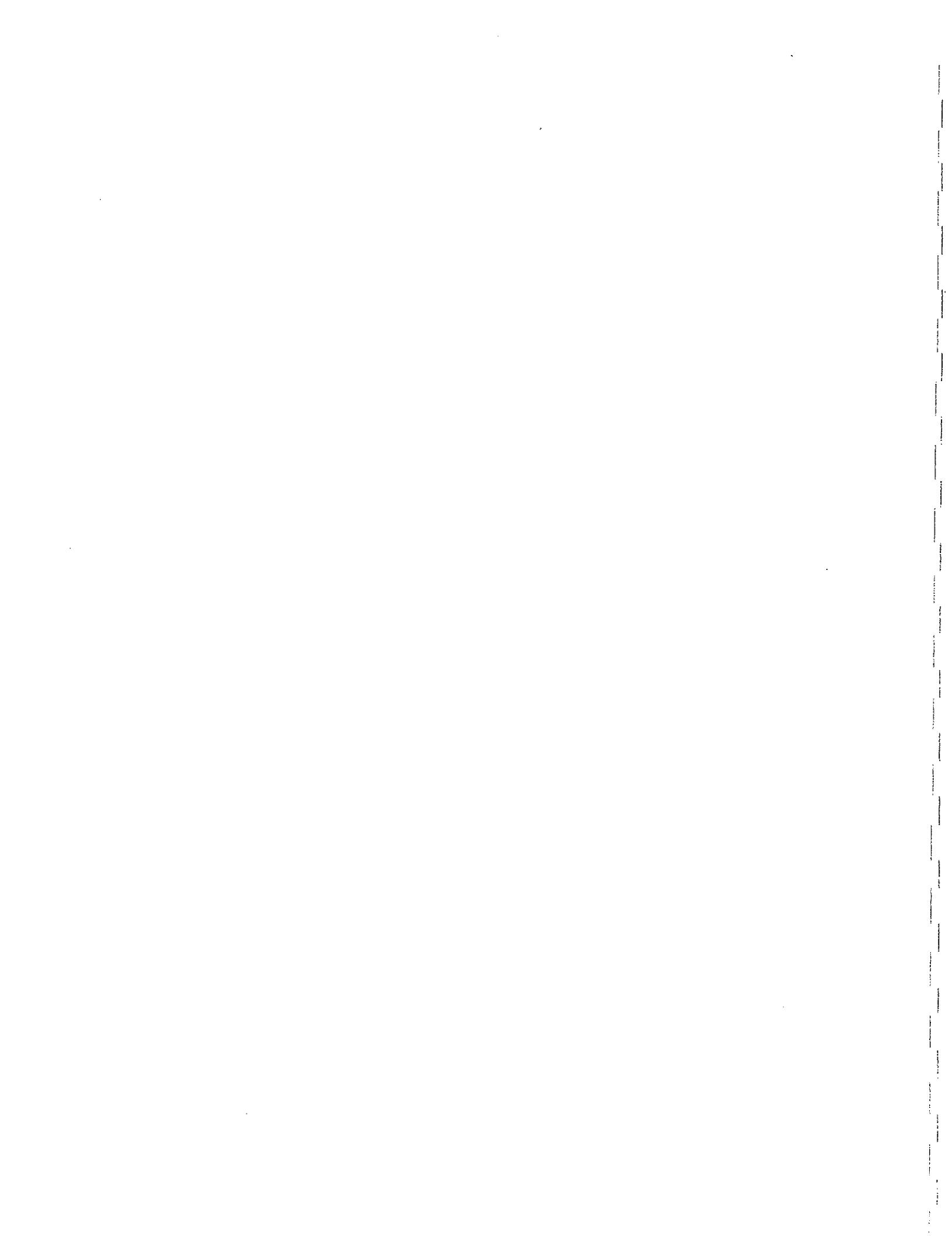
Net Assets - Ending

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

Governmental Activities	Business-Type Activities	Total
\$ (1,772,521)	\$ -	\$ (1,772,521)
(8,260,974)	-	(8,260,974)
(2,112,212)	-	(2,112,212)
(2,182,919)	-	(2,182,919)
(485,211)	-	(485,211)
(381,410)	-	(381,410)
(375,304)	-	(375,304)
<u>(15,570,551)</u>	<u>-</u>	<u>(15,570,551)</u>
	(769,639)	(769,639)
\$ (15,570,551)	\$ (769,639)	\$ (16,340,190)

734,090	-	734,090
173,606	-	173,606
14,550,413	-	14,550,413
414,274	-	414,274
142,373	-	142,373
11,238	-	11,238
971,526	-	971,526
114,562	-	114,562
284,691	-	284,691
276,479	-	276,479
-	505,272	505,272
(324,317)	324,317	-
<u>17,348,935</u>	<u>829,589</u>	<u>18,178,524</u>
1,778,384	59,950	1,838,334
<u>39,865,692</u>	<u>5,692,713</u>	<u>45,558,405</u>
<u>\$ 41,644,076</u>	<u>\$ 5,752,663</u>	<u>\$ 47,396,739</u>

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



PRIMARY GOVERNMENT FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

CITY OF WEST MONROE, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2007

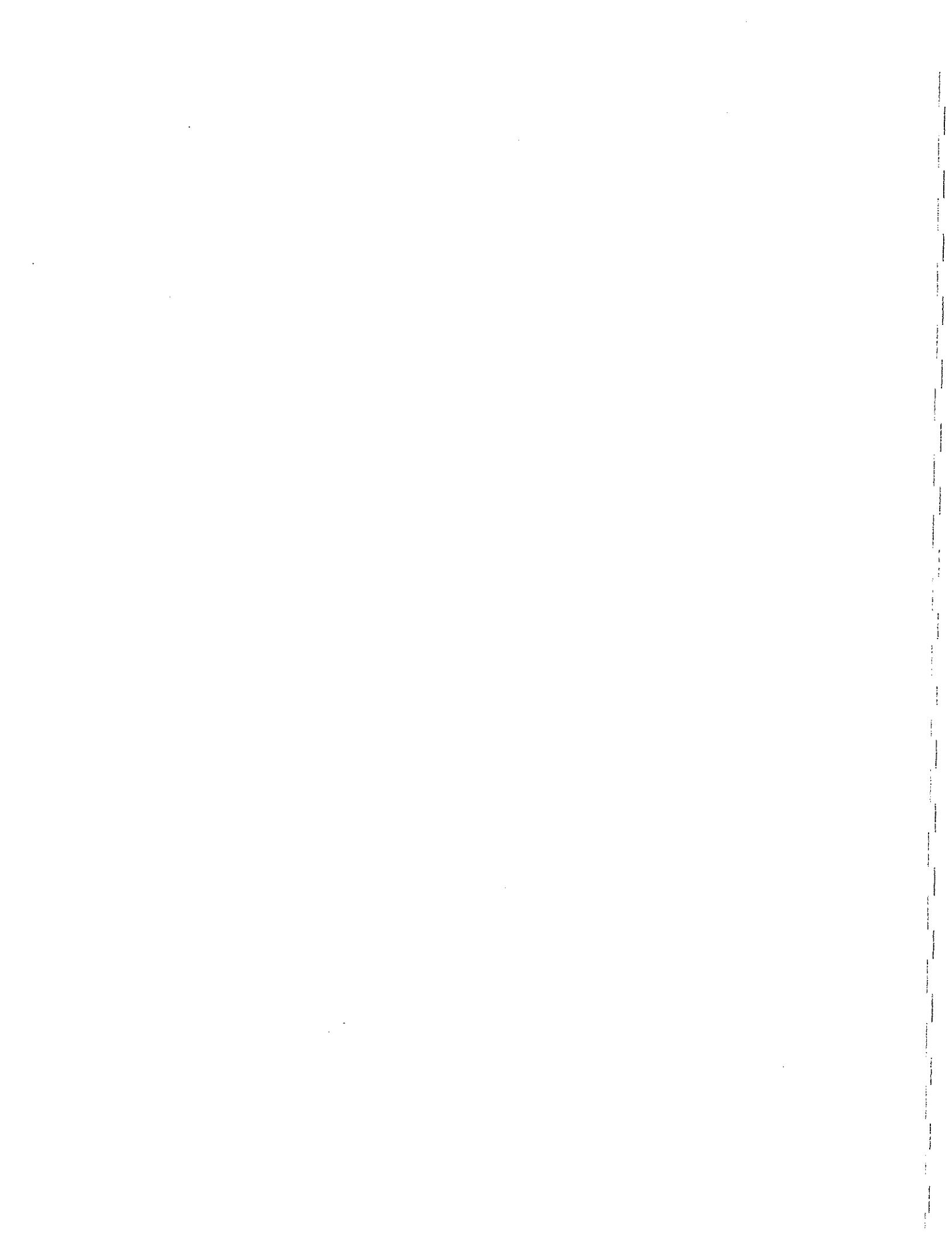
	General Fund	86 Sales Tax 75% Capital Fund	I-20/Downing Pines Interchange Project
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 1,384,844	\$ 399,094	\$ -
Investments	684,122	-	-
Accounts Receivable	453,164	124,545	-
Minimum Lease Payment Receivable	1,612,612	-	-
Due From Other Governments	60,026	104,329	455,318
Due From Other Funds	1,978,265	135,541	-
Inventories	30,390	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 6,203,423</u></b>	<b><u>\$ 763,509</u></b>	<b><u>\$ 455,318</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>Liabilities</b>			
Accounts Payable	\$ 54,568	\$ 295,376	\$ 132,479
Bank Overdraft	-	259,338	-
Due To Other Funds	135,541	1,525,000	1,225,994
Unearned Income	264,545	-	-
Deposits Payable	30,827	-	-
<b>Total Liabilities</b>	<b>485,481</b>	<b>2,079,714</b>	<b>1,358,473</b>
<b>Fund Balances:</b>			
Reserved for:			
Inventories	30,390	-	-
Debt Service	-	-	-
Unreserved, Reported In:			
General Fund	5,687,552	-	-
Special Revenue Funds	-	(1,316,205)	-
Expendable Trust Funds	-	-	-
Capital Project Funds	-	-	(903,155)
<b>Total Fund Balances (Deficits)</b>	<b>5,717,942</b>	<b>(1,316,205)</b>	<b>(903,155)</b>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 6,203,423</u></b>	<b><u>\$ 763,509</u></b>	<b><u>\$ 455,318</u></b>

Total Nonmajor Governmental Funds	Total Governmental Funds
\$ 883,078	\$ 2,667,016
17,173	701,295
-	577,709
-	1,612,612
102,011	721,684
1,582,080	3,695,886
-	30,390
<u>\$ 2,584,342</u>	<u>\$ 10,006,592</u>

\$ 137,042	\$ 619,465
-	259,338
802,795	3,689,330
-	264,545
-	30,827
<u>939,837</u>	<u>4,863,505</u>

-	30,390
(158,485)	(158,485)
-	5,687,552
1,042,046	(274,159)
1,096,697	1,096,697
(335,753)	(1,238,908)
<u>1,644,505</u>	<u>5,143,087</u>
<u>\$ 2,584,342</u>	<u>\$ 10,006,592</u>

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



CITY OF WEST MONROE, LOUISIANA  
RECONCILIATION OF GOVERNMENTAL  
FUNDS BALANCES TO STATEMENT OF NET ASSETS  
JUNE 30, 2007

Total Governmental Fund Balances	\$ 5,143,087
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	45,902,277
Long-term liabilities, including bonds and notes payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	<u>(9,401,288)</u>
 Net Assets of Governmental Activities	
	<u>\$ 41,644,076</u>

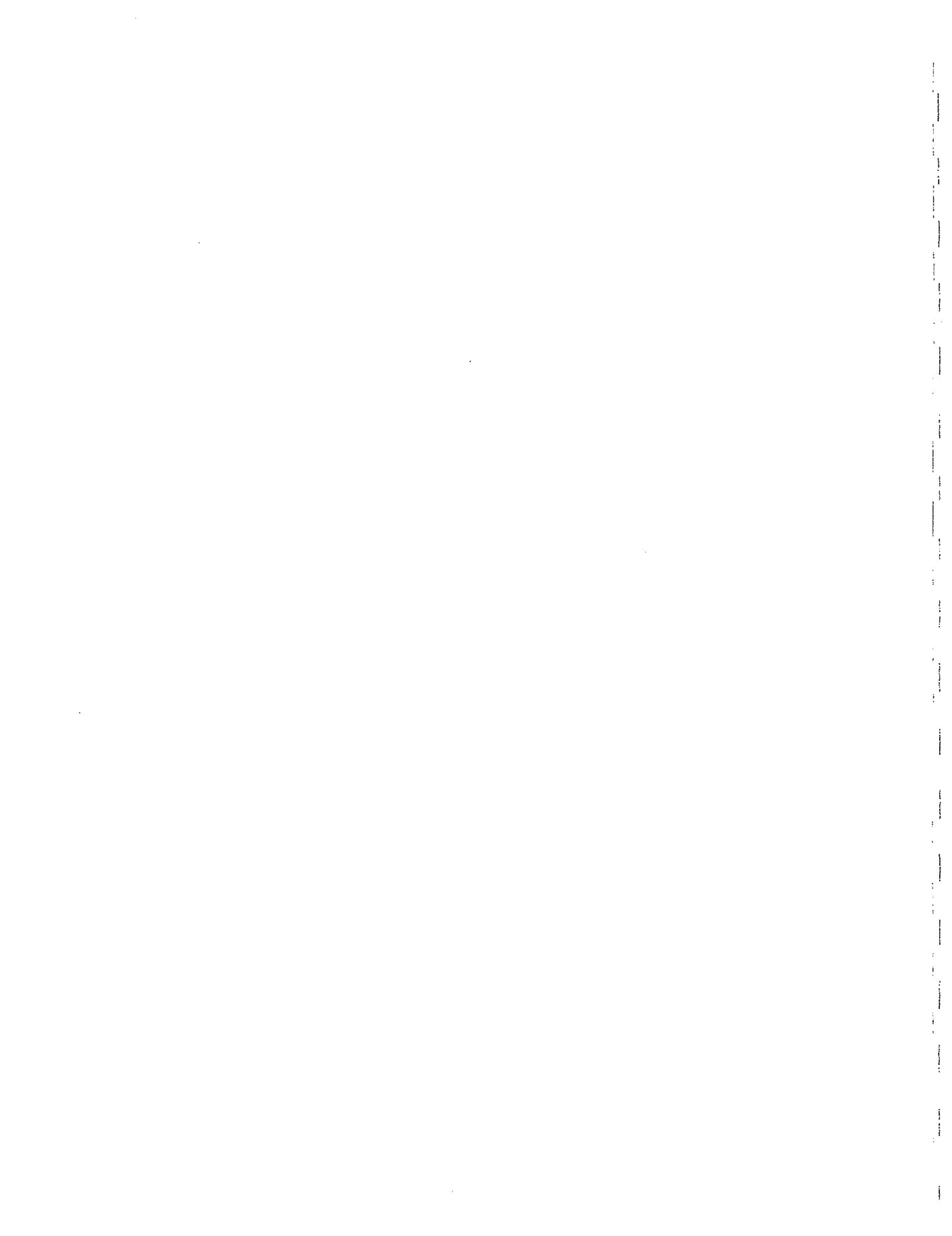
The accompanying notes are an integral part of this financial statement.

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	General Fund	86 Sales Tax 75% Capital Fund	I-20/Downing Pines Interchange Project
<b>Revenues</b>			
Taxes	\$ 11,169,017	\$ 4,796,161	\$ -
Intergovernmental	731,800	16,500	1,731,600
Licenses and Permits	849,171	-	-
Charges for Services	2,277,691	-	-
Fines and Forfeitures	714,122	-	-
Interest Earned	184,757	9,085	-
Franchise Revenue	971,526	-	-
Other	96,474	90,905	275,100
<b>Total Revenues</b>	<b>16,994,558</b>	<b>4,912,651</b>	<b>2,006,700</b>
<b>Expenditures</b>			
General Government	3,670,950	-	-
Public Safety	6,809,101	-	-
Public Works	2,405,101	-	-
Culture and Recreation	2,371,688	-	-
Urban Redevelopment	567,474	-	-
Health and Welfare	-	-	-
Capital Improvements	-	4,520,195	4,492,080
Claims Paid	-	-	-
Debt Service:			
Principal Payments	-	-	-
Interest and Other	-	-	-
<b>Total Expenditures</b>	<b>15,824,314</b>	<b>4,520,195</b>	<b>4,492,080</b>
<b>Excess (Deficiency) of Revenues</b>			
<b>Over Expenditures</b>	<b>1,170,244</b>	<b>392,456</b>	<b>(2,485,380)</b>
<b>Other Financing Sources and (Uses)</b>			
Transfers In	207,000	-	-
Transfers Out	(843,113)	(1,194,000)	-
<b>Total Other Financing Sources and Uses</b>	<b>(636,113)</b>	<b>(1,194,000)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>534,131</b>	<b>(801,544)</b>	<b>(2,485,380)</b>
<b>Fund Balances - Beginning</b>	<b>5,183,811</b>	<b>(514,661)</b>	<b>1,582,225</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 5,717,942</b>	<b>\$ (1,316,205)</b>	<b>\$ (903,155)</b>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 369,206	\$ 16,334,384
2,858,085	5,337,985
-	849,171
-	2,277,691
-	714,122
66,301	260,143
-	971,526
<u>380,552</u>	<u>843,031</u>
3,674,144	27,588,053
 -	3,670,950
365,423	7,174,524
69,972	2,475,073
313,974	2,685,662
-	567,474
2,308,723	2,308,723
4,926	9,017,201
243,145	243,145
 843,198	843,198
<u>359,073</u>	<u>359,073</u>
<u>4,508,434</u>	<u>29,345,023</u>
 (834,290)	(1,756,970)
 1,373,835	1,580,835
<u>-</u>	<u>(2,037,113)</u>
 <u>1,373,835</u>	<u>(456,278)</u>
 539,545	(2,213,248)
 <u>1,104,960</u>	<u>7,356,335</u>
 <u>\$ 1,644,505</u>	<u>\$ 5,143,087</u>

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



CITY OF WEST MONROE, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

Net Change in Fund Balances - Total \$ (2,213,248)  
 Governmental Funds

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

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

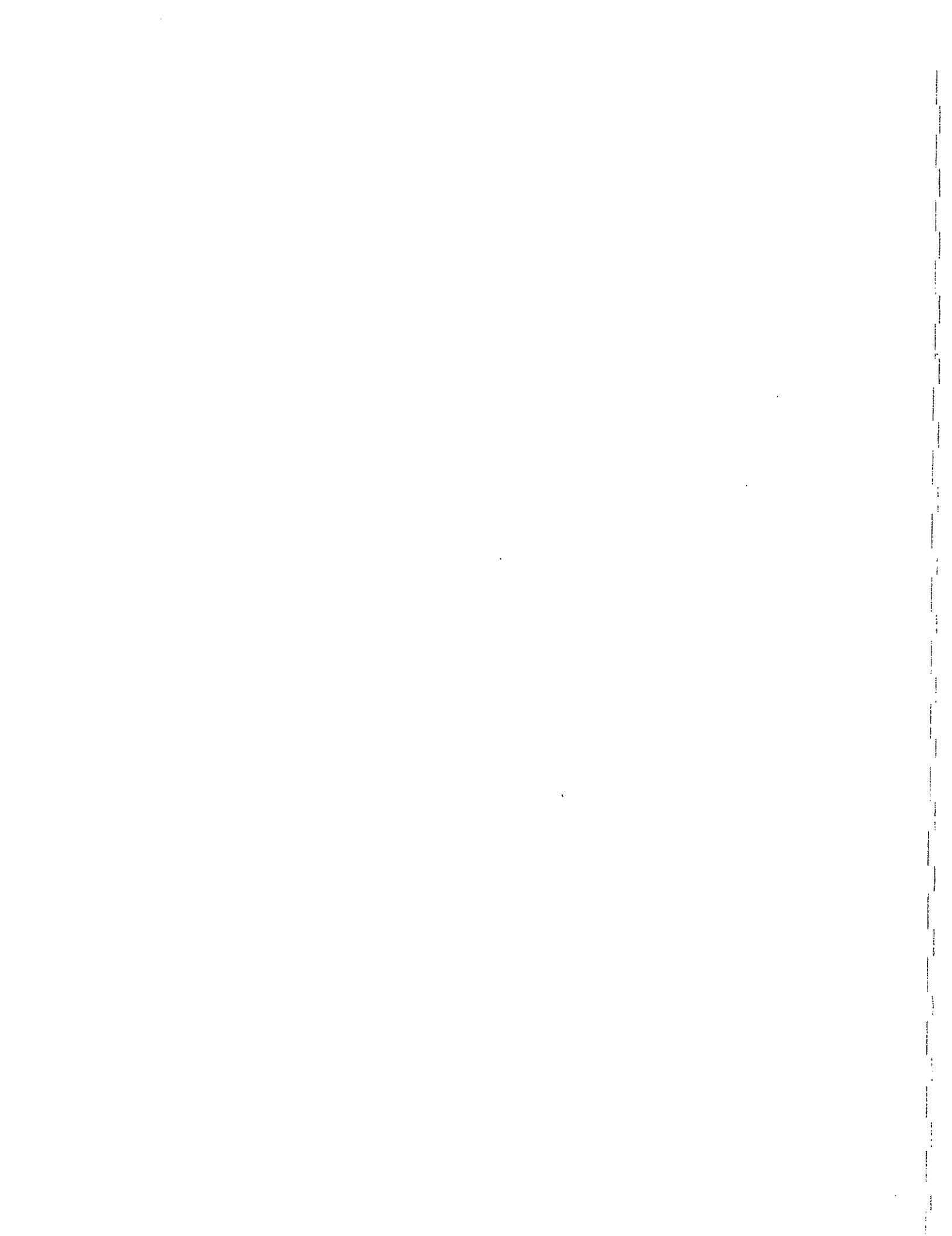
Capital asset purchases capitalized	5,486,754
Depreciation expense	(2,805,634)
	2,681,120

