



2305 North 7th Street  
West Monroe, Louisiana 71291

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*Financial Report*  
*For The Year Ended June 30, 2009*

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CITY OF WEST MONROE, LOUISIANA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2009

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# CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

*Certified Public Accountants*

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

## INDEPENDENT AUDITORS' REPORT

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

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, 2009, 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, 2009, 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, 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2009, 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 49 through 51, 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 & Hartt (APAC)*

West Monroe, Louisiana  
October 30, 2009

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

# CITY OF WEST MONROE, LOUISIANA

## Management's Discussion and Analysis Year Ended June 30, 2009

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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, 2009. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter and the accompanying basic financial statements. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

### FINANCIAL HIGHLIGHTS

- The assets of the City of West Monroe, on a government-wide basis, exceeded its liabilities at the close of the fiscal year by \$47.9 million (net assets). Of this amount, \$9.3 million is unrestricted.
- The City's total net assets decreased by \$533,000 for the current fiscal year.
- At the end of the current fiscal year, the City of West Monroe's governmental funds reported combined ending fund balances of \$11.5 million.
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$6.2 million, or 37% of the total general fund expenditures.
- The general fund reported a surplus of \$802,144 before transfers, and a surplus of \$939,000.00 after transfers.
- The City's bonded debt had a net increase of \$2,005,000. Total bonded debt at 6-30-09 was \$12,360,000.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.



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

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

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

## **GOVERNMENT-WIDE STATEMENTS**

The government-wide statements report information about the City of West Monroe as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net 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 two categories:

- Governmental activities – Most of the City's basic services are included here, such as the activities of the police, fire, public works, social services, and parks and recreation

departments, and general administration. Sales taxes and grants finance most of these activities.

- Business-type activities – The City charges fees to customers to cover the cost of certain services it provides. The City's water, sewer, and sewer treatment are included here.

## **FUND FINANCIAL STATEMENTS**

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

The City has three kinds of funds:

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

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

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's combined net assets for the 2008-2009 fiscal year decreased by \$533,047. Table 1 shows the statement of net assets for the year ending 2008 and the year ending 2009. 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	
	2008	2009	2008	2009	2008	2009
<b>ASSETS:</b>						
Current and other assets	\$ 8.48	\$ 12.34	\$ 0.53	\$ 0.54	\$ 10.13	\$ 12.88
Capital Assets	46.01	44.55	6.26	6.88	52.27	51.43
Total Assets	\$ 54.49	\$ 56.89	\$ 6.79	\$ 7.42	\$ 62.40	\$ 64.31
<b>LIABILITIES:</b>						
Long-term debt outstanding	\$ 13.28	\$ 15.30	\$ 0.13	\$ 0.14	\$ 13.41	\$ 15.44
Other liabilities	0.41	0.82	0.13	0.13	.54	0.95
Total Liabilities	\$ 13.69	\$ 16.12	\$ 0.26	\$ 0.27	\$ 13.95	\$ 16.39
<b>NET ASSETS:</b>						
Invested in Capital Assets						
Net of debt	\$ 34.54	\$ 31.76	\$ 6.26	\$ 6.88	\$ 41.92	\$ 38.64
Restricted	-	-	-	-	-	-
Unrestricted	6.26	9.01	0.27	0.27	6.53	9.28
Total Net Assets	\$ 40.80	\$ 40.77	\$ 6.53	\$ 7.15	\$ 48.45	\$ 47.92

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 \$47.92 million at the close of the fiscal year. The largest portion of the City's net assets (81%) reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure, less accumulated depreciation and less any related outstanding debt used to acquire those assets). The city uses these assets to provide services to its citizens and these assets are not available for spending. The resources needed to repay any debt related to these capital assets will be provided from other sources.

None of the City's net assets are subject to restrictions. The unrestricted net assets \$9.28 million may be used to meet the City's ongoing obligations.

### Governmental Activities

Net assets of the City's governmental activities decreased from \$40.80 million to \$40.77 million. This decrease is mainly due to an increase in long term debt.