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

1,310,512

Change in Net Assets in Governmental Activities \$ 1,778,384

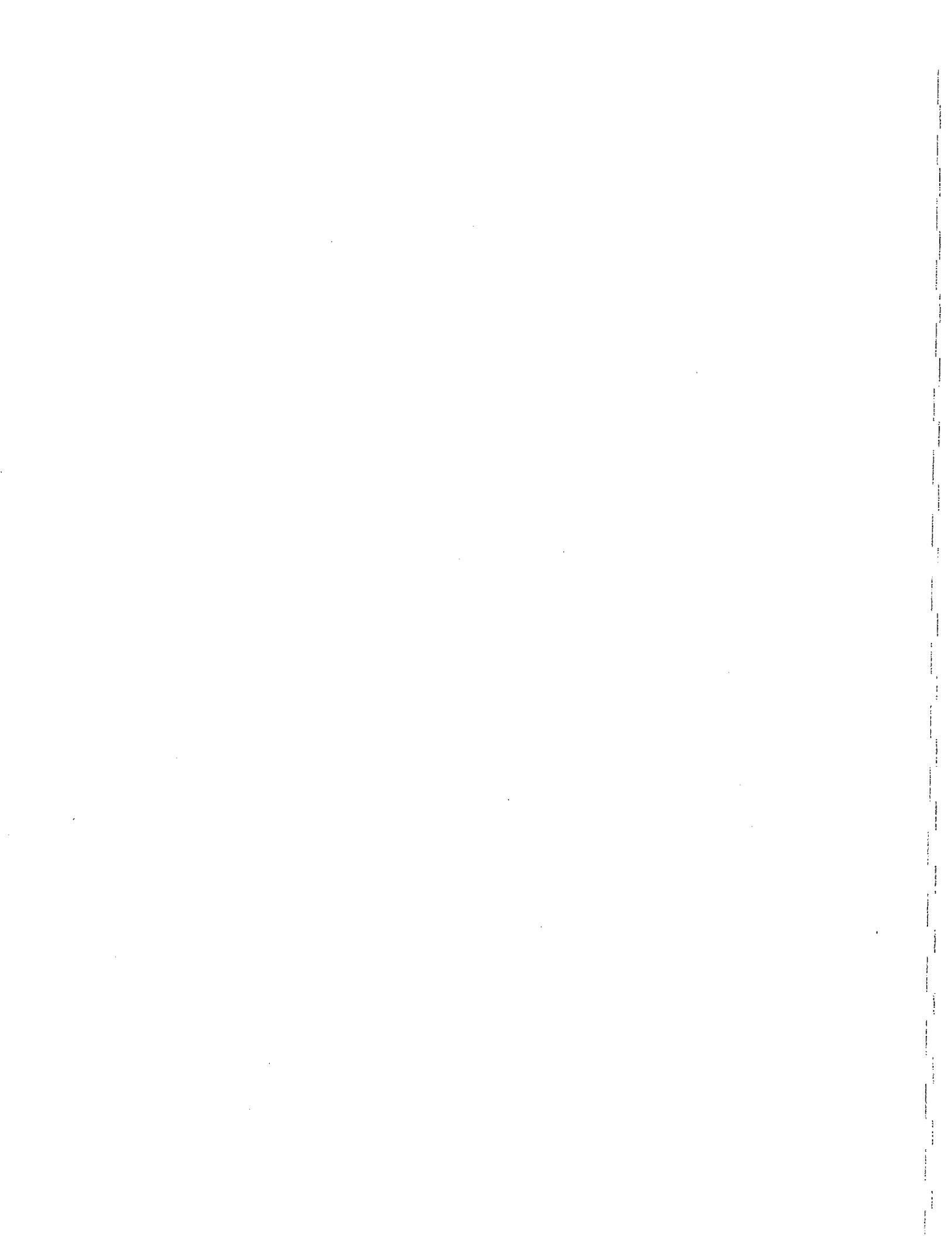
The accompanying notes are an integral part of this financial statement.



CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2007

	Business-Type Activities	Governmental Activities
	Utility	Internal Service Fund
	Enterprise Fund	
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Accounts Receivable, Net of Allowance	\$ 408,065	\$ 2,441
Due From Other Funds	-	-
<b>Total Current Assets</b>	<u>408,065</u>	<u>2,441</u>
<b><u>Non-Current Assets</u></b>		
Restricted:		
Cash - Customer Deposits	122,457	-
Capital Assets:		
Land	650,682	-
Buildings	73,436	-
Water Plant	3,769,347	-
Wastewater Treatment Plant	10,313,547	-
Machinery, Equipment & Other	1,185,810	-
Less: Accumulated Depreciation	<u>(10,511,138)</u>	<u>-</u>
<b>Total Non-Current Assets</b>	<u>5,481,684</u>	<u>-</u>
<b><u>TOTAL ASSETS</u></b>	<u>\$ 6,012,206</u>	<u>\$ 2,441</u>
<b><u>LIABILITIES</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	\$ 1,528	\$ -
Customer Deposits	122,457	-
Accrued Vacation and Sick Pay	131,443	-
Due to Other Funds	<u>4,115</u>	<u>2,441</u>
<b>Total Current Liabilities</b>	<u>259,543</u>	<u>2,441</u>
<b><u>NET ASSETS</u></b>		
Invested in Capital Assets, Net of Related Debt	5,481,184	-
Unrestricted	271,479	-
<b>Total Net Assets</b>	<u>5,752,663</u>	<u>-</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<u>\$ 6,012,206</u>	<u>\$ 2,441</u>

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



CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
	Enterprise Fund	Fund
<b><u>Operating Revenues</u></b>		
User Charges	\$ 1,315,967	\$ 1,474,953
Treatment Plant Fees	632,165	-
Water Penalties and Turn-on Fees	172,418	-
Sewer District 5 Contributions	292,916	-
<b>Total Operating Revenues</b>	<b>2,413,466</b>	<b>1,474,953</b>
<b><u>Operating Expenses</u></b>		
Waterworks	777,155	-
Sewerage	332,539	-
Water Treatment Plant	351,348	-
Sewer Treatment Plant	576,966	-
Public Works Construction	262,483	-
Public Works Administrative	236,832	-
Other Administrative	200,460	88,586
Claims Paid	-	1,518,328
Depreciation	445,322	-
<b>Total Non-Current Assets</b>	<b>3,183,105</b>	<b>1,606,914</b>
<b>Operating Loss</b>	<b>(769,639)</b>	<b>(131,961)</b>
Contributed Capital	505,272	-
Transfers In	324,317	131,961
<b>Total</b>	<b>829,589</b>	<b>131,961</b>
<b>Changes in Net Assets</b>	<b>59,950</b>	<b>-</b>
<b>Net Assets - Beginning</b>	<b>5,692,713</b>	<b>-</b>
<b>NET ASSETS - ENDING</b>	<b>\$ 5,752,663</b>	<b>\$ -</b>

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

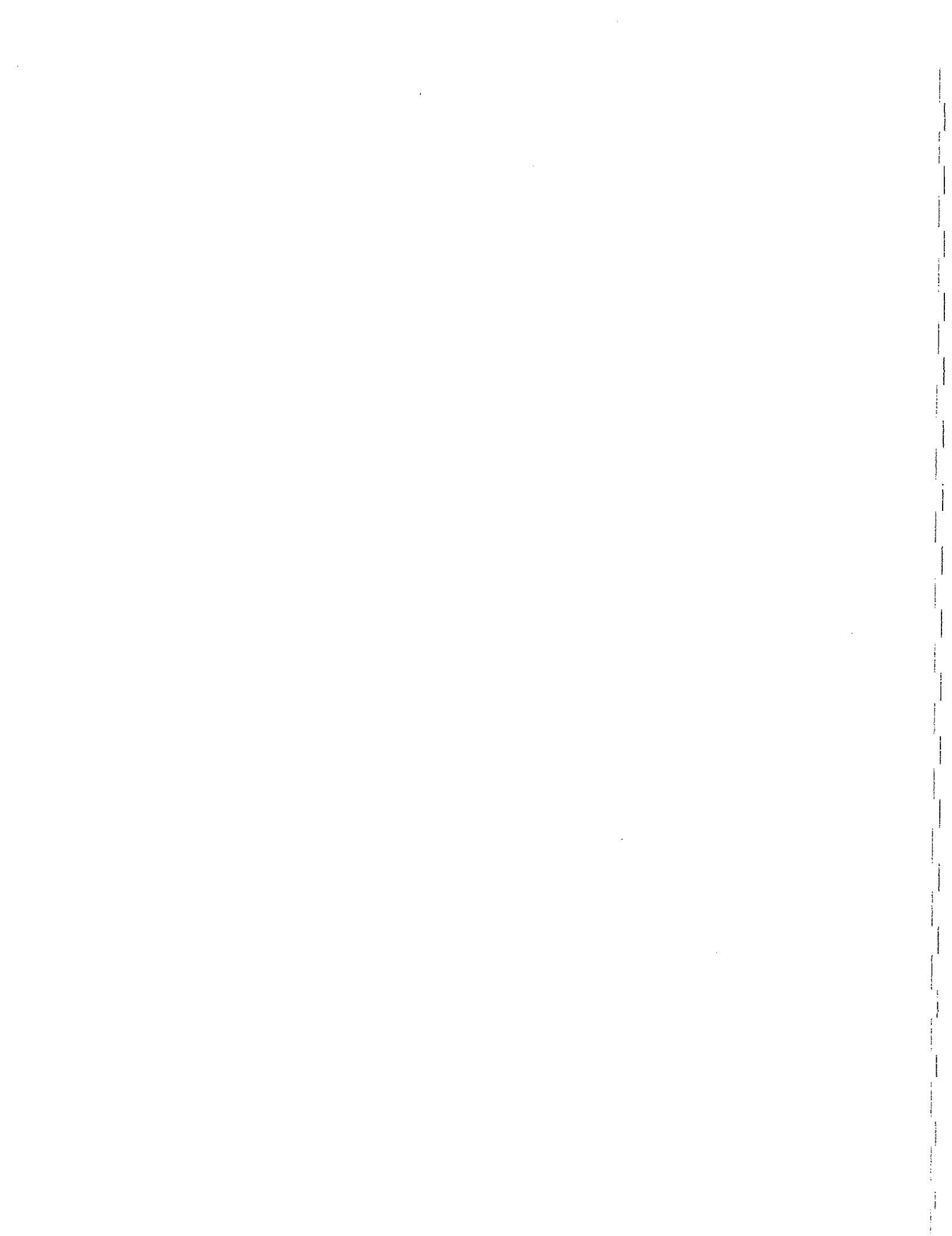
**CITY OF WEST MONROE, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Utility Enterprise Fund</b>	<b>Internal Service Fund</b>
<b>Cash Flows From Operations</b>		
Receipts From Customers	\$ 2,415,765	\$ -
Receipts From Group Contributions	-	1,482,439
Payments to Provide Services	(2,532,603)	(1,525,814)
Payments for General and Administrative	(207,479)	(88,586)
<b>Net Cash Used by Operating Activities</b>	<b>(324,317)</b>	<b>(131,961)</b>
<b>Cash Flows From Noncapital Financing Activities</b>		
Increase in Customer Deposits	1,385	-
Operating Transfers In (Out)	<u>324,317</u>	<u>131,961</u>
<b>Net Cash Flows From Noncapital Financing Activities</b>	<b>325,702</b>	<b>131,961</b>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Acquisitions of Capital Assets	(505,272)	-
Capital Contribution From Other Funds	<u>505,272</u>	<u>-</u>
<b>Net Cash Flows From Capital and Related Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>1,385</b>	<b>-</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>121,072</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 122,457</b>	<b>\$ -</b>
<b>Classified As:</b>		
Cash in Bank	\$ -	\$ -
Restricted Assets	<u>122,457</u>	<u>-</u>
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 122,457</b>	<b>\$ -</b>

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
	Enterprise Fund	Fund
<b><u>Reconciliation of Operating Loss to Net Cash</u></b>		
<b><u>Used by Operating Activities:</u></b>		
Changes in Net Assets	\$ (769,639)	\$ (131,961)
Adjustments to Reconcile Net Loss to Net		
Cash Used by Operating Activities		
Depreciation	445,322	-
(AIncrease) Decrease in Accounts Receivable	(71,648)	7,486
Decrease in Accounts Payable	(604)	-
Decrease in Due From Other Funds	73,947	-
Increase (Decrease) in Due to Other Funds	4,115	(7,486)
Decrease in Accrued Vacation and Sick Pay	(5,810)	-
Total Adjustments	<u>445,322</u>	<u>-</u>
<b><u>Net Cash Used by Operating Activities</u></b>	<b><u>\$ (324,317)</u></b>	<b><u>\$ (131,961)</u></b>

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



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

## INTRODUCTION

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

### Note 1 – Summary of Significant Accounting Policies

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

#### A. Financial Reporting Entity

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

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

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

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

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

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

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

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

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

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

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

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at June 30, 2007 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

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

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

**D. Fund Accounting**

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

**1. Major Governmental Funds**

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

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

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

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

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

**4. Proprietary Funds**

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

**D. Fund Accounting (continued)**

**4. Proprietary Funds (continued)**

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

**5. Fiduciary Funds**

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

**E. Cash and Cash Equivalents**

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

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

**F. Investments**

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

**G. Noncurrent Receivables**

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

**H. Bad Debts**

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

**I. Inventories**

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

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

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

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

**K. Capital Assets**

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

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

**K. Capital Assets (continued)**

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

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

**L. Electrical System Operating Agreement**

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

**M. Lease Obligations**

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

**N. Compensated Absences**

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

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

**O. Long-Term Liabilities**

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

**P. Restricted Net Assets**

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

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

**Q. Dedicated Revenues**

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

**R. Fund Equity**

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definitions of "restricted" or "invested in capital assets, net of related debt".

**S. 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.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

**Note 2- Cash and Cash Equivalents**

*Custodial Credit Risk – Deposits*

The custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the City had no custodial risk related to its deposits at June 30, 2007.

At June 30, 2007, the City has cash and cash equivalents (book balances net of overdrafts) in the amount of \$2,530,135.

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

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable by both parties. Cash and cash equivalents (bank balances) at June 30, 2007, are secured as follows:

Bank Balances	<u>\$ 2,944,471</u>
Federal Deposits Insurance	\$ 100,000
Pledged Securities (Uncollateralized)	<u>5,177,030</u>
<b><u>TOTAL</u></b>	<b><u>\$ 5,377,030</u></b>

**Note 3 – Investments**

*Custodial Credit Risk – Investments*

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City had no custodial credit risk related to its investments at June 30, 2007.

Under state law, the City may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At June 30, 2007, the City had the following investments stated at cost, which approximates market:

Louisiana Asset Management Pool	\$ 17,175
Certificates of Deposit with Maturities	
Greater Than 90 Days	<u>684,121</u>
Total	<u>\$ 764,322</u>

Securities in the amount of \$616,768 were pledged at the custodial bank holding the certificate of deposit in addition to \$100,000 in Federal Deposit Insurance.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

**Note 3 – Investments (continued)**

*Interest Rate Risk*

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

*Credit Risk*

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

*Concentration of Credit Risk*

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

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

**Note 4 – Fund Deficits**

The following funds had deficits at June 30, 2007:

Major Funds	
’86 Sales Tax Fund	\$ 1,316,205
I-20 Capital Project Fund	903,155
Non-Major Funds	
Special Revenue Funds	
North Delta Law Enforcement Training	53,332
Brownfields Assessment Grant	19,513
21 <sup>st</sup> Century Dept. of Education Grant	905
Boys and Girls Club Project	9,539
Debt Service Funds	
Firemen’s Pension Merger	16,921
2003 Debt Service Fund	141,564
Capital Project Funds	
Detention Basin	335,762

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

**Note 5 – Ad Valorem Taxes**

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

Property Tax Calendar

Assessment Date	January 1, 2006
Levy Date	September 1, 2006
Tax Bills Mailed	November 27, 2006
Total Taxes Are Due	December 31, 2006
Penalties and Interest are Added	March 5, 2007
Tax Sales – 2006 Delinquent Property	June 21, 2007

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

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

The ad valorem tax millage is as follows:

	<u>Mills</u>
General Ad Valorem Tax	6.97
Street Maintenance	<u>1.65</u>
<b><u>TOTAL</u></b>	<b><u>8.62</u></b>

**Note 6 – Accounts Receivable**

Accounts receivable at June 30, 2007, consisted of the following:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Accounts Receivable	\$ 453,164	\$ 408,065	\$ 861,229
Other Receivables	<u>124,545</u>	<u>2,441</u>	<u>126,986</u>
<b><u>TOTAL</u></b>	<b><u>\$ 577,709</u></b>	<b><u>\$ 410,506</u></b>	<b><u>\$ 988,215</u></b>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

**Note 7 – Due From Other Governments**

The amounts due from other governments at June 30, 2007 are as follows:

Louisiana Department of Transportation and Development	\$ 113,744
Department of Education	29,000
Office of National Drug Control Policy	27,537
Facility Planning & Control, LA Division of Administration	455,318
Louisiana Department of Revenue	29,239
Ouachita Parish School Board	350
Louisiana State Police	9,132
Corporation for National and Community Service	9,734
Department of Social Services	106
Department of Justice	37,441
Environmental Protection Agency	10,083
<b>TOTAL</b>	<b>\$ 721,684</b>

**Note 8 – Capital Assets**

Capital asset activity for the year ended June 30, 2007 is as follows:

	Primary Government			June 30, 2007 Balance
	June 30, 2006 Balance	Additions	Deletions	
<b>Government Activities:</b>				
Non-Depreciable Assets:				
Land	\$ 5,429,055	\$ -	\$( 25,317)	\$ 5,403,738
Construction In Progress	992,418	4,570,854	( 269,564)	5,293,708
Total	6,421,473	4,570,854	( 294,881)	10,697,446
Depreciable Assets:				
Buildings	25,318,209	-	-	25,318,209
Improvements	940,496	135,679	-	1,076,175
Equipment	4,321,741	86,919	-	4,408,660
Vehicles	4,829,925	84,872	( 105,604)	4,809,193
Infrastructure	50,929,282	921,941	-	51,851,223
Total at Historical Cost	\$ 86,339,653	\$ 1,229,411	\$( 105,604)	\$ 87,463,460
Less Accumulated				
Depreciation for:				
Buildings	\$( 7,281,197)	\$( 631,572)	\$ -	\$( 7,912,769)
Improvements	( 166,329)	( 25,234)	-	( 191,563)
Equipment	( 3,525,488)	( 318,242)	-	( 3,843,730)
Vehicles	( 3,687,287)	( 557,443)	86,974	( 4,157,756)
Infrastructure	( 34,879,668)	( 1,273,143)	-	( 36,152,811)
Total Accumulated				
Depreciation	( 49,539,969)	( 2,805,634)	86,974	( 52,258,629)
<b>Government Activities Capital Assets, Net</b>	<b>\$ 43,221,157</b>	<b>\$ 2,994,631</b>	<b>\$( 313,511)</b>	<b>\$ 45,902,277</b>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

	Primary Government			June 30, 2007
	June 30, 2006	Additions	Deletions	
<b>Business-Type Activities:</b>				
Non-Depreciable Assets:				
Land	\$ 57,750	\$ -	\$ -	\$ 57,750
Construction in Progress	227,949	364,983	-	592,932
Total	285,699	364,983	-	650,682
Depreciable Assets:				
Buildings	73,436	-	-	73,436
Water Plant	4,751,496	44,235	-	4,795,731
Treatment Plant	9,267,391	19,771	-	9,287,162
Equipment	1,109,528	76,282	-	1,185,810
Totals at Historical Cost	15,201,851	140,288	-	15,342,139
Less Accumulated Depreciation for:				
Buildings	( 73,331)	( 15)	-	( 73,346)
Water Plant	( 3,222,783)	( 105,710)	-	( 3,328,493)
Treatment Plant	( 6,034,992)	( 260,379)	-	( 6,295,371)
Equipment	( 734,709)	( 79,218)	-	( 813,927)
Total Accumulated Depreciation	( 10,065,815)	( 445,322)	-	( 10,511,137)
<b>Business-Type Activities</b>				
<b>Capital Assets, Net</b>	<b><u>\$ 5,421,735</u></b>	<b><u>\$ 59,949</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 5,481,684</u></b>

Depreciation expense for the year ended June 30, 2007 was charged to functions of the primary government as follows:

Government Activities:	
General Government	\$ 1,500,772
Public Safety	423,293
Public Works	239,254
Culture and Recreation	46,439
Community Development	82,512
Ike Hamilton Expo Center	483,998
Convention Center	28,357
Health and Welfare	1,009
Total Depreciation Expense - Governmental Activities	<u>\$ 2,805,634</u>

Business-Type Activities:	
Utilities	<u>\$ 445,322</u>

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

At June 30, 2007, all restricted assets were in the form of demand deposits. These assets represent amounts held for utility customer deposits.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

**Note 10 - Pension and Retirement Plans**

CITY OF WEST MONROE-SPONSORED PENSION PLANS

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

Effective January 1, 1986, the City-Sponsored West Monroe Firemen's Pension and Relief System merged with the State Firefighters' Retirement System. As a result of that merger, the City of West Monroe was indebted to the State Firefighters' Retirement System for \$1,023,120 at June 30, 2007 which represents the remaining principal balance of the accrued liability for those employees transferred to the Firefighters' Retirement System. This amount is being paid over 30 years at 7% interest. The City paid principal and interest payments of \$171,340 during fiscal year 2007 from sales tax revenues.

STATE RETIREMENT SYSTEMS

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

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

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

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

Funding Policy – State statute requires covered employees to contribute 9.25 percent of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The current actuarially determined rate is 16.0 percent of annual covered payroll. The City's contributions to the System under Plan A for the years ending June 30, 2007, 2006 and 2005 were \$827,139, \$791,918 and \$694,298, respectively, equal to the required contributions for each year.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

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

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

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

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

Funding Policy - State statute requires covered employees to contribute 7.50 percent of their salaries to the system. The City is required to contribute 16.25 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the System for the years ending June 30, 2007, 2006 and 2005 were \$415,479, \$406,779 and \$495,210, respectively, equal to the required contributions for the year.

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

FIREFIGHTERS' RETIREMENT SYSTEM

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

Funding Policy - State statute requires covered employees to contribute 8.00 percent of their salaries to the system. The City is required to contribute 18.00 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contribution to the System for the years ending June 30, 2007, 2006 and 2005 were \$186,698, \$224,801, and \$265,998, respectively, equal to the required contributions for the year.

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

LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM

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

Funding Policy - State statute requires covered employees to contribute 11.50 percent of their salaries to the system. The City is required to contribute 19.1 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contribution to the plan for the years ending June 30, 2007, 2006 and 2005 were \$7,097, \$6,822 and \$6,056, respectively, equal to the required contributions for the year.

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

**Note 11 - Postemployment Health Care Benefits**

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

**CITY OF WEST MONROE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**Note 12 - Long-Term Debt**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds and Notes Payable:					
Certificates of Indebtedness,					
Series 2003	\$ 6,505,000	\$ -	\$ 715,000	\$ 5,790,000	\$ 735,000
Series 2005	275,000	-	25,000	250,000	25,000
Series 2006	640,000	-	10,000	630,000	55,000
State Firefighters' Retirement System	<u>1,116,318</u>	<u>-</u>	<u>93,198</u>	<u>1,023,120</u>	<u>99,721</u>
<u>Total Bonds and Notes Payable</u>	<u>8,536,318</u>	<u>-</u>	<u>843,198</u>	<u>7,693,120</u>	<u>914,721</u>
<b>Other Liabilities:</b>					
Accrued Heart and Lung Disability	\$ 987,532	\$ -	\$ 80,273	\$ 907,259	\$ 62,697
Capital Lease Obligations	580,972	-	368,019	212,953	212,953
Accrued Vacation, Sick And Compensatory Time	<u>606,978</u>	<u>-</u>	<u>19,022</u>	<u>587,956</u>	<u>587,956</u>
Total Other Liabilities	<u>2,175,482</u>	<u>-</u>	<u>467,314</u>	<u>1,708,168</u>	<u>863,606</u>
<u>Total Governmental Activities</u>	<u>\$10,711,800</u>	<u>\$ -</u>	<u>\$ 1,310,512</u>	<u>\$ 9,401,288</u>	<u>\$1,778,327</u>
<u>Long-Term Debt</u>					

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

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

Year Ended June 30,	Certificates of Indebtedness					
	Series 2006		Series 2005		Series 2003	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 55,000	\$ 37,656	\$ 25,000	\$ 12,469	\$ 735,000	\$ 205,513
2009	55,000	34,219	30,000	11,025	765,000	177,088
2010	60,000	30,625	30,000	9,450	795,000	147,526
2011	65,000	26,719	30,000	7,875	825,000	116,827
2012	70,000	22,500	30,000	6,300	855,000	84,991
2013-2015	<u>325,000</u>	<u>42,031</u>	<u>105,000</u>	<u>8,269</u>	<u>1,815,000</u>	<u>69,452</u>
<u>Total</u>	<u>\$ 630,000</u>	<u>\$ 193,750</u>	<u>\$ 250,000</u>	<u>\$ 55,388</u>	<u>\$ 5,790,000</u>	<u>\$ 801,397</u>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

Year Ended <u>June 30,</u>	State Firefighters' <u>Retirement System</u>	
	<u>Principal</u>	<u>Interest</u>
2008	\$ 99,721	\$ 71,618
2009	106,702	64,638
2010	114,171	57,169
2011	122,163	49,177
2012	130,714	40,625
<u>2013-2015</u>	<u>449,649</u>	<u>64,369</u>
<u>Total</u>	<u>\$ 1,023,120</u>	<u>\$ 347,596</u>

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

The City of West Monroe is self-insured with respect to workers' compensation claims up to \$250,000 per occurrence. Consequently, the City is responsible for providing Louisiana State Workers Compensation benefits under the Heart and Lung Act. Under this act, special treatment has been accorded firemen who develop any disease or infirmity of the heart and lungs. Louisiana Revised Statute 33.2581 provides a presumption in favor of firemen that the disease is related to employment even if they are not on duty when stricken with the disease, if the disease manifests itself after the first five years of employment. At June 30, 2007, the City is responsible for payment of lifetime benefits to five firemen. The actuarial estimate of the liability is \$907,259.

The annual payment requirements outstanding at June 30, 2007 are as follows:

2008	\$ 62,697
2009	62,697
2010	62,697
2011	62,697
2012	62,697
<u>2013-2017</u>	<u>313,485</u>
<u>2018-2022</u>	<u>184,921</u>
<u>2023-2027</u>	<u>68,120</u>
<u>2028-2032</u>	<u>27,248</u>
<u><b>TOTAL</b></u>	<u><b>\$ 907,259</b></u>

**Note 14 - Capital Lease Obligations**

The City has a long-term noncancelable capital lease with Ford Motor Credit to finance the acquisition of thirty-two police vehicles and related communications equipment. The City also has a long-term noncancelable capital lease with Government Capital Corporation to finance the acquisition of a sewer cleaner truck and two garbage trucks. The leases qualify as capital leases for accounting purposes as defined under the FASB No. 13, *Accounting for Leases*, and therefore have been recorded at the present value of future minimum lease payments at the date of inception of the leases.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

**Note 14 - Capital Lease Obligations (continued)**

Future minimum lease payments to be made are as follows:

	<u>Year Ended</u>	<u>Amount</u>
	<u>June 30,</u>	
	2008	\$ 221,924
<u>Less:</u> Amount Representing Interest		(\$ 8,971)
Present Value of Future Minimum Lease Payments		<u>\$ 212,953</u>

**Note 15 - Operating Lease**

The City is obligated under a lease accounted for as an operating lease with IBM for one of its computer mainframes and other computer equipment. The lease renews every three years. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2007:

	<u>Year Ended</u>	<u>Amount</u>
	<u>June 30,</u>	
	2008	\$ 65,540

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

	<u>Year Ended</u>	<u>Amount</u>
	<u>June 30,</u>	
	2008	\$ 12,000
	2009	12,000
	2010	12,000
	2011	12,000
	2012	12,000
	2013-2015	36,000

**Note 16 - Northeast Louisiana Arts Council**

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

**Note 17 - Litigation**

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

**Note 18 - Self-Insurance Program**

During 1998, the City began a self-insurance program for hospitalization and medical coverage for its active employees and retirees. The City limits its losses through the use of reinsurers. The City's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees. At June 30, 2007, the City's annual cost, excluding reinsurance premiums, is limited to approximately \$1,792,693 which was for active employees. Approximately 30 retirees receive benefits under this plan. These retirees reimbursed the City for \$143,642 during the year ended June 30, 2007 for their cost of the health care benefits.

**Note 19 - Cooperative Endeavor Agreement**

The Monroe-West Monroe Convention & Visitor's Bureau of Ouachita Parish (the Bureau) entered into a cooperative endeavor agreement with the City for the construction of an addition to the Livestock Pavilion and equipment purchased. The agreement is for the Bureau to pay the City up to \$400,000 toward the cost of construction of the addition. As of June 30, 2007, the Bureau had paid \$323,872.

**Note 20 - Deferred Compensation Plan**

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

Since the assets of the plans are held in a custodial account with a third party administrator, the assets and liabilities are not presented in the City's financial statements in accordance with GASB 32. Assets with a fair market value of \$171,799 are held by Nationwide Retirement Solutions, Inc. and assets with a fair market value of \$205,735 are held by AIG VALIC under agreement with the City.

**Note 21 - Interfund Receivables and Payables**

Interfund balances at June 30, 2007, were as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Interfund</u>
		<u>Payables</u>
<b>Major Funds:</b>		
General Fund	\$ 1,978,265	\$ 135,541
'86 Sales Tax	135,541	1,525,000
I-20 Capital Project/Downing Pines	-	1,225,994
<b>Enterprise Fund</b>		
		4,115
<b>Non-Major Funds:</b>		
Special Revenue Funds	502,556	266,365
Capital Project Funds	-	377,945
Expendable Trust Funds	1,079,524	-
Debt Service Funds	-	158,485
Internal Service Fund	-	2,441
<b>TOTAL</b>	<b>\$ 3,695,886</b>	<b>\$ 3,695,886</b>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

**Note 21 - Interfund Receivables and Payables (continued)**

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

**Note 22 - Interfund Operating Transfers In and Out**

Interfund operating transfers in and out during the year ended June 30, 2007, were as follows:

<u>Fund</u>	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
<b>Major Funds:</b>		
General Fund	\$ 207,000	\$ 843,113
'86 Sales Tax Capital	-	1,194,000
<b>Enterprise Fund</b>	<b>324,317</b>	-
<b>Non-Major Funds:</b>		
Special Revenue Funds	178,928	-
Expendable Trust Funds	207,907	-
Debt Service Funds	987,000	-
Internal Service Fund	<u>131,961</u>	-
<b>TOTAL</b>	<b><u>\$ 2,037,113</u></b>	<b><u>\$ 2,037,113</u></b>

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

**Note 23 - On-Behalf Payments**

Certain City employees in the City Marshal's office, the West Monroe Police and Fire departments receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No. 24, the City has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$350,719 and the related expenditures are as follows:

Marshal's Office	\$ 8,585
Police Department	206,721
Jail	17,584
Fire Department	<u>117,829</u>
<b>Total</b>	<b><u>\$ 350,719</u></b>

**Note 24 - Minimum Lease Payments Receivable – Direct Financing Lease**

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

**Note 24 - Minimum Lease Payments Receivable – Direct Financing Lease (continued)**

The following lists the components of the minimum lease payments to be received under the direct financing lease as of June 30, 2007:

Total minimum lease payments to be received	\$ 1,615,341
Less: Amounts representing estimated executory costs (such as taxes, maintenance, and insurance), including profit thereon, included in total minimum lease payments	2,729
Minimum lease payments receivable	1,612,612
Estimated residual values of leased property (unguaranteed)	-
Less: Unearned Income	( 264,545)
<b>NET MINIMUM LEASE PAYMENTS RECEIVABLE –  DIRECT FINANCING LEASE</b>	<b>\$ 1,348,067</b>

Future minimum lease payments are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2008	\$ 147,000
2009	147,000
2010	147,000
2011	147,000
2012	147,000
2013-2017	643,515
2018-2022	125,100
2023-2027	<u>108,997</u>
<b>Total</b>	<b>\$ 1,612,612</b>

**Note 25 - Operating Lease – Golf Course Lease Agreement**

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

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2008	\$ 10,500
2009	10,500
2010	10,500
2011	10,500
2012	10,500
2013-2017	<u>48,125</u>
<b>Total</b>	<b>\$ 100,625</b>

REQUIRED SUPPLEMENTAL INFORMATION (PART B)  
BUDGETARY COMPARISON SCHEDULES

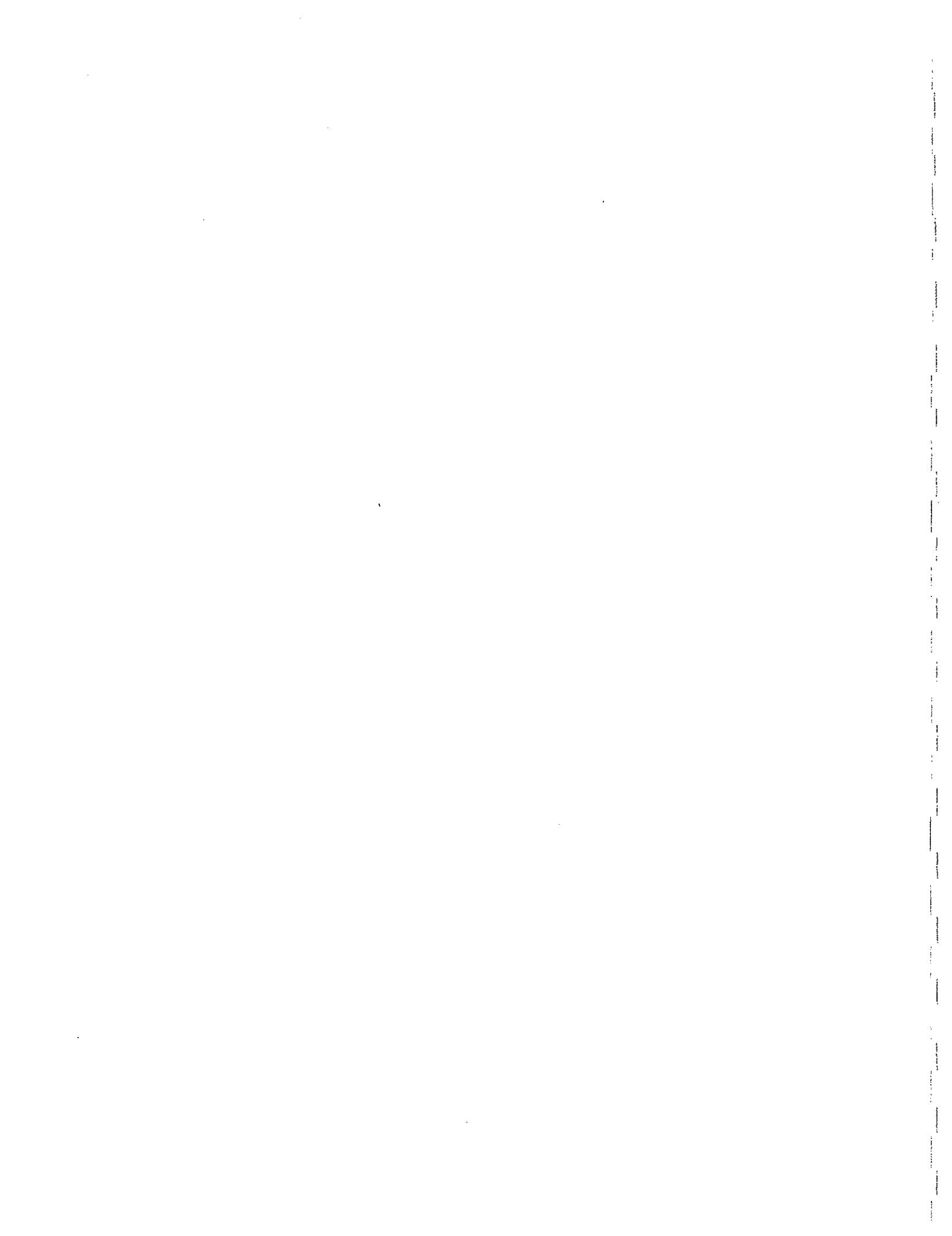
CITY OF WEST MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 10,823,000	\$ 11,169,000	\$ 11,169,017	\$ 17
Intergovernmental	750,730	735,000	731,800	(3,200)
Licenses and Permits	801,500	849,000	849,171	171
Charges for Services	2,280,900	2,280,900	2,277,691	(3,209)
Fines and Forfeitures	690,500	714,000	714,122	122
Interest Earned	211,200	185,000	184,757	(243)
Franchise Revenue	888,500	973,000	971,526	(1,474)
Other	35,000	89,500	96,474	6,974
<b>Total Revenues</b>	<b>16,481,330</b>	<b>16,995,400</b>	<b>16,994,558</b>	<b>(842)</b>
<b>Expenditures</b>				
General Government:				
Elected Council	79,620	79,620	78,775	845
City Court	366,984	339,000	338,411	589
Marshal	257,413	231,000	230,668	332
Mayor's Office	165,690	165,690	165,739	(49)
City Clerk's Office	842,175	853,000	853,095	(95)
City Hall Maintenance	425,630	445,000	445,977	(977)
General and Administrative	2,705,788	1,560,000	1,558,285	1,715
Public Safety:				
Legal	326,500	349,000	349,338	(338)
Fire	1,807,983	1,828,000	1,828,743	(743)
Police	3,965,894	3,947,000	3,946,690	310
Prison	565,372	590,000	590,194	(194)
Police Shop	93,930	93,930	94,136	(206)
Public Works:				
Garbage	705,275	664,000	663,263	737
Trash	525,700	525,700	520,109	5,591
Streets	686,230	778,000	778,509	(509)
Cemetery	33,075	33,075	34,110	(1,035)
Planning and Zoning	208,007	135,897	134,561	1,336
City Maintenance Shop	281,365	275,000	274,549	451

CITY OF WEST MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>Culture and Recreation:</b>				
Recreation and Parks	\$ 300,185	\$ 300,185	\$ 304,611	\$ (4,426)
Kiroli Park	308,940	308,940	294,888	14,052
Lazarre Park	9,700	9,700	12,915	(3,215)
Farmer's Market	41,450	38,000	38,092	(92)
Tanner Building & Business Center	231,145	225,500	221,650	3,850
Community Development	289,734	289,734	284,056	5,678
Ike Hamilton Expo Center	956,010	981,000	982,125	(1,125)
Convention Center	737,034	739,000	739,057	(57)
Economic Development	60,087	60,087	61,768	(1,681)
<b>Total Expenditures</b>	<b>16,976,916</b>	<b>15,845,058</b>	<b>15,824,314</b>	<b>20,744</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(495,586)</b>	<b>1,150,342</b>	<b>1,170,244</b>	<b>19,902</b>
<b>Other Financing Sources and (Uses)</b>				
Transfers In	215,000	207,000	207,000	-
Transfers Out	(380,000)	(843,000)	(843,113)	(113)
<b>Total Other Financing Sources and Uses</b>	<b>(165,000)</b>	<b>(636,000)</b>	<b>(636,113)</b>	<b>(113)</b>
<b>Net Change in Fund Balance</b>	<b>(660,586)</b>	<b>514,342</b>	<b>534,131</b>	<b>19,789</b>
<b>Fund Balance at Beginning of Year</b>	<b>5,183,811</b>	<b>5,183,811</b>	<b>5,183,811</b>	<b>-</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 4,523,225</b>	<b>\$ 5,698,153</b>	<b>\$ 5,717,942</b>	<b>\$ 19,789</b>

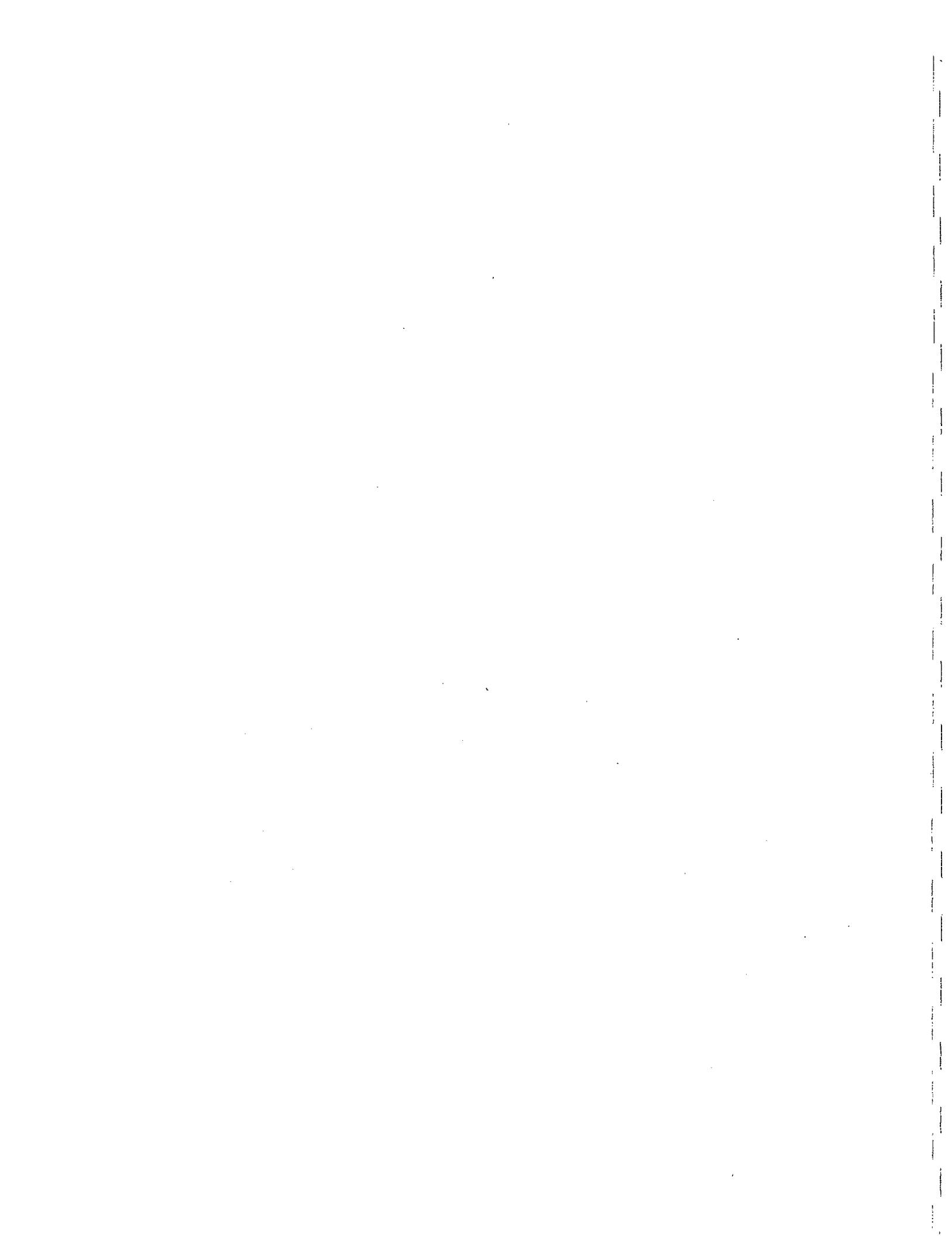
The accompanying notes are an integral part of this financial statement.