### **Business-type Activities**

Net assets of the City's business-type activities increased by approximately \$620,000.

### **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	
	2008	2009	2008	2009	2008	2009
<b>REVENUES:</b>						
Program Revenues						
Charges for services	\$ 4.68	\$ 4.33	\$ 2.75	\$ 3.05	\$ 7.43	\$ 7.38
Operating grants and contributions	2.46	2.35			2.46	2.35
Capital grants and contributions	0.81	0.13			0.81	0.13
General Revenues						
Property Taxes	0.95	1.03			0.95	1.03
Other taxes	15.37	15.98			15.37	15.98
Intergovernmental	0.26	0.54			0.26	0.54
Franchise	0.99	0.94			0.99	0.94
Miscellaneous	0.37	0.41			0.37	0.41
Sale of Assets	1.28	0.30			1.28	0.30
Interest earned	0.21	0.11			0.21	0.11
Capital contributions	-	-	1.28	1.15	1.28	1.15
Total Revenues	\$ 27.38	\$ 26.12	\$ 4.03	\$ 4.20	\$ 31.41	\$ 30.32
<b>EXPENSES:</b>						
General government	\$ 6.28	\$ 6.39			\$ 6.28	\$ 6.39
Public safety	9.40	8.96			9.40	8.96
Public works	3.25	3.31			3.25	3.31
Culture and recreations	3.74	3.74			3.74	3.74
Urban Development	0.87	0.86			0.87	0.86
Health and welfare	2.60	2.54			2.60	2.54
Interest on long-term debt	0.43	0.48			0.43	0.48
Utilities	-	-	3.28	3.33	3.28	3.33
Total Expenses	\$ 26.57	\$ 26.28	\$ 3.28	\$ 3.33	\$ 29.85	\$ 29.61
<b>Increase in net assets before</b>						
transfers	\$ 0.81	\$ (0.16)	\$ 0.75	\$ 0.87	\$ 1.56	\$ 0.71
Transfers	(.03)	0.12	.03	(0.25)	-	(0.13)
Increase/decrease in assets	\$ 0.78	\$ (0.04)	\$ 0.78	\$ 0.62	\$ 1.56	\$ 0.58

### **Governmental Activities**

The City's total revenues from governmental activities decreased from \$27.38 million (year end 2008) to \$26.12 million (year end 2009). West Monroe's largest source of general revenue (\$17.01 million) is taxes, composed of property tax, sales tax, insurance premium taxes, and beer tax. Sixty percent of the City's revenue from governmental activities comes from these taxes.



Charges for services (\$4.33 million) were the second largest revenue source for governmental activities.

The City's expenses for the fiscal year end June 30, 2009 were \$26.28 million, a decrease of approximately \$300,000 from year end 2008. These expenses cover a wide range of services with the largest being public safety \$8.96 million or 34%, general government \$6.39 million or 24% and public works \$3.31 million or 13%.

### **Business-Type Activities**

The total revenues from business-type activities were \$4.20 million for the fiscal year ended June 30, 2009. This is an increase of approximately \$170,000 from last year. This change is a result of an increase in monthly water and sewer rates. Charges for services increased by approximately \$300,000. Expenses for the City's business-type activities were \$3.33 million. The business-type activities had a net gain of approximately \$620,000.00 for the fiscal year ended June 30, 2008.

## **FINANCIAL 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 \$11.5 million. This \$11.5 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 \$6.2 million, an increase of \$939,000 from year end June 30, 2009. As a measure of the general fund liquidity, it may be useful to compare unreserved fund balance to total expenditures. Unreserved fund balance represents 37% 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 \$2.8 million out of the 86 Sales Tax Capital Fund to fund major capital projects and purchases. This amount decreased by \$1 million 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 \$7.15 million. The fund had an operating profit for the year of \$621,000 after depreciation and transfers.

Net assets of the Internal Service fund (Employees Health Insurance Fund) at the end of the year were \$14,000.