CITY OF WEST MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - '86 SALES TAX 75% CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2007

				Variance With Final Budget
	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		
<b>Revenues</b>				
Sales Tax	\$ 4,420,000	\$ 4,790,000	\$ 4,796,161	\$ 6,161
Non-City Revenue	350,000	115,000	107,405	(7,595)
Interest Income	2,000	-	9,085	9,085
<b>Total Revenues</b>	<b>4,772,000</b>	<b>4,905,000</b>	<b>4,912,651</b>	<b>7,651</b>
<b>Expenditures</b>				
Computer Equipment and Software	325,000	473,000	470,450	2,550
Street Projects	300,000	823,000	822,035	965
Drainage Projects	75,000	76,000	76,914	(914)
Furniture and Fixtures	50,000	32,000	32,666	(666)
Vehicles	500,000	495,000	492,290	2,710
Machinery and Equipment	400,000	420,000	418,224	1,776
Consultants	15,000	62,000	60,400	1,600
Engineering	200,000	452,000	452,348	(348)
Construction/Buildings/Facilities	750,000	651,000	646,310	4,690
Water Projects	125,000	108,000	107,985	15
Sewer Projects	120,000	69,000	68,846	154
Treatment Plant Projects	150,000	535,000	534,809	191
Land Purchases	-	35,000	35,478	(478)
Maintenance	250,000	300,000	301,440	(1,440)
<b>Total Expenditures</b>	<b>3,260,000</b>	<b>4,531,000</b>	<b>4,520,195</b>	<b>10,805</b>
<b>Deficiency of Revenues Over Expenditures</b>	<b>1,512,000</b>	<b>374,000</b>	<b>392,456</b>	<b>18,456</b>
<b>Other Financing Sources and (Uses)</b>				
Transfers In	-	-	-	-
Transfers Out	(1,025,000)	(1,194,000)	(1,194,000)	-
<b>Total Other Financing Sources and Uses</b>	<b>(1,025,000)</b>	<b>(1,194,000)</b>	<b>(1,194,000)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>487,000</b>	<b>(820,000)</b>	<b>(801,544)</b>	<b>18,456</b>
<b>Fund Balance at Beginning of Year</b>	<b>(514,661)</b>	<b>(514,661)</b>	<b>(514,661)</b>	<b>-</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ (27,661)</b>	<b>\$ (1,334,661)</b>	<b>\$ (1,316,205)</b>	<b>\$ 18,456</b>

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



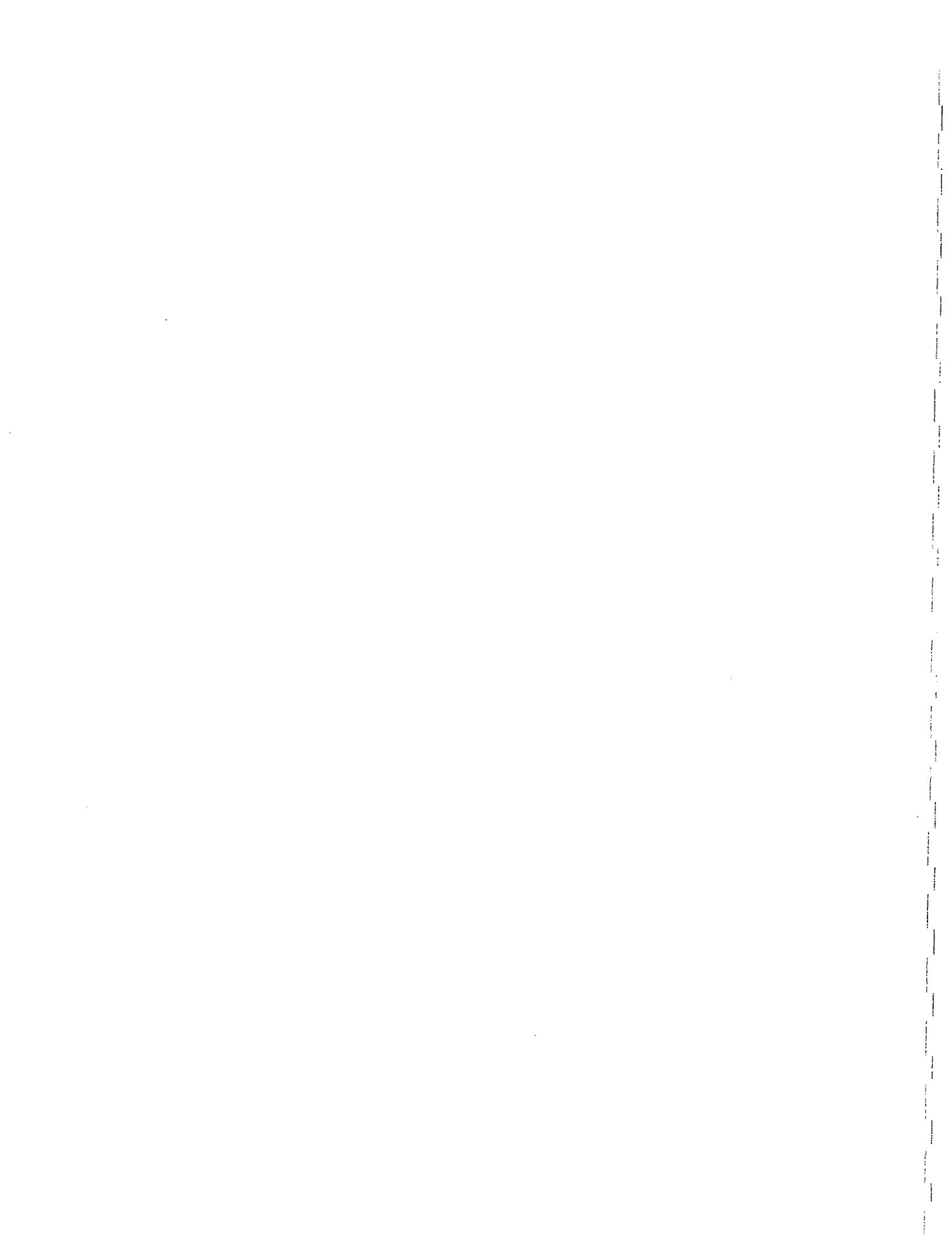
CITY OF WEST MONROE, LOUISIANA  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2007

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

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

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

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



PRIMARY GOVERNMENT SUPPLEMENTAL  
INFORMATION SCHEDULES

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2007

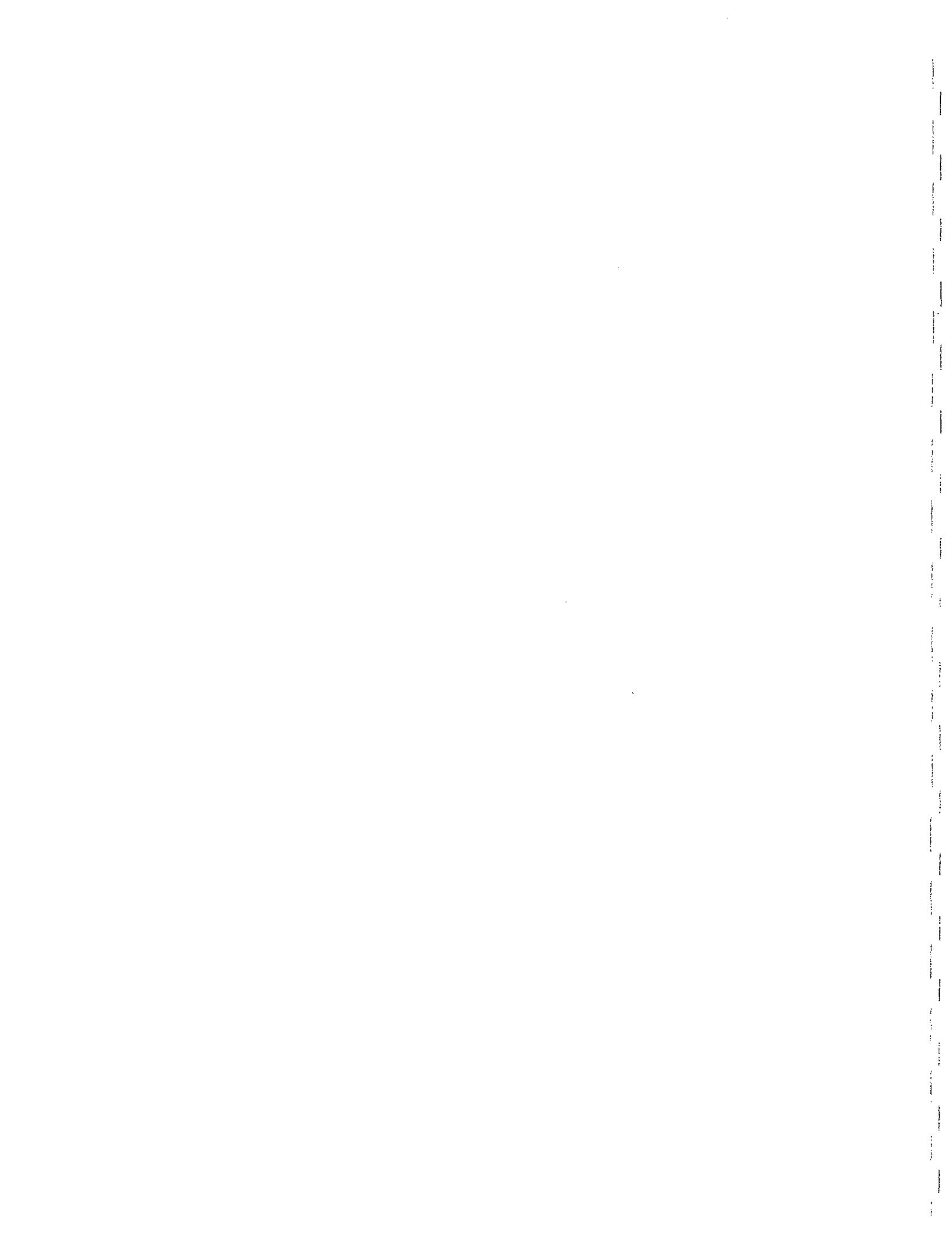
	Street Maintenance Fund	West Ouachita Senior Center Fund	Emergency Shelter Program Fund	Officer Witness Court Fund
<b><u>ASSETS</u></b>				
Cash in Bank	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due From Other Governments	-	9,415	-	350
Due From Other Funds	<u>286,027</u>	-	<u>13,005</u>	<u>52,482</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 286,027</u></b>	<b><u>\$ 9,415</u></b>	<b><u>\$ 13,005</u></b>	<b><u>\$ 52,832</u></b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ -	\$ 728	\$ -	\$ -
Due To Other Funds	-	<u>8,687</u>	-	-
<b>Total Liabilities</b>	<b>-</b>	<b><u>9,415</u></b>	<b>-</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>				
Unreserved	<u>286,027</u>	-	<u>13,005</u>	<u>52,832</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 286,027</u></b>	<b><u>\$ 9,415</u></b>	<b><u>\$ 13,005</u></b>	<b><u>\$ 52,832</u></b>

Rental Rehabilitation Fund	Metro LCLE Grant Fund	Juvenile Justice Grant Fund	Law Enforcement Training Center Fund	North Delta Office of Motor Vehicles	
\$ 6,904	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	
-	27,537	6,654	-	9,132	C
-	96,441	-	-	25,559	O
<u>\$ 6,904</u>	<u>\$ 123,978</u>	<u>\$ 6,654</u>	<u>\$ -</u>	<u>\$ 34,691</u>	N
					T
\$ -	\$ 121,364	\$ -	\$ -	\$ -	I
-	-	6,654	53,332	-	N
-	121,364	6,654	53,332	-	U
<u>6,904</u>	<u>2,614</u>	<u>-</u>	<u>(53,332)</u>	<u>34,691</u>	E
					D
<u>\$ 6,904</u>	<u>\$ 123,978</u>	<u>\$ 6,654</u>	<u>\$ -</u>	<u>\$ 34,691</u>	

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2007

	Section 8 Housing Fund	Brownfields Assessment Grant	21st Century Department of Education Grant	Americorps Grant Fund
<b><u>ASSETS</u></b>				
Cash in Bank	\$ 833,982	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due From Other Governments	-	10,083	29,000	9,734
Due From Other Funds	-	-	-	3,714
<b>TOTAL ASSETS</b>	<b>\$ 833,982</b>	<b>\$ 10,083</b>	<b>\$ 29,000</b>	<b>\$ 13,448</b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 14,053	\$ -	\$ -	\$ -
Due To Other Funds	128,652	29,596	29,905	-
<b>Total Liabilities</b>	<b>142,705</b>	<b>29,596</b>	<b>29,905</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>				
Unreserved	691,277	(19,513)	(905)	13,448
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 833,982</b>	<b>\$ 10,083</b>	<b>\$ 29,000</b>	<b>\$ 13,448</b>

Childrens' Trust Fund	Community Center Donations Fund	Boys and Girls Club Grant	Keep West Monroe Beautiful Grant	Union Pacific Grant	
\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	
106	-	-	-	-	C
-	9,398	-	-	6,930	O
<u>\$ 106</u>	<u>\$ 9,398</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,930</u>	N
					T
\$ 106	\$ 791	\$ -	\$ -	\$ -	I
-	-	9,539	-	-	N
106	791	9,539	-	-	U
-	8,607	(9,539)	-	6,930	E
<u>\$ 106</u>	<u>\$ 9,398</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,930</u>	D



CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2007

	Foundation For The Mid-South Grant	Family Programming Grant	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>			
Cash in Bank	\$ -	\$ -	\$ 840,886
Accounts Receivable	-	-	-
Due From Other Governments	-	-	102,011
Due From Other Funds	1,500	7,500	502,556
<b>TOTAL ASSETS</b>	<b>\$ 1,500</b>	<b>\$ 7,500</b>	<b>\$ 1,445,453</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ 137,042
Due To Other Funds	-	-	266,365
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>403,407</b>
<b>FUND BALANCES</b>			
Unreserved	1,500	7,500	1,042,046
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,500</b>	<b>\$ 7,500</b>	<b>\$ 1,445,453</b>

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS)  
FOR THE YEAR ENDED JUNE 30, 2007

	Street Maintenance Fund	West Ouachita Senior Center Fund	Emergency Shelter Program Fund	Officer Witness Court Fund
<b>Revenues</b>				
Taxes	\$ 173,606	\$ -	\$ -	\$ -
Intergovernmental	-	127,592	-	-
Interest	-	-	-	-
Other	-	154,205	20,000	79,574
<b>Total Revenues</b>	<b>173,606</b>	<b>281,797</b>	<b>20,000</b>	<b>79,574</b>
<b>Expenditures</b>				
Public Safety	-	-	-	75,650
Public Works	69,972	-	-	-
Health and Welfare	-	460,725	20,060	-
Culture and Recreation	-	-	-	-
Capital Expenditures & Major Repairs	-	-	-	-
<b>Total Expenditures</b>	<b>69,972</b>	<b>460,725</b>	<b>20,060</b>	<b>75,650</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>103,634</b>	<b>(178,928)</b>	<b>(60)</b>	<b>3,924</b>
<b>Other Financing Sources</b>				
Operating Transfers - In (Out)	-	178,928	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>178,928</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>103,634</b>	<b>-</b>	<b>(60)</b>	<b>3,924</b>
<b>Fund Balances - Beginning</b>	<b>182,393</b>	<b>-</b>	<b>13,065</b>	<b>48,908</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 286,027</b>	<b>\$ -</b>	<b>\$ 13,005</b>	<b>\$ 52,832</b>

Rental Rehabilitation Fund	Metro LCLE Grant Fund	Juvenile Justice Grant Fund	North Delta Law Enforcement Training Center Fund	Office of Motor Vehicles
\$ -	\$ -	\$ -	\$ -	\$ -
-	150,169	17,256	-	70,017
-	-	-	-	-
-	-	-	63,944	-
-	150,169	17,256	63,944	70,017
				C
-	150,169	17,256	78,076	44,272
-	-	-	-	O
-	-	-	-	-
-	-	-	-	N
				T
				I
-	-	-	(14,132)	25,745
				N
				U
			-	E
			-	D
-	-	-	(14,132)	25,745
6,904	2,614	-	(39,200)	8,946
\$ 6,904	\$ 2,614	\$ -	\$ (53,332)	\$ 34,691

**CITY OF WEST MONROE, LOUISIANA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES (DEFICITS)**  
**FOR THE YEAR ENDED JUNE 30, 2007**

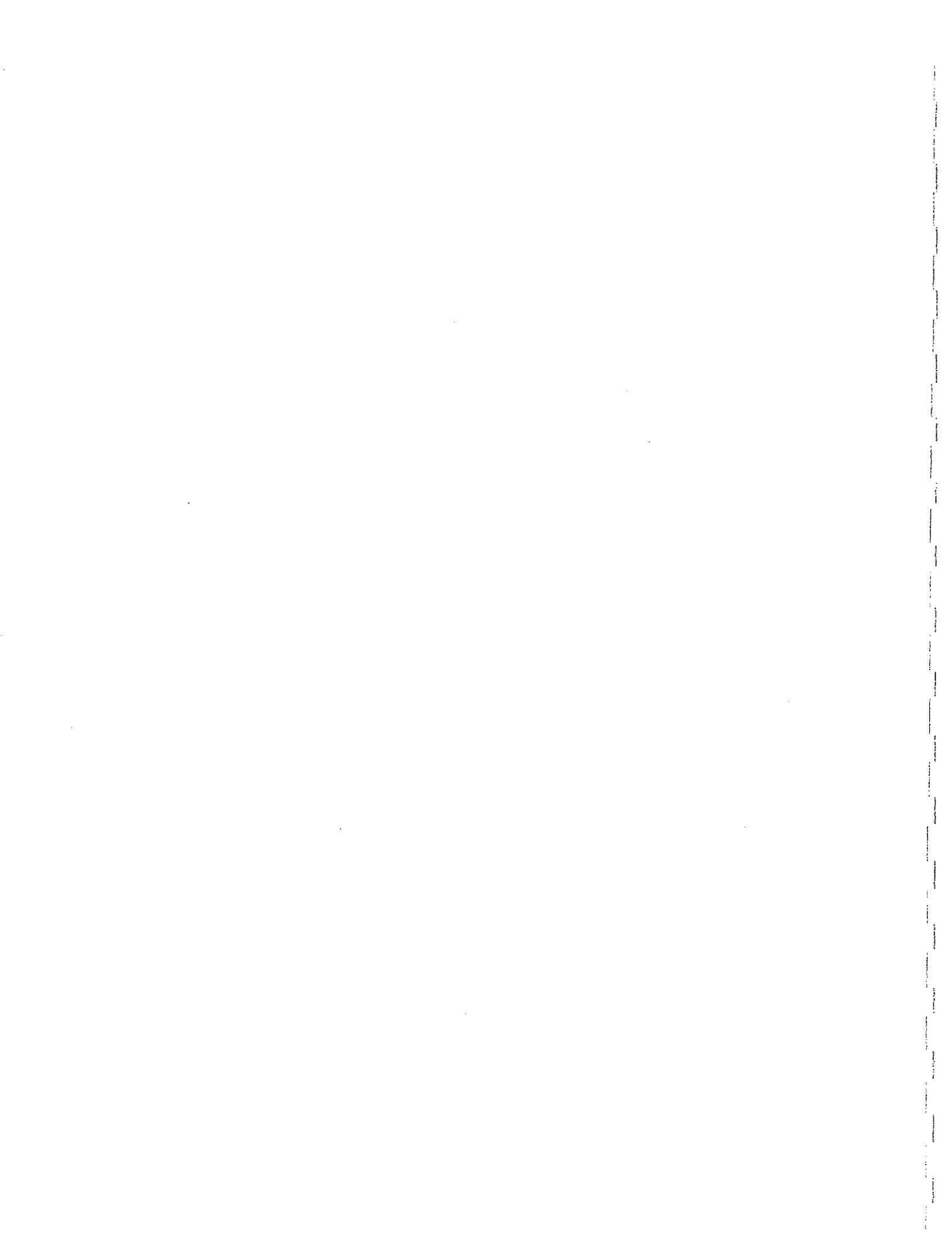
	Section 8 Housing Fund	Brownfields Assessment Grant	21st Century Department of Education Grant	Americorps Grant Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,042,495	167,537	199,277	78,865
Interest	35,497	-	-	-
Other	2,940	-	-	-
<b>Total Revenues</b>	<b>2,080,932</b>	<b>167,537</b>	<b>199,277</b>	<b>78,865</b>
<b>Expenditures</b>				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health and Welfare	1,654,446	173,492	-	-
Culture and Recreation	-	-	199,277	78,865
Capital Expenditures & Major Repairs	-	-	-	-
<b>Total Expenditures</b>	<b>1,654,446</b>	<b>173,492</b>	<b>199,277</b>	<b>78,865</b>
<b>Excess (Deficiency) of</b>				
<b>Revenues Over Expenditures</b>	<b>426,486</b>	<b>(5,955)</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers - In (Out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>426,486</b>	<b>(5,955)</b>	<b>-</b>	<b>-</b>
<b>Fund Balances - Beginning</b>	<b>264,791</b>	<b>(13,558)</b>	<b>(905)</b>	<b>13,448</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 691,277</b>	<b>\$ (19,513)</b>	<b>\$ (905)</b>	<b>\$ 13,448</b>

Childrens' Trust Fund	Community Center Donations Fund	Boys and Girls Club Grant	Keep West Monroe Beautiful Grant	Union Pacific Grant	
\$ -	\$ -	\$ -	\$ -	\$ -	
4,877	-	-	-	-	
-	-	-	-	-	
<u>4,877</u>	<u>20,285</u>	<u>-</u>	<u>1,616</u>	<u>7,000</u>	
	20,285	-	1,616	7,000	
					C
					O
4,877	30,057	828	-	70	N
-	-	-	-	-	T
<u>4,877</u>	<u>30,057</u>	<u>828</u>	<u>-</u>	<u>70</u>	I
-	(9,772)	(828)	1,616	6,930	N
					U
					E
-	-	-	-	-	D
-	(9,772)	(828)	1,616	6,930	
-	<u>18,379</u>	<u>(8,711)</u>	<u>(1,616)</u>	<u>-</u>	
<u>\$ -</u>	<u>\$ 8,607</u>	<u>\$ (9,539)</u>	<u>\$ -</u>	<u>\$ 6,930</u>	



CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS)  
FOR THE YEAR ENDED JUNE 30, 2007

	Foundation For The Mid-South Grant	Family Programming Grant	Total Nonmajor Special Revenue Funds
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ 173,606
Intergovernmental	- -	- -	2,858,085
Interest	- -	- -	35,497
Other	1,500	7,500	358,564
<b>Total Revenues</b>	<b>1,500</b>	<b>7,500</b>	<b>3,425,752</b>
<b>Expenditures</b>			
Public Safety	- -	- -	365,423
Public Works	- -	- -	69,972
Health and Welfare	- -	- -	2,308,723
Culture and Recreation	- -	- -	313,974
Capital Expenditures & Major Repairs	- -	- -	- -
<b>Total Expenditures</b>	<b>- -</b>	<b>- -</b>	<b>3,058,092</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>1,500</b>	<b>7,500</b>	<b>367,660</b>
<b>Other Financing Sources (Uses)</b>			
Operating Transfers - In (Out)	- -	- -	178,928
<b>Total Other Financing Sources (Uses)</b>	<b>- -</b>	<b>- -</b>	<b>178,928</b>
<b>Net Change in Fund Balance</b>	<b>1,500</b>	<b>7,500</b>	<b>546,588</b>
<b>Fund Balances - Beginning</b>	<b>- -</b>	<b>- -</b>	<b>495,458</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 1,500</b>	<b>\$ 7,500</b>	<b>\$ 1,042,046</b>



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

	June 30,	
	2007	2006
<b><u>Assets</u></b>		
Due From Other Governments:		
Department of Transportation	\$ 9,415	\$ 7,328
<b>Total Assets</b>	<b>\$ 9,415</b>	<b>\$ 7,328</b>
<b><u>Liabilities and Fund Balance</u></b>		
<b><u>Liabilities</u></b>		
Accounts Payable	\$ 728	\$ -
Due To Other Funds	8,687	7,328
<b>Total Liabilities</b>	<b>9,415</b>	<b>7,328</b>
<b><u>Fund Balance</u></b>		
Unreserved	-	-
<b>Total Liabilities and Fund Balance</b>	<b>\$ 9,415</b>	<b>\$ 7,328</b>



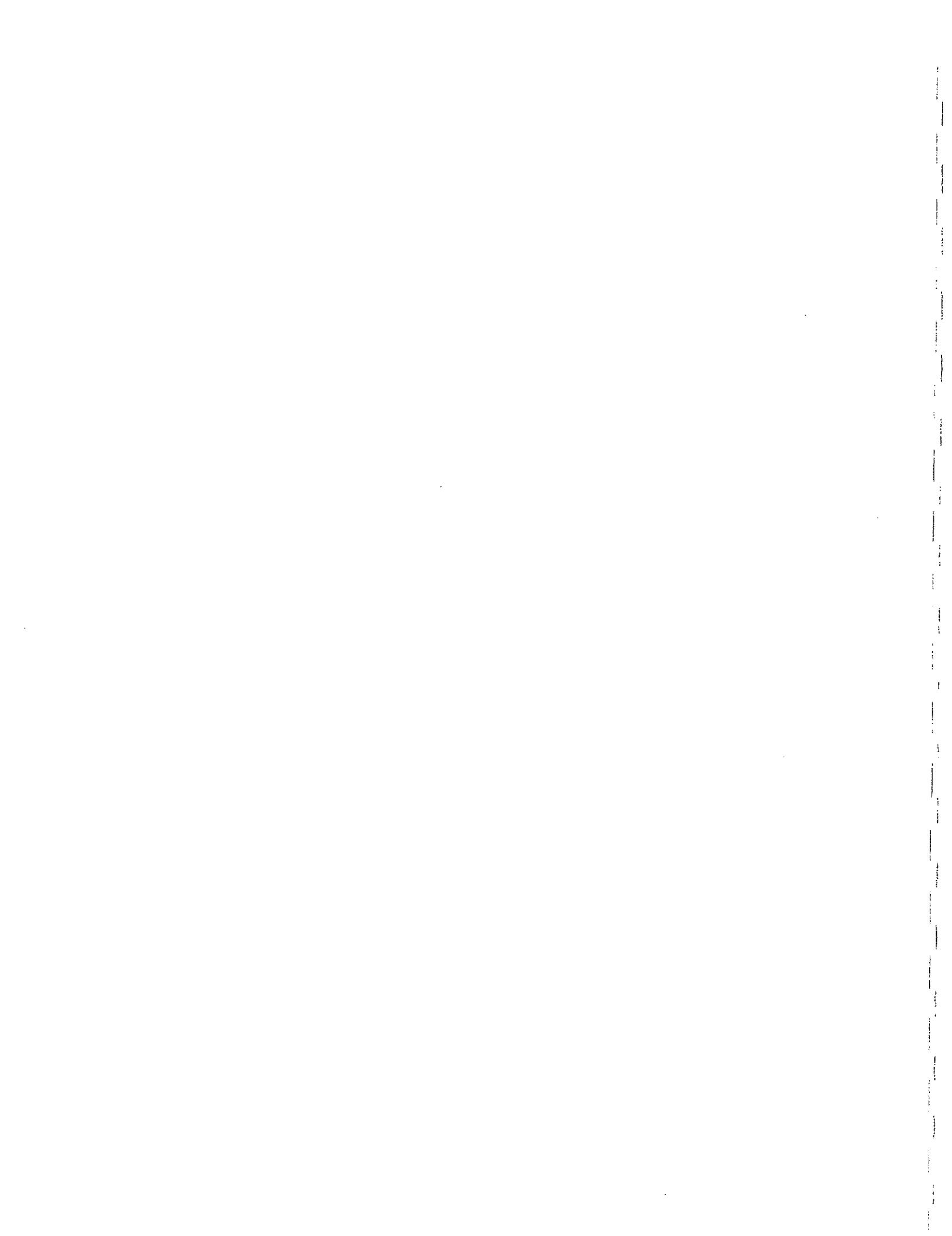
**CITY OF WEST MONROE, LOUISIANA**  
**NONMAJOR SPECIAL REVENUE FUND**  
**WEST OUACHITA SENIOR CENTER**  
**SCHEDULES OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**

	For the Years Ended June 30,	
	2007	2006
<b>Revenues</b>		
Department of Transportation	\$ 53,763	\$ 53,187
Ouachita Council on Aging	46,617	37,323
Senior Center Funds	6,621	26,271
Supplemental Senior Center Funds	14,286	-
Reimbursement for FY 06 Subcontractor Expenses	108,678	120,636
United Way	6,305	3,236
Transportation Fees	45,527	36,637
Miscellaneous Revenues (Ceramics, Greenhouse, etc.)	<u>281,797</u>	<u>277,290</u>
Total Revenues		
<b>Expenditures</b>		
Salaries and Related Expenditures	306,418	341,773
Professional Services	2,706	-
Repairs and Maintenance	6,799	6,396
Communications	7,702	5,249
Postage	8,254	4,211
Newsletter	3,968	1,276
Advertising	1,461	1,913
Travel	910	226
Supplies	54,117	50,666
Utilities	67,718	72,953
Miscellaneous	672	3,950
Total Expenditures	<u>460,725</u>	<u>488,613</u>
<b>Deficiency of Revenues Over Expenditures</b>	<b>(178,928)</b>	<b>(211,323)</b>
<b>Other Financing Sources</b>		
Transfers In From City General Fund	<u>178,928</u>	<u>211,323</u>
<b>Net Change in Fund Balance</b>		
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>



CITY OF WEST MONROE, LOUISIANA  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2007

	Firemen's Pension Merger Fund	Capital Projects Debt Service Fund	Total Nonmajor Debt Service Funds
<b><u>ASSETS</u></b>			
Cash in Bank	\$ -	\$ -	\$ -
<b><u>LIABILITIES</u></b>			
Due To Other Funds	\$ 16,921	\$ 141,564	\$ 158,485
<b><u>FUND BALANCES</u></b>			
Reserved For Debt Service	\$ (16,921)	\$ (141,564)	\$ (158,485)
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>			
	\$ -	\$ -	\$ -



**CITY OF WEST MONROE, LOUISIANA**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	Firemen's Pension Merger Fund	Capital Projects Debt Service Fund	Total Nonmajor Debt Service Funds
<b>Revenues</b>			
Taxes	\$ 171,600	\$ -	\$ 171,600
Total Revenues	<u>171,600</u>	<u>-</u>	<u>171,600</u>
<b>Expenditures</b>			
Principal Retirement	93,198	750,000	843,198
Interest	78,142	280,931	359,073
Total Expenditures	<u>171,340</u>	<u>1,030,931</u>	<u>1,202,271</u>
<b>Excess ((Deficiency) of Revenues Over Expenditures</b>	260	(1,030,931)	(1,030,671)
<b>Other Financing Sources</b>			
Operating Transfers - In	-	987,000	987,000
<b>Net Change in Fund Balance</b>	260	(43,931)	(43,671)
<b>Fund Balance - Beginning</b>	<u>(17,181)</u>	<u>(97,633)</u>	<u>(114,814)</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ (16,921)</u></u>	<u><u>\$ (141,564)</u></u>	<u><u>\$ (158,485)</u></u>

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2007

	Detention Basin Grant Project	CDBG - Send Technologies Project	CDBG - Pine Valley Foods Project
<b><u>ASSETS</u></b>			
Cash in Bank	\$ -	\$ 6	\$ 3
Due From Other Governments	-	-	-
Due From Other Funds	-	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6</u></b>	<b><u>\$ 3</u></b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ -	\$ -	\$ -
Due To Other Funds	335,762	-	-
<b>Total Liabilities</b>	<b>335,762</b>	-	-
<b><u>FUND BALANCES (DEFICITS)</u></b>			
Unreserved:			
Designated for Future			
Expenditures	(335,762)	6	3
<b><u>TOTAL LIABILITIES AND</u></b>			
<b><u>FUND BALANCES (DEFICITS)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6</u></b>	<b><u>\$ 3</u></b>

CDBG - Street Paving Project	Total Nonmajor Capital Project Funds
---------------------------------------	---

\$ 42,183	\$ 42,192
-	-
-	-
<u>\$ 42,183</u>	<u>\$ 42,192</u>

\$ -	\$ -
<u>42,183</u>	<u>377,945</u>
<u>42,183</u>	<u>377,945</u>

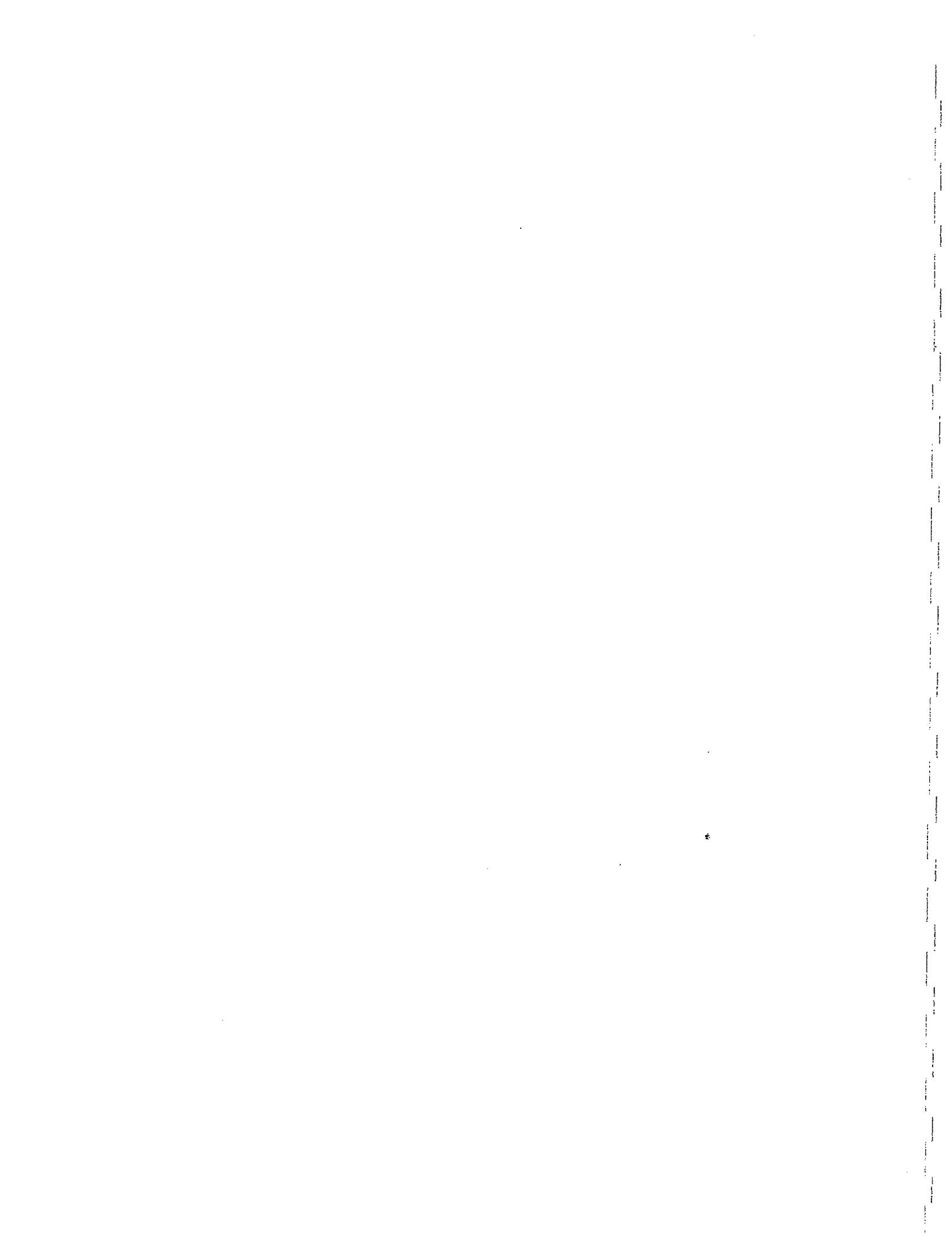
<u>-</u>	<u>(335,753)</u>
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<u>\$ 42,183</u>	<u>\$ 42,192</u>
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**CITY OF WEST MONROE, LOUISIANA**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES (DEFICITS)**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	Detention Basin Grant Project	CDBG - Send Technologies Project	CDBG - Pine Valley Foods Project
<b>Revenues</b>			
Intergovernmental	\$ -	\$ -	\$ -
Other	- -	- -	- -
<b>Total Revenues</b>	- -	- -	- -
<b>Expenditures</b>			
Capital Projects	4,926	- -	- -
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(4,926)	- -	- -
<b>Other Financing Sources (Uses)</b>			
Operating Transfers - In	- -	- -	- -
Operating Transfers - Out	- -	- -	- -
<b>Total Other Financing Sources (Uses)</b>	- -	- -	- -
<b>Net Change in Fund Balance</b>	(4,926)	- -	- -
<b>Fund Balances - Beginning</b>	(330,836)	6	3
<b>FUND BALANCES - ENDING</b>	<u>\$ (335,762)</u>	<u>\$ 6</u>	<u>\$ 3</u>

CDBG - Street Paving Project	Total Nonmajor Capital Project Funds
\$ -	\$ -
-----	-----
-	-
-----	-----
	4,926
	(4,926)
	-
	-
	-
	-
	-
	(4,926)
	(330,827)
\$ -	\$ (335,753)
-----	-----



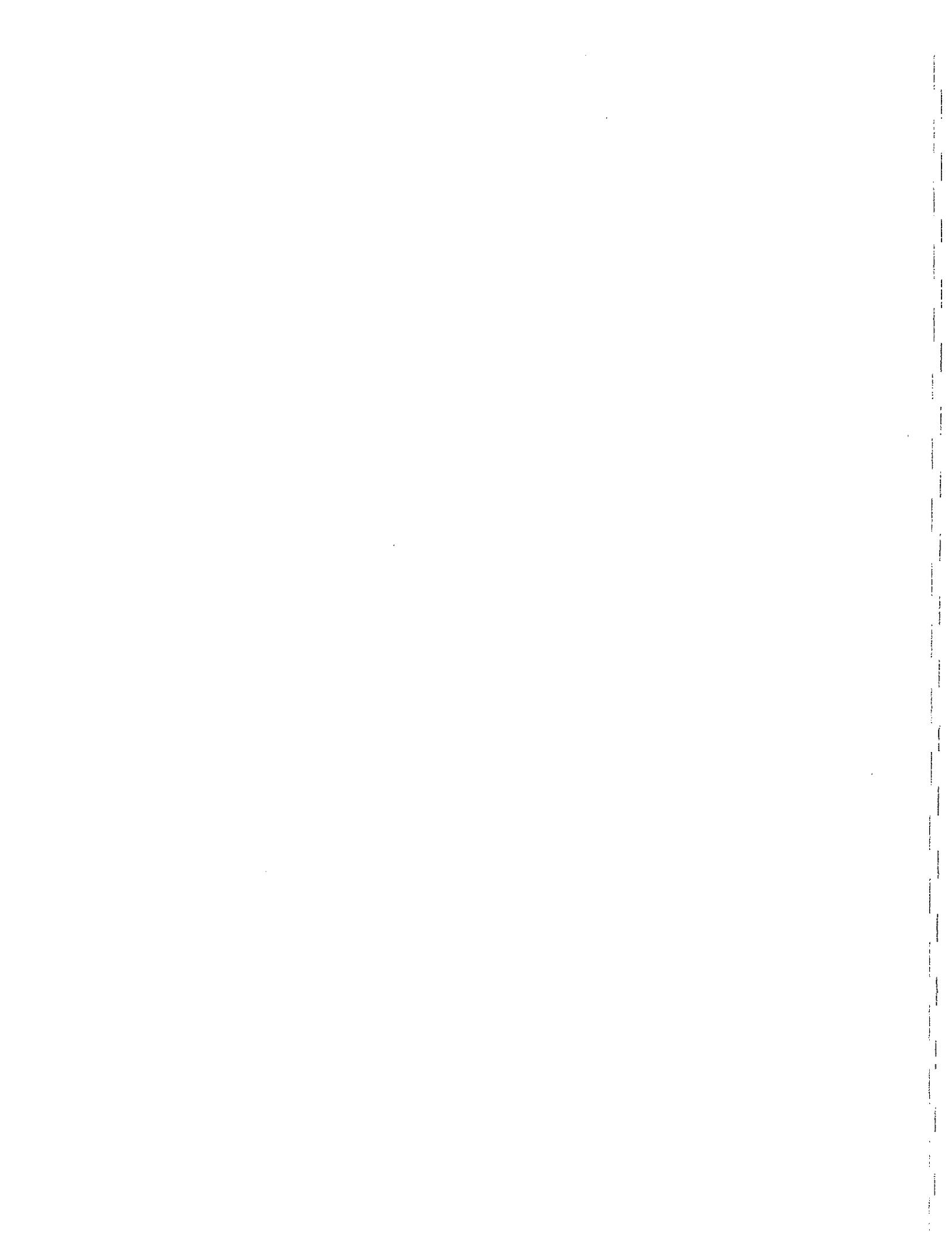
CITY OF WEST MONROE, LOUISIANA  
NONMAJOR FIDUCIARY FUNDS - EXPENDABLE TRUST FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2007

	Employees' Workmen's Compensation Reserve Fund	General Insurance Fund	Hasley Cemetery Fund	Total Nonmajor Expendable Trust Funds
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Investments	5,718	-	11,455	17,173
Due From Other Funds	<u>528,442</u>	<u>-</u>	<u>551,082</u>	<u>1,079,524</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 534,160</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 562,537</u></b>	<b><u>\$ 1,096,697</u></b>
<b><u>LIABILITIES</u></b>				
Due To Other Funds	\$ -	\$ -	\$ -	\$ -
<b><u>FUND BALANCES</u></b>				
Reserved:				
Workmen's Compensation Claims	534,160	-	-	534,160
Cemetery Maintenance	-	-	562,537	562,537
Insurance Claims	-	-	-	-
<b>Total Fund Balances</b>	<b><u>534,160</u></b>	<b><u>-</u></b>	<b><u>562,537</u></b>	<b><u>1,096,697</u></b>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 534,160</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 562,537</u></b>	<b><u>\$ 1,096,697</u></b>

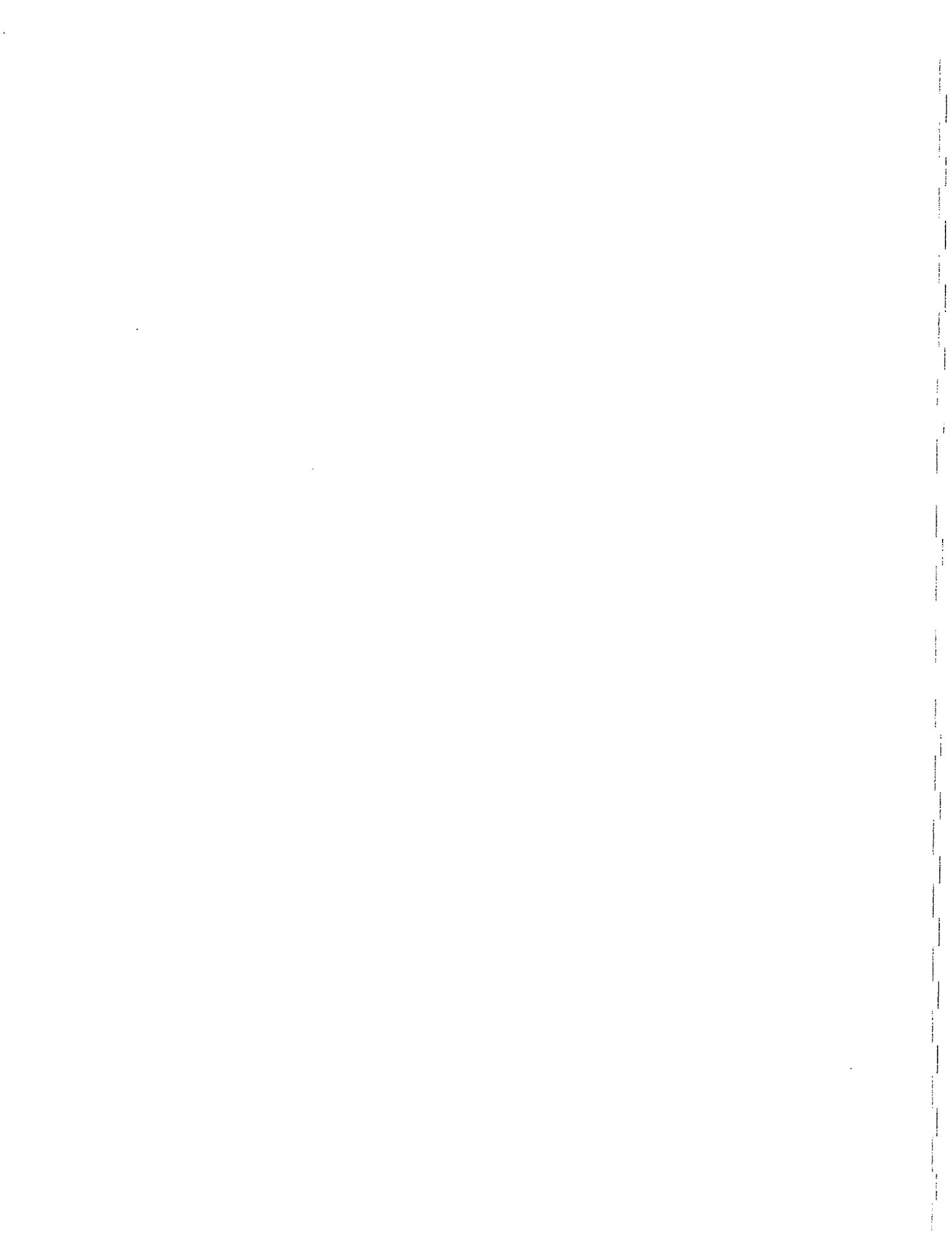


CITY OF WEST MONROE, LOUISIANA  
NONMAJOR FIDUCIARY FUNDS - EXPENDABLE TRUST FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2007

	Employees' Workmen's Compansation Reserve Fund	General Insurance Fund	Hasley Cemetery Fund	Total Nonmajor Expendable Trust Funds
<b>Revenues</b>				
Sales Tax	\$ -	\$ 24,000	\$ -	\$ 24,000
Lot Sales	-	-	10,750	10,750
Insurance Proceeds	-	11,238	-	11,238
Interest	17,088	-	13,716	30,804
<b>Total Revenues</b>	<b>17,088</b>	<b>35,238</b>	<b>24,466</b>	<b>76,792</b>
<b>Expenditures</b>				
Hasley Cemetery	-	-	-	-
Claims Paid	-	243,145	-	243,145
<b>Total Expenditures</b>	<b>-</b>	<b>243,145</b>	<b>-</b>	<b>243,145</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>17,088</b>	<b>(207,907)</b>	<b>24,466</b>	<b>(166,353)</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers - In (Out)	-	207,907	-	207,907
<b>Net Change in Fund Balance</b>	<b>17,088</b>	<b>-</b>	<b>24,466</b>	<b>41,554</b>
<b>Fund Balance - Beginning</b>	<b>517,072</b>	<b>-</b>	<b>538,071</b>	<b>1,055,143</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 534,160</b>	<b>\$ -</b>	<b>\$ 562,537</b>	<b>\$ 1,096,697</b>



OTHER SUPPLEMENTAL INFORMATION



CITY OF WEST MONROE, LOUISIANA  
ALL FUNDS  
SCHEDULE OF ASSESSED VALUATION AND AD VALOREM  
PROPERTY TAX LEVY FOR 2006

<u>Original Assessed Valuation</u>	\$ 106,659,496
<u>Tax Rate Per Thousand Dollars (Mills)</u>	8.62
<u>Gross Tax Levy</u>	\$ 919,405
Less: Adjustments	<u>(7,194)</u>
<u>Adjusted Gross Tax Levy</u>	<u>\$ 912,211</u>
 <u>Tax Collected</u>	
2006 Assessments	<u>\$ 907,696</u>
	<u>2006 Tax</u> <u>Rate Mills</u>
<u>Allocation of Tax Collected</u>	
General Fund	6.97
Street Maintenance	<u>1.65</u>
Total	<u>8.62</u>
	<u>\$ 907,696</u>

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF REVENUES AND EXPENDITURES - CONVENTION CENTER  
FOR THE YEAR ENDED JUNE 30, 2007

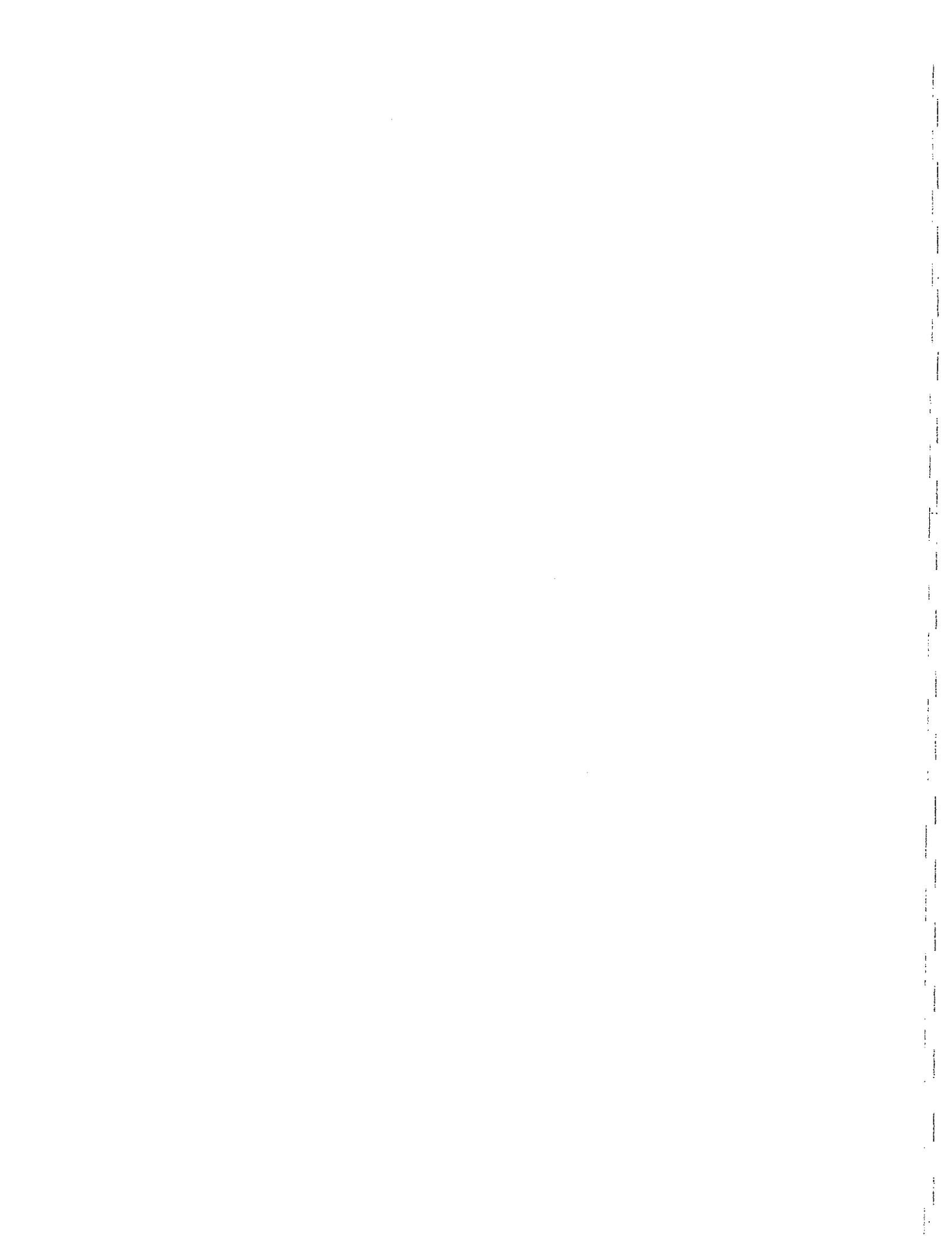
	Events	Concession	Catering	Total
<u>Revenues</u>	\$ 145,107	\$ 9,484	\$ 364,176	\$ 518,767
<u>Cost of Operations</u>				
Operating Expenditures	7,640	-	183,348	190,988
Personnel	88,514		216,705	305,219
Total	96,154	-	400,053	496,207
<u>Gross Profit</u>	<u>\$ 48,953</u>	<u>\$ 9,484</u>	<u>\$ (35,877)</u>	<u>22,560</u>
<u>Administrative Expenditures</u>				
Director's Salary				44,407
Operations Salaries				100,892
Vehicle Maintenance				260
Materials, Repairs & Supplies				13,459
Travel, Car & Meetings				5,779
Cell Phones and Pagers				1,096
Advertising				1,023
Office				48,946
Utilities				26,988
Total Administrative Expenditures				<u>242,850</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (220,290)</u>

<u>Budget</u>	Variance - Favorable (Unfavorable)
\$ 12,200	\$ 10,360
44,434	27
106,400	5,508
500	240
13,500	41
2,700	(3,079)
1,400	304
1,500	477
48,400	(546)
33,000	6,012
<u>251,834</u>	<u>8,984</u>
<u>\$ (239,634)</u>	<u>\$ 19,344</u>

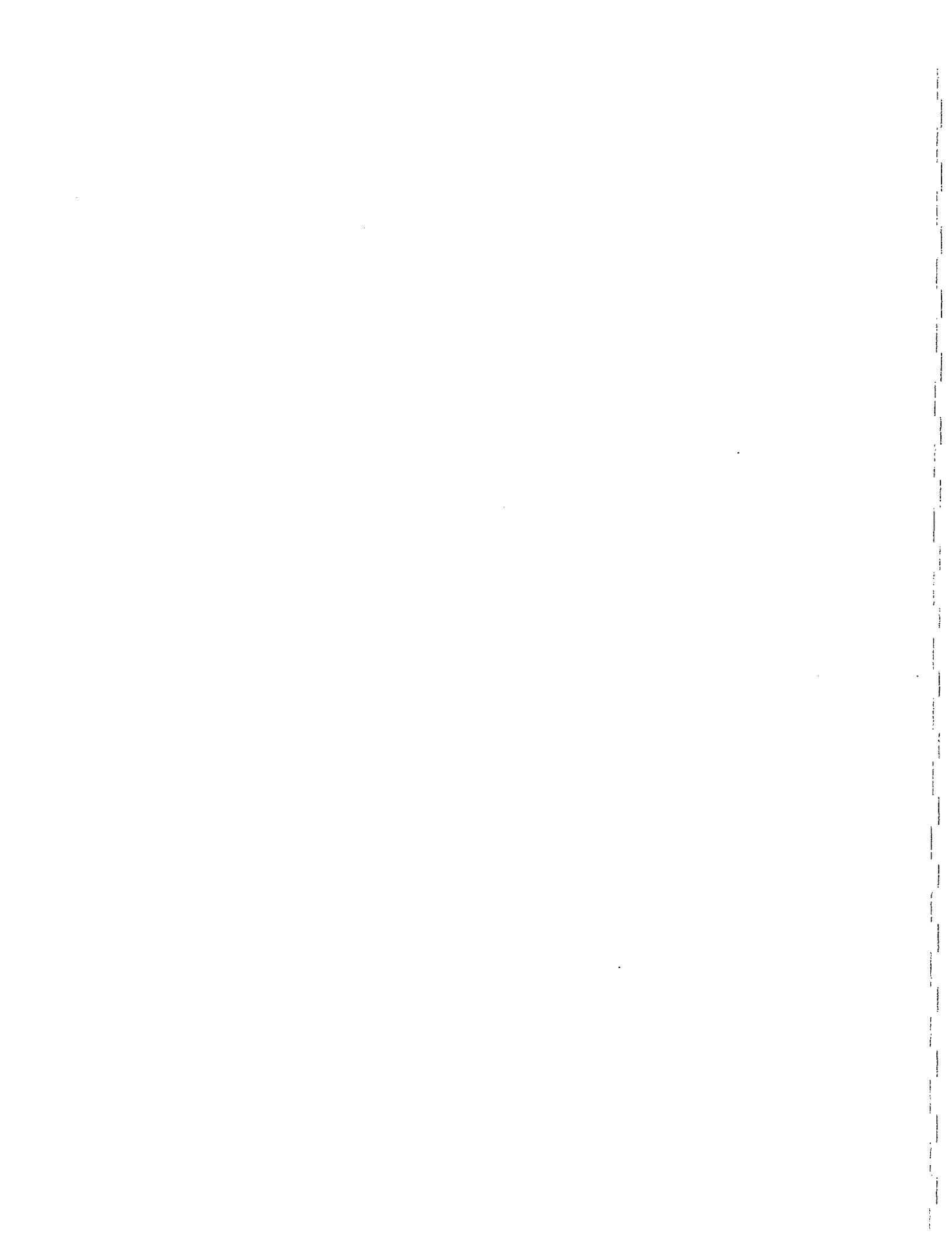
CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF REVENUES AND EXPENDITURES - IKE HAMILTON EXPO CENTER  
FOR THE YEAR ENDED JUNE 30, 2007

	Equine Events	Concession	Stall Rentals & Shavings	Total
<u>Revenues</u>	\$ 178,858	\$ 97,090	\$ 201,907	\$ 477,855
<u>Cost of Operations</u>				
Operating Expenditures	115,937	74,532	16,563	207,032
Personnel	62,753	17,930	18,926	99,609
Total	178,690	92,462	35,489	306,641
<u>Gross Profit</u>	<u>\$ 168</u>	<u>\$ 4,628</u>	<u>\$ 166,418</u>	<u>171,214</u>
<u>Administrative Expenditures</u>				
Director's Salary				69,276
Operations Salaries				202,895
Vehicle Maintenance				7,873
Materials, Repairs & Supplies				45,910
Gas and Oil				4,272
Office				2,890
Cell Phones and Pagers				829
Advertising				119
Other Miscellaneous Purchases				436
Utilities				340,984
Total Administrative Expenditures				<u>675,484</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (504,270)</u>

<u>Budget</u>	Variance -
	Favorable
	(Unfavorable)
\$ 170,530	\$ 684
69,360	84
208,980	6,085
7,000	(873)
45,500	(410)
3,200	(1,072)
2,500	(390)
900	71
500	381
1,000	564
351,600	<u>10,616</u>
<u>690,540</u>	<u>15,056</u>
<u>\$ (520,010)</u>	<u>\$ 15,740</u>



OTHER SUPPLEMENTAL INFORMATION –  
GRANT ACTIVITY



# CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

*Certified Public Accountants*

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

Honorable Mayor and Board of Aldermen of  
West Monroe, Louisiana

We have audited the primary government financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Monroe, Louisiana (the City) as of and for the year ended June 30, 2007, which collectively comprise the City's basic primary government financial statements and have issued our report thereon dated September 30, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

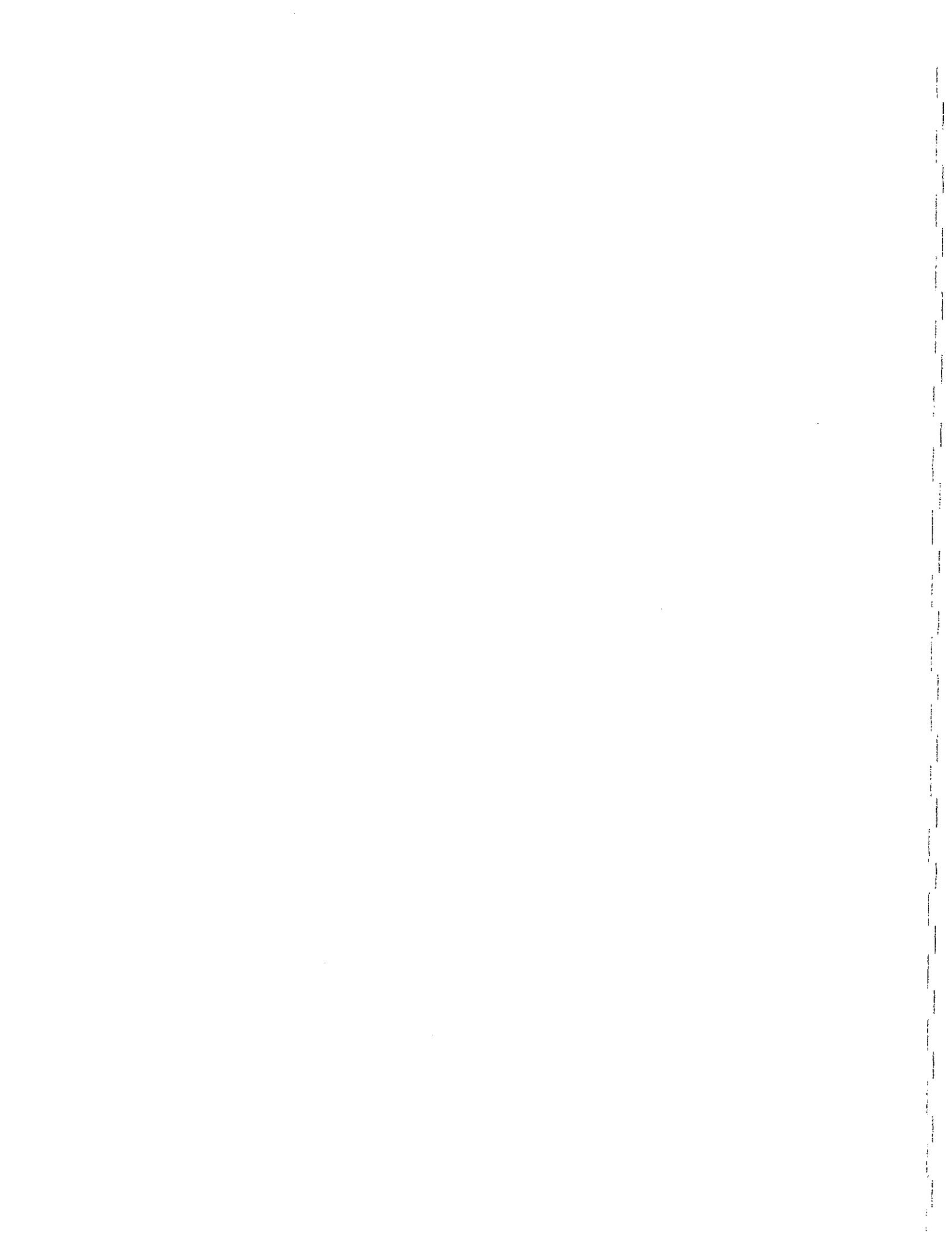
### **Internal Control Over Financial Reporting**

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting and which are described as items 07-1 through 07-8.

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



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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

#### **Compliance and Other Matters**

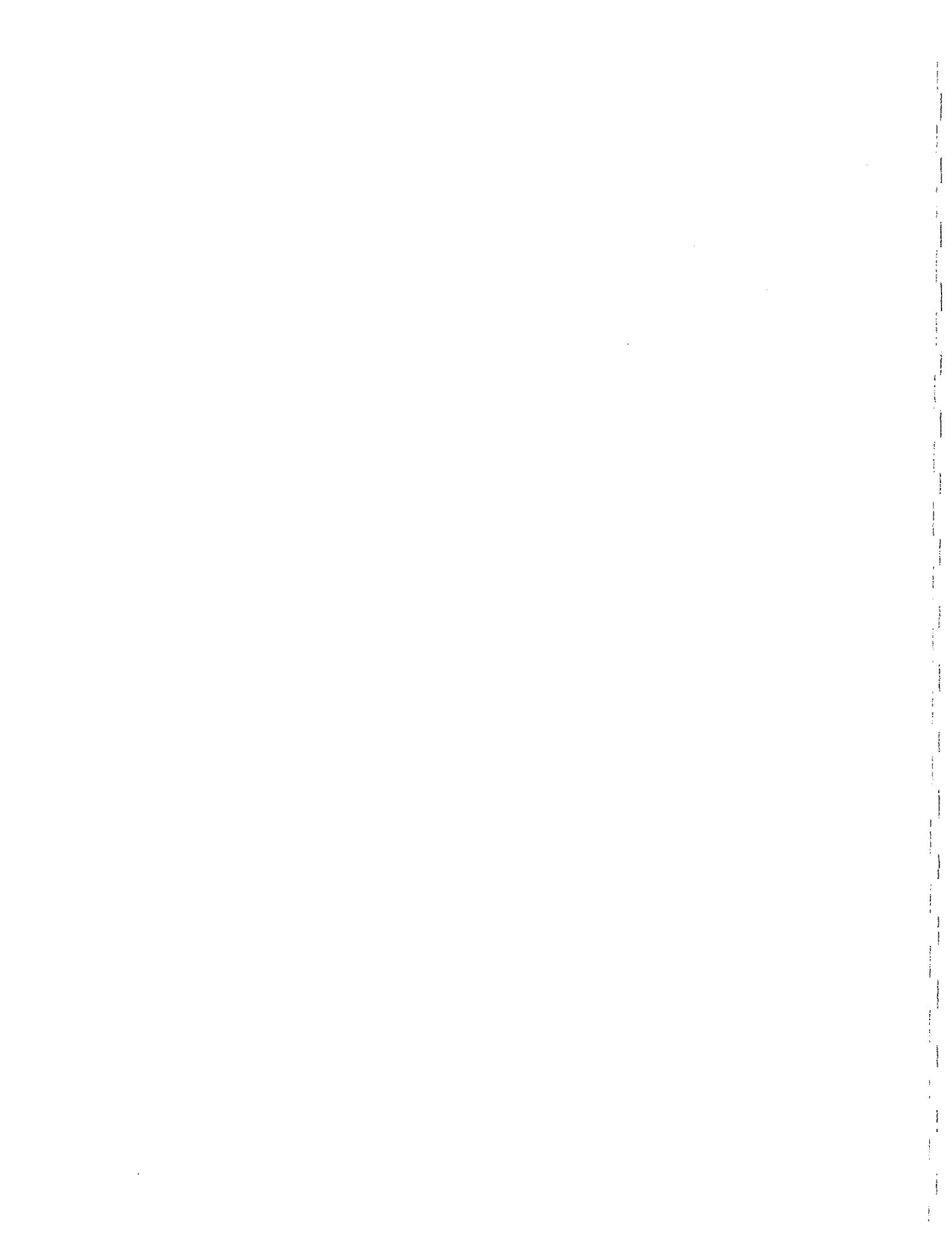
As part of obtaining reasonable assurance about whether The City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 07-3.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on it.

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

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana  
September 30, 2007



# CAMERON, HINES & HARTT

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## Certified Public Accountants

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

Honorable Mayor and Board of Aldermen of  
West Monroe, Louisiana

### Compliance

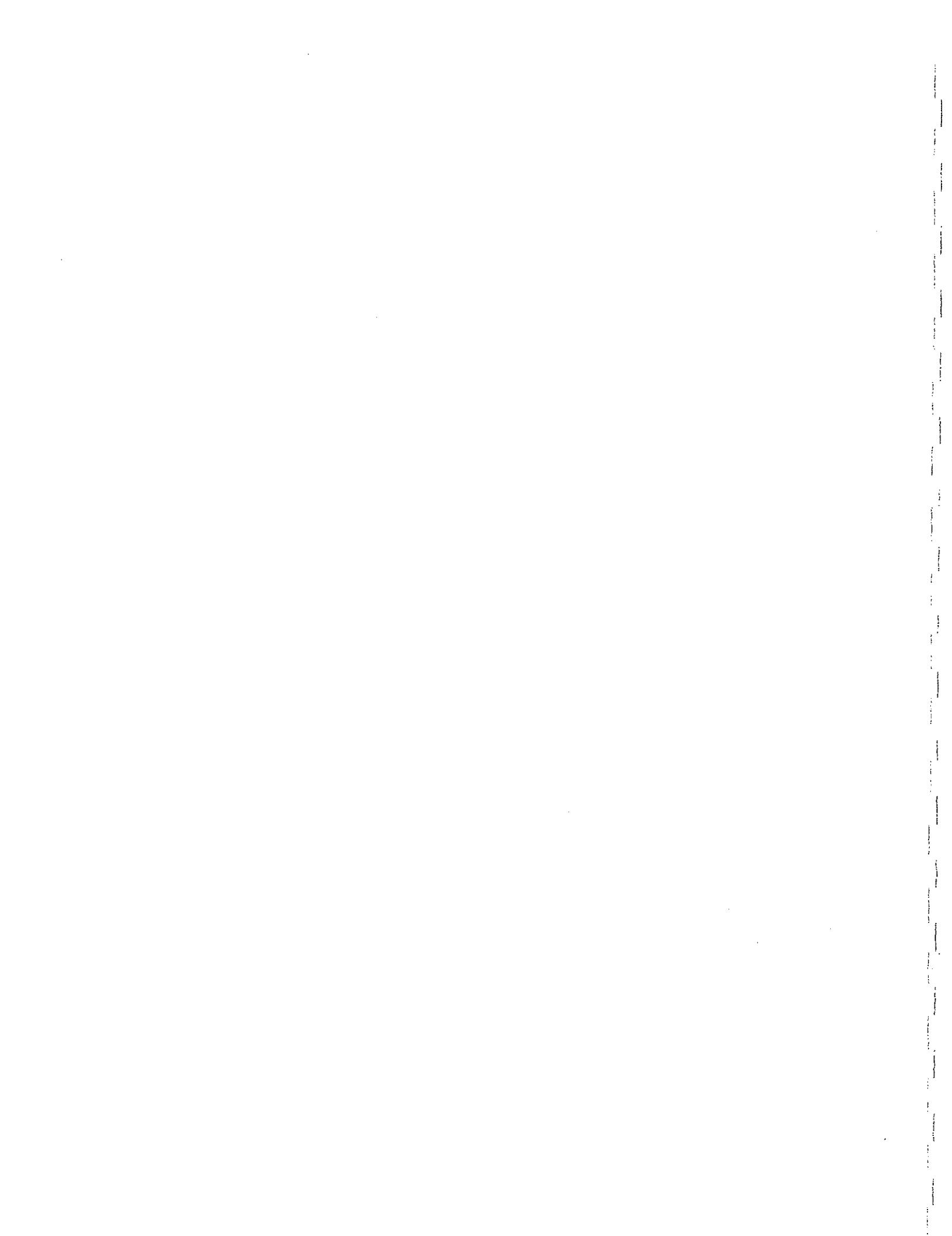
We have audited the compliance of the City of West Monroe, Louisiana (the City), with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of The City's management. Our responsibility is to express an opinion on The City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

### Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.



Honorable Mayor and Board of Aldermen of  
West Monroe, Louisiana

Page 2

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

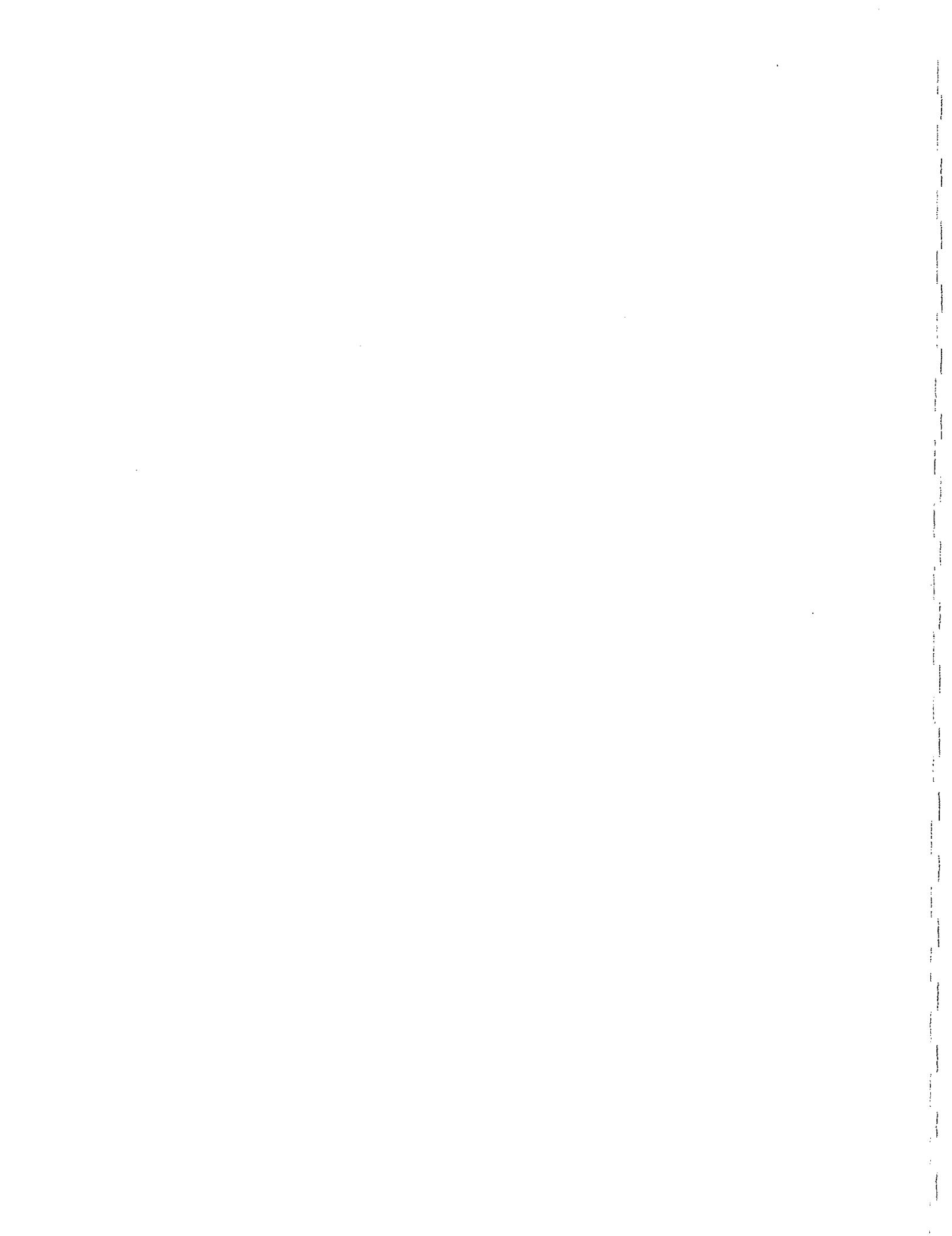
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

*Cameron, Hines & Hartt (APAC)*

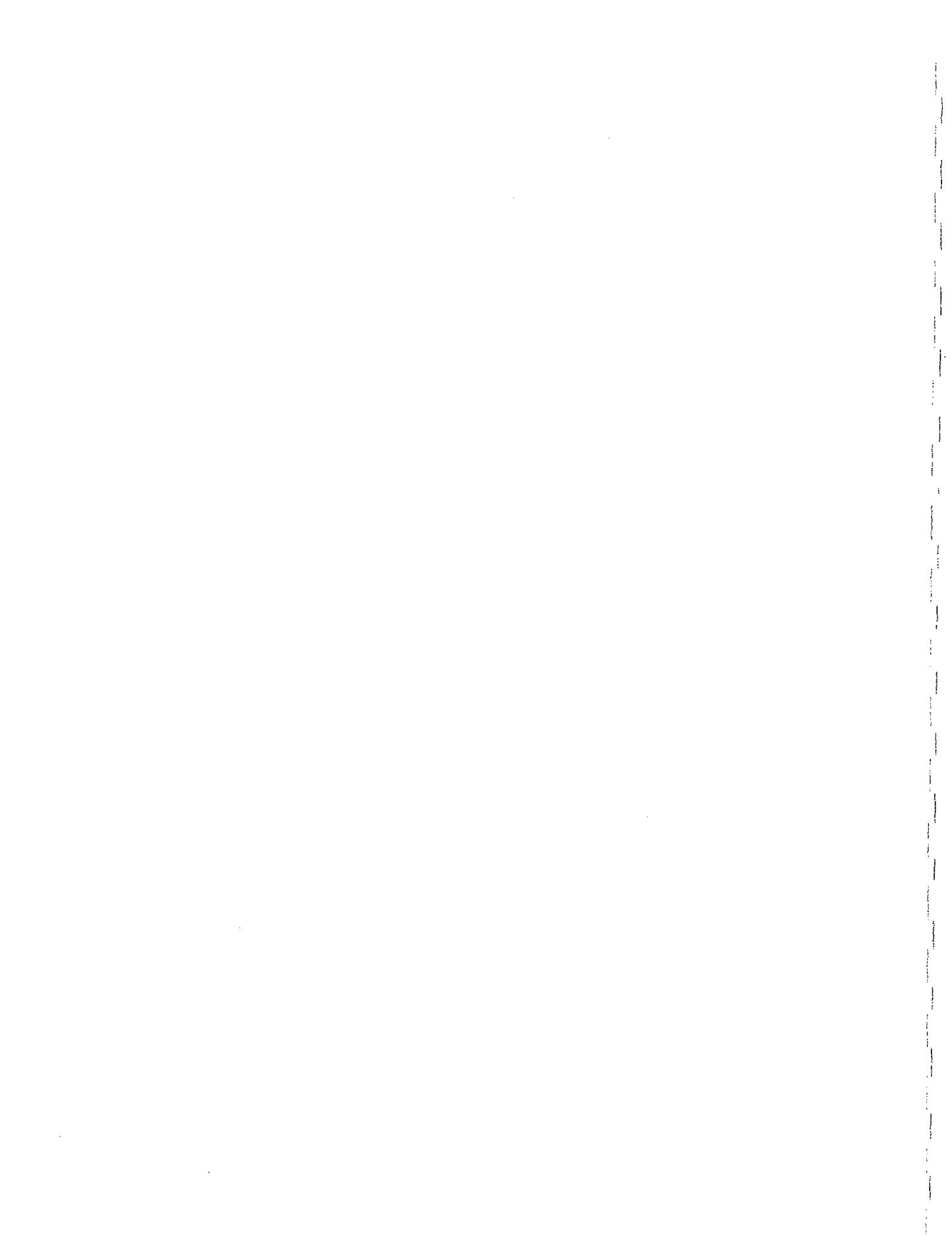
West Monroe, Louisiana  
September 30, 2007



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007

**SUMMARY OF AUDIT RESULTS**

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



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007 (continued)

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

There were no findings relating to this category.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**07-1    Internal Controls for Kiroli Park Entrance Fees**

Condition:

During our audit, it was noted that there are little to no controls over the gate fees collected at the entrance to Kiroli Park. Vehicles stop at the gate and pay the attendant fifty cents per person in the vehicle up to a maximum of \$2. No receipt or ticket is given in return.

Criteria:

Some form of monitoring should be put in place at the park entrance gate.

Effect:

Because no receipt or ticket is given, there is no way to know if every visitor has paid, nor is there any way to deter any possible misappropriation. Also, there is presently no way to determine how many vehicles enter the park on a daily or monthly basis. This would be useful to reasonably determine the amount of monthly revenues that should be collected based on actual traffic entering the park.

Recommendation:

Controls should be put in place at the Kiroli Park entrance, as well as any other City department that collects money, to minimize the possibility of lost revenue due to human error or to misappropriation.

Response:

The City is continuing to look into ways to improve the controls and reduce the risks associated with the lack of controls at Kiroli Park as well as all other departments collecting cash.

**07-2    Individual Funds' Claim on Pooled Cash**

Condition:

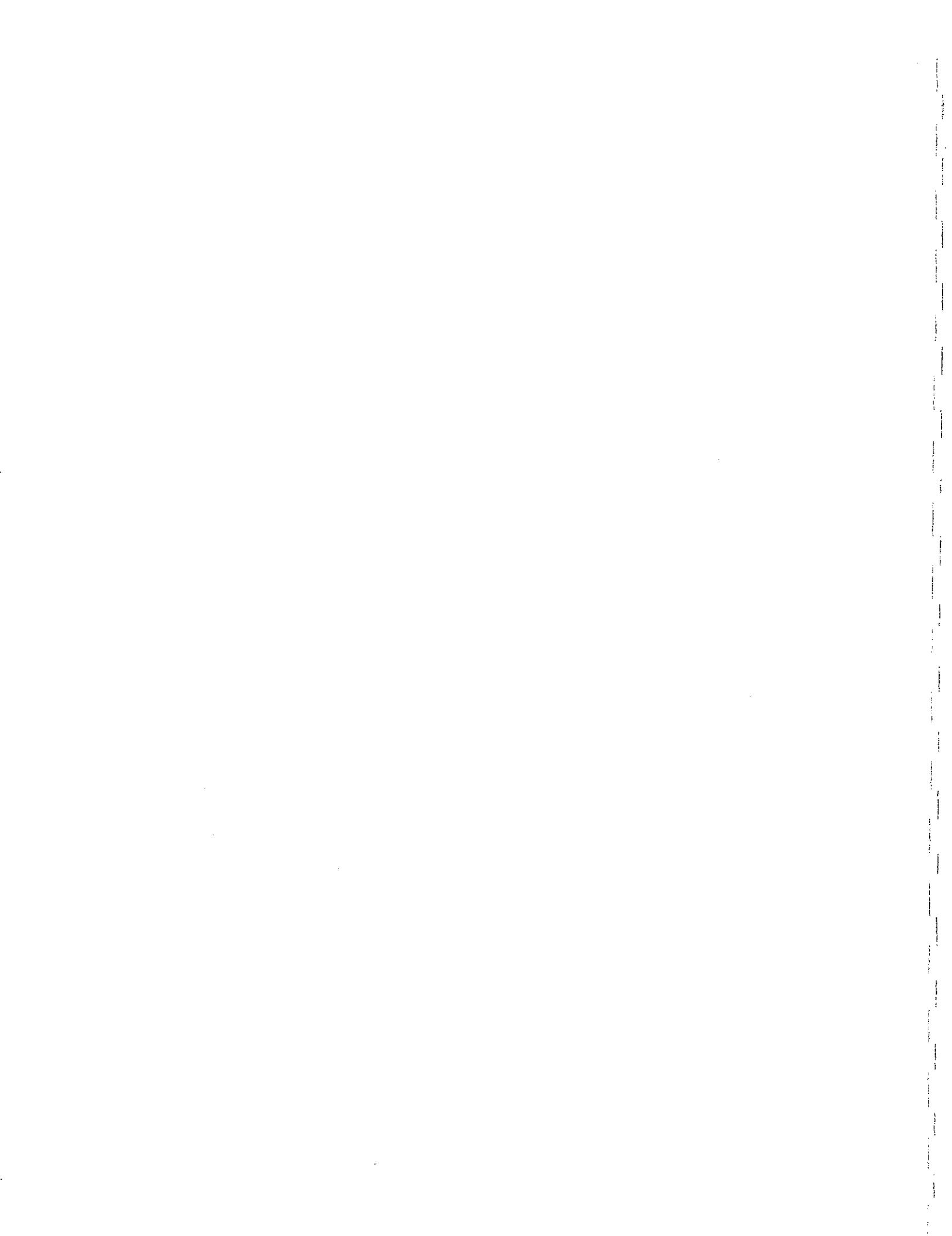
During the audit of the City's pooled cash account, which is its main operating account, it was noted that each of the City's individual funds' claim on its share of the pooled cash is not being compared and reconciled to the pooled cash reconciliation monthly. The pooled cash account is, however, being reconciled to its bank statement on a monthly basis. The total of each funds' claim on cash did not agree with what was on the bank reconciliation at year end.

Criteria:

The total of each individual fund's claim on pooled cash should always agree with the bank reconciliation.

Effect:

If these amounts are not reconciled, claim on cash within a particular fund could be incorrect.



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007 (continued)

**FINDINGS – FINANCIAL STATEMENT AUDIT (continued)**

**07-2 Individual Funds' Claim on Pooled Cash (continued)**

Recommendation:

The person reconciling the bank accounts should also make sure the total claim on cash per the funds agrees to the bank reconciliation.

Response:

The accounting department will ensure that the reconciled pooled cash bank account will agree to the individual funds in total.

**07-3 Federal Reimbursement of Police Department Overtime**

Condition:

Currently, the West Monroe Police Department has four federal grants that reimburse the City for a portion of the overtime paid to police officers that work detail associated with the programs these grants support. The overtime is submitted to the granting agencies monthly and the reimbursements are electronically deposited in the City's operating bank account.

There is no reconciling of amounts submitted and its corresponding reimbursement. The reports are submitted and there is no follow up to ensure that the funds were received for the correct amounts or if received at all. Also, there is no consistency in recording the reimbursements in the general ledger. Some are recorded as federal grant revenue and some are recorded as credits to police department salary account.

Criteria:

Federal agencies require accountability for the funds given to recipients.

Effect:

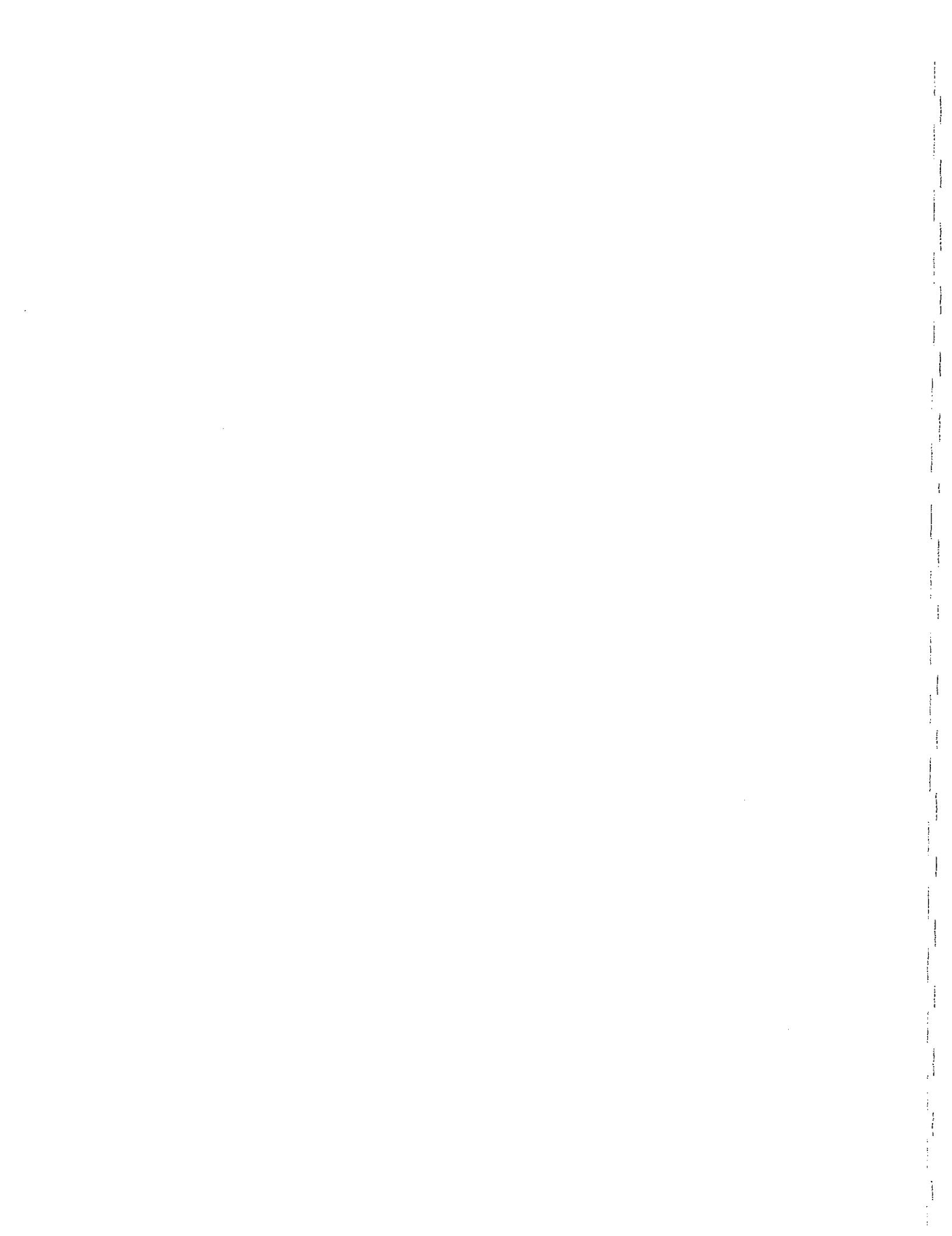
Because of the numerous agencies paying the City electronically and not recording the amounts consistently in the general ledger, it is difficult to identify the total amount paid to the City by each grantor.

Recommendation:

The police department should reconcile the amounts received to the reports submitted for reimbursement monthly for each grant. A duplicate copy of the report submitted to the grantor should be given to the City so those amounts can be tracked as they are received. Also, the amounts received should be recorded as grant revenue or credits to the salaries expenditures, but not both.

Response:

The City and police department will work together more closely to confirm the amounts received are received, accurate and recorded properly.



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007 (continued)

**FINDINGS – FINANCIAL STATEMENT AUDIT (continued)**

**07-4 Section 8 Housing Authority General Ledger**

Condition:

Housing assistance payments (HAP) and monthly HUD revenue are not recorded on the City's general ledger but on a separate ledger system maintained at the West Monroe Housing Authority. The City records salaries and other expenditures it pays on behalf of Section 8 on its general ledger. At year end, the two ledgers are combined for reporting purposes.

Criteria:

All transactions should be maintained on the City's general ledger system monthly.

Effect:

The City's management and accounting department can't effectively monitor the activities of the housing authority as far as receipts from HUD and HAP payments to tenants and landlords. Although a monthly report is given to the accounting department, it is not reconciled by anyone in accounting.

Recommendation:

The City should incorporate the housing authority's bookkeeping system into its general ledger accounting system.

Response:

The capabilities of the City's general ledger software currently do not enable it to run accounting transactions at a site away from West Monroe City Hall. The City will however, monitor more effectively the accounting function of the housing authority.

**07-5 Fixed Assets and General Long Term Debt**

Condition:

The purchases of fixed assets and the debt principal and interest payments are recorded on the ledger but the City's general fixed assets and long-term debt balances are not recorded on the general ledger. These amounts are maintained separately and added to the financial statements at year end.

Criteria:

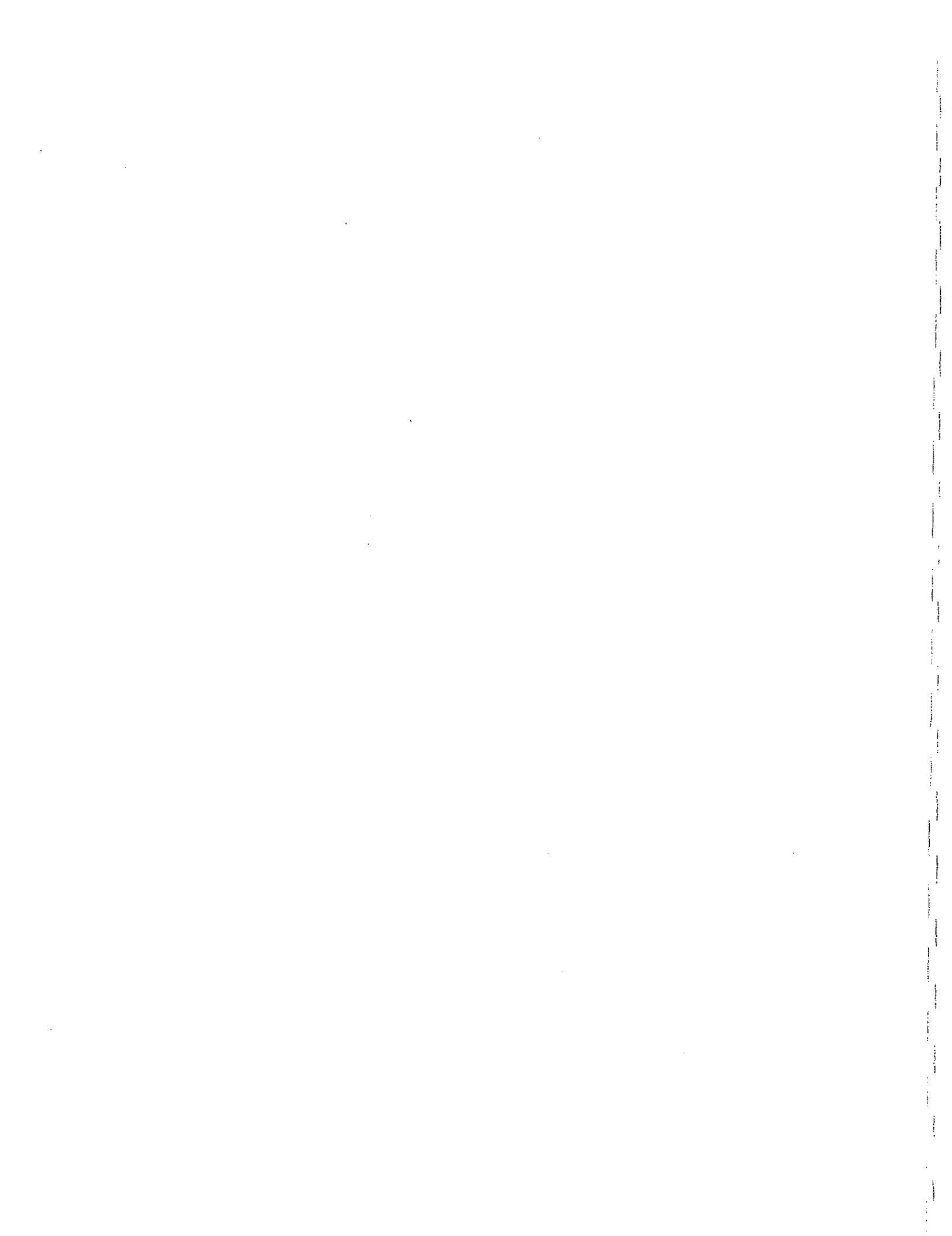
All financial statement accounts and balances should be accounted for on the City's general ledger.

Effect:

When the total fixed assets and debt are not included on the financial statements, a true financial position can't be presented.

Recommendation:

The City should record all fixed assets in the fixed asset module of its general ledger software package. The City should also record its debt in a long term debt account group.



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007 (continued)

**FINDINGS – FINANCIAL STATEMENT AUDIT (continued)**

**07-5 Fixed Assets and General Long Term Debt (continued)**

Response:

The City will begin to record all fixed assets and debt into its general ledger system.

**07-6 Section 8 Bank Reconciliations**

Condition:

The Section 8 bank statements were not reconciled for any month during the year ended June 30, 2007.

Criteria:

All bank statements should be reconciled monthly to the general ledger.

Effect:

If the bank statements are not reconciled monthly, the true cash position is not known on any given month.

Recommendation:

The accounting department should reconcile the Section 8 bank statement monthly as well as all other bank accounts.

Response:

The City's accounting department will reconcile all bank statements timely.

**07-7 Utility Fund Accounts Receivable**

Condition:

During the audit of the utility fund, it was noted that accounts receivable had numerous accounts that were old and no longer collectible because the customer had moved and not notified the City. This resulted in substantial penalties accruing on these accounts causing an overstatement of accounts receivable at year end.

Criteria:

The accounts receivable subsidiary ledger should contain only collectible amounts and tie to the general ledger.

Effect:

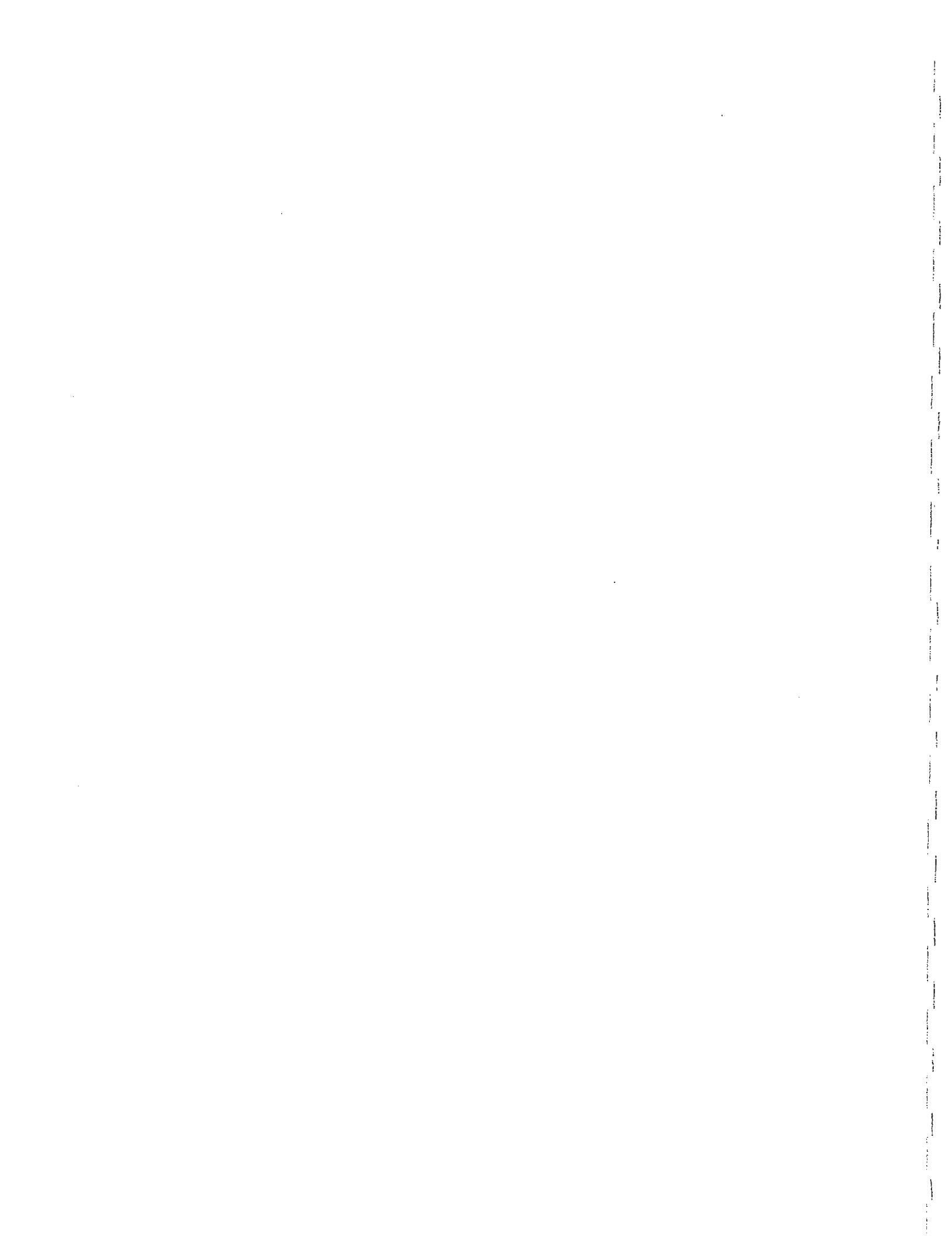
The accounts receivable is overstated at year end. The allowance for doubtful accounts was increased to offset this overstatement.

Recommendation:

The City should determine which accounts are not collectible and write them off the subsidiary ledger and adjust the receivable accordingly.

Response:

The City will adjust the subsidiary accounts receivable ledger so that it only contains collectible accounts.



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007 (continued)

**FINDINGS – FINANCIAL STATEMENT AUDIT (continued)**

**07-8 Utility Fund Repayment Schedules**

Condition:

During the audit of the utility fund, it was noted that repayment schedules are set up for delinquent customers. These schedules are not monitored on a regular basis as to payments being made timely.

Criteria:

The repayments by customers that have overdue accounts should be monitored to ensure that their balance is being paid off timely.

Effect:

By not monitoring the repayments on overdue accounts, some balances are never paid off, causing penalties to accrue on the accounts receivable subsidiary that will never be collected.

Recommendation:

The City should set up a system whereby each overdue balance is tracked and monitored for repayment.

Response:

Due to the limited staff size, the City currently has no formal system of monitoring the delinquent accounts and their repayment. The City will, however, increase its efforts to ensure repayments are made timely and accurately by keeping better track of these accounts.

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007

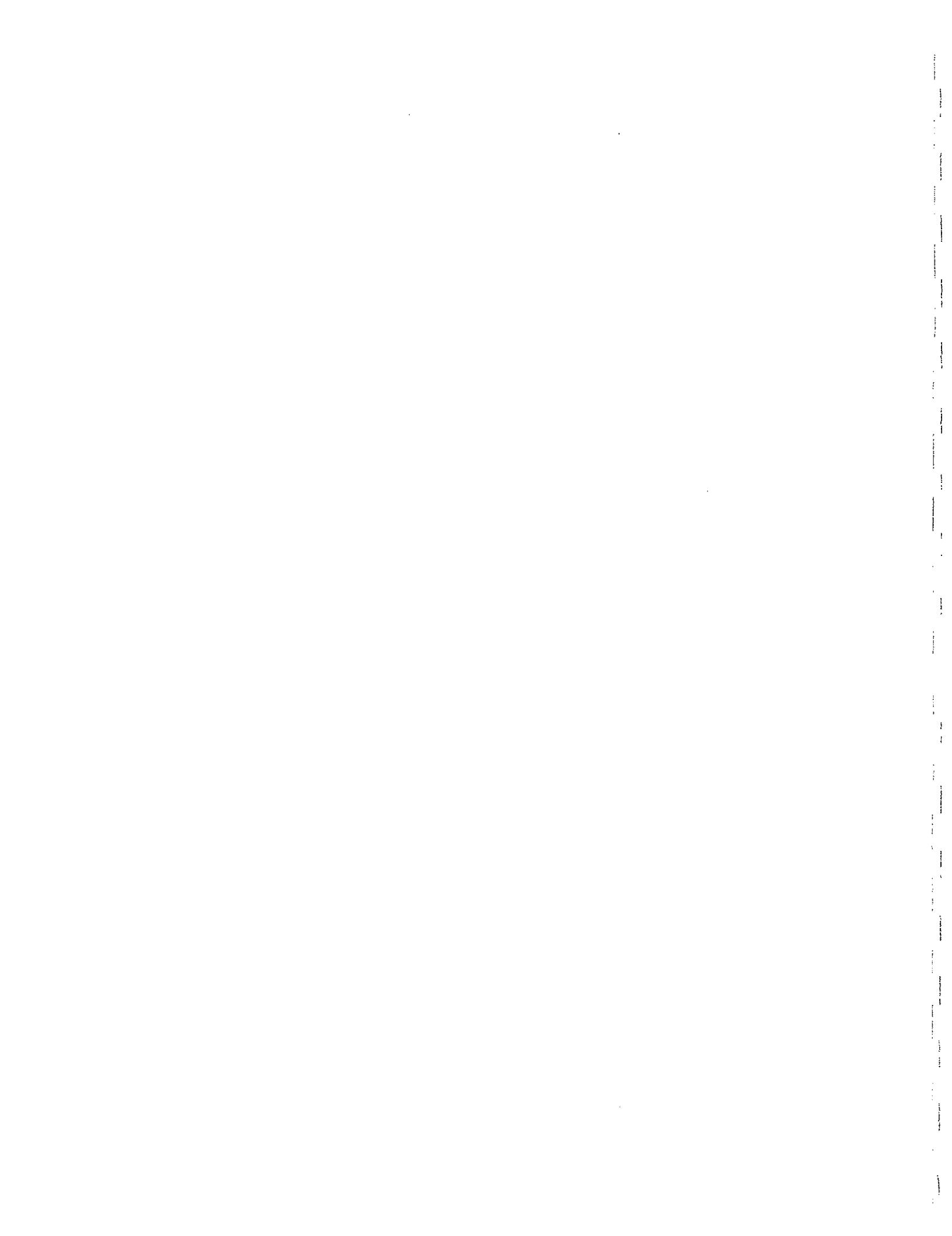
Federal Grants/Pass Through Grantor/Program Title	CFDA Number	Agency or Pass - Through Number	Expenditures
<b>Department of Housing &amp; Urban Development</b>			
Public and Indian Housing HAP - Vouchers	14.871	LA186VO	* \$ 1,649,966
Community Planning and Development Louisiana LCDBG	14.228	Economic Devel.	* 500,000
<b>Environmental Protection Agency</b>			
Brownfields Pilot for Site Identification and Active Redevelopment	66.811	BF-97699901-0	91,835
Brownfields Assessment & Cleanup Cooperative Agreements	66.818	BF-9764601-1	69,772
Brownfields Cleanup Revolving Loan Fund for Petroleum Sites	66.818	BF-966331-01-0	<u>5,930</u> <u>75,702</u>
<b>Department of Justice</b>			
Bureau of Justice Assistance LA Commission on Law Enforc.	16.579	B03-2-010	19,161
LA Commission on Law Enforc.	16.579	B04-2-007	<u>5,914</u> <u>25,075</u>
Local Law Enforc. Block Grant	16.592	Z04-2-015	8,454
LA Commission of Law Enforc.	16.738	B05-2-007	27,552
<b>Office of Juvenile Justice and Delinquency Prevention</b>			
Juvenile Justice Grant	16.540	J06-2-002	5,865
Juvenile Justice Grant	16.540	J05-2-002	<u>8,016</u> <u>13,881</u>
<b>Federal Bureau of Investigation</b>			
Safestreets Violent Crime Initiative	None	106-113	13,914
<b>ATF Organized Crime Drug Enforcement Task Force</b>			
Organized Crime Drug Enforcement Task Force	None	06-NO-420-AFF	4,738

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007

Federal Grants/Pass Through Grantor/Program Title	CFDA Number	Agency or Pass - Through Number	Expenditures
<b>Department of Transportation</b>			
Federal Transit Administration Section 5311 - Operating Assistance	20.509	LA-18-X021	53,763
Highway Safety Commission 100 Days of Summer Heat	20.600	PT 06-40-31	4,456
PD Year Long Overtime	20.600	PT 07-32-00	31,218
PD Year Long Overtime	20.600	PT 06-23-00	<u>16,192</u>
			51,866
<b>Department of Homeland Security</b>			
EF&S National Board Program	97.024	36600-002	20,000
Office of Homeland Security & Emergency Preparedness	97.067	073-80955-00	86,502
Hazard Mitigation Grant	97.039	1435-073-0004	16,500
<b>Corporation for National and Community Service</b>			
AmeriCorps - 06/07 Grant	94.006	03ACHLA0010002	54,722
AmeriCorps - 05/06 Grant	94.006	03ACHLA0010002	<u>17,743</u>
			72,465
Children's Trust Fund	93.590	637533	4,877
<b>Office of Elementary &amp; Secondary Education</b>			
<b>Department of Education</b>			
Twenty-First Century Community Learning Centers	84.287	None	199,277
<b>Executive Office of the President</b>			
Office of National Drug Control Policy	None	HIDTA I7PGCP502Z	26,079
Office of National Drug Control Policy	None	HIDTA I6PGCP602Z	58,000
Office of National Drug Control Policy	None	HIDTA I5PGCP602Z	<u>5,012</u>
			89,091
Office of National Drug Control Policy	None	HIDTA Overtime	<u>6,278</u>
			<u>\$ 3,013,297</u>

\*Denotes Major Federal Assistance Program.

See accompanying Notes to Schedule of Expenditures of Federal Awards.



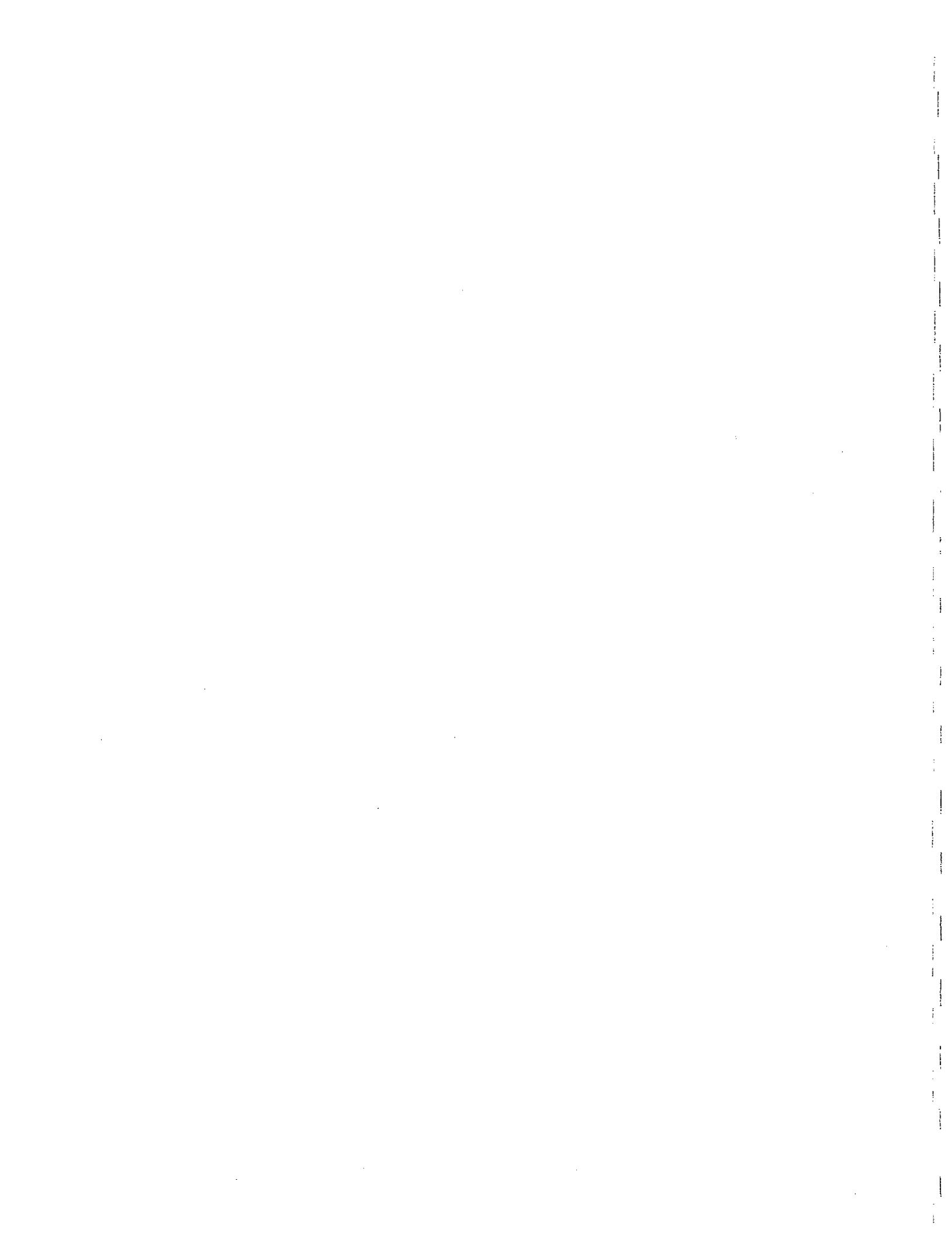
CITY OF WEST MONROE, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007

**1. General**

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

**2. Basis of Accounting**

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



CITY OF WEST MONROE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2007

Internal Control and Compliance Material to Federal Awards

There were no findings relating to this category.

Internal Control and Compliance Material to the Financial Statements

06-1 Utility Fund Accounts Receivable

Condition:

During the audit of the utility fund, it was noted that accounts receivable had numerous accounts that were old and no longer collectible because the customer had moved and not notified the City. This resulted in substantial penalties accruing on these accounts causing an overstatement of accounts receivable at year end.

Recommendation:

The City should determine which accounts are not collectible and write them off the subsidiary ledger and adjust the receivable accordingly.

Current Status:

There is no change in the status of this finding.

06-2 Utility Fund Repayment Schedules

Condition:

During the audit of the utility fund, it was noted that repayment schedules are set up for delinquent customers. These schedules are not monitored on a regular basis as to payments being made timely.

Recommendation:

The City should set up a system whereby each overdue balance is tracked and monitored for repayment.

Current Status:

Due to the limited staff size, the City currently has no formal system of monitoring the delinquent accounts and their repayment. The City will, however, increase its efforts to ensure repayments are made timely and accurately by keeping better track of these accounts.