### **General Fund Budgetary Highlights**

Over the course of the year, the City Council revised the City budget twice. The difference between the original expenditure budget and the actual amount of expenditures was an increase of \$100,400.00. Actual total revenues exceed the original budget by \$10,000.

## **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	
	2008	2009	2008	2009	2008	2009
Land	\$ 5.70	\$ 6.03	\$ 0.06	\$ 0.06	\$ 5.76	\$ 6.09
Construction in progress	-	0.25	-	0.93	-	1.18
Buildings	16.89	16.26	-	-	16.89	16.26
Improvements	2.15	2.11	-	-	2.15	2.11
Equipment	0.49	0.55	0.57	0.69	1.06	1.24
Vehicles	0.73	0.63	-	-	0.73	0.63
Infrastructure	20.05	18.72	-	-	20.05	18.72
Water Plant			2.00	2.58	2.00	2.58
Treatment Plant			3.63	2.62	3.63	2.62
Total	\$ 46.01	\$ 44.55	\$ 6.26	\$ 6.88	\$ 52.27	\$ 51.43

The City of West Monroe's investment in Capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$51.43 million (net of depreciation). This is down \$840,000.00 from last year. This investment includes land, construction in progress, buildings and improvements, equipment, vehicles, infrastructure, water and sewer treatment plant.

## Long-term Debt

The following table shows the City's outstanding debt:

TABLE 4  
OUTSTANDING DEBT AT YEAR END

	YR END 6/30/08	YR END 6/30/09
Capital Lease Obligations	\$ -	\$ -
Bond Payable Series 2003	\$ 5,055,000	\$ 4,290,000
Bond Payable Series 2005	\$ 225,000	\$ 195,000
Bond Payable Series 2006	\$ 575,000	\$ 520,000
Bond Payable Series 2007	\$ 4,500,000	\$ 4,355,000
Bond Payable Series 2009	\$ -	\$ 3,000,000
Community Dev. Block Grant for Economic Development	\$ 456,257	\$ 430,762
Firefighters Retirement System	\$ 923,398	\$ 816,696
Heart and Lung Disability	\$ 882,525	\$ 863,883
Vacation, Sick and Comp. Time	\$ 661,974	\$ 742,865
Total	\$ 13,279,154	\$ 15,214,206

At the end of the fiscal year, the City of West Monroe had total bonded debt outstanding of \$12.36 million. This is an increase of \$2.01 million in total bond debt. In 2009 the City did a \$3.0 million debt issue. The proceeds of the debt issue will be used to finance capital projects. All of the debt is backed by the full faith and credit of the City and is being repaid from the Sales Tax Capital Fund and the City's sales tax.

The City of West Monroe's total long-term debt obligations at year end were \$15.21 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 2009-2010 budget. The major factor in preparing the budget is to determine the revenue that will be generated from sales tax. Sales tax accounts for 56% of the total Governmental Activities revenue. With current economic conditions, sales tax revenue is projected to increase by 1.1% for the 2009-2010 fiscal year. All other General Fund revenues should remain fairly consistent with prior year collections. The total General Fund revenue budget for the 2009-2010 fiscal year is \$17.4 million compared to \$17.1 million last year.

During the 2009-2010 fiscal year, the City will continue to develop the 60 acres along I-20 into a retail center.

The budgeted expenses for the 2009-2010 fiscal year are \$17.5 million, an increase of \$500,000.00 over the prior year. The City gave all employees a 2% pay raise for the 2009-2010 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 except for fuel and energy cost. Fuel and energy cost have stabilized and started to decline during the current fiscal year. The City's matching contributions to the pension systems have remained unchanged for the 2009-2010 fiscal year. However, the current condition of the investment markets may cause the City's contribution to the pension systems to rise during this fiscal year or the next. The City's administration will closely monitor all revenues and expenses to ensure the City maintains a positive fund balance. The projected General Fund balance for the year ending June 30, 2010 is \$6.2 million.

#### OTHER POST-EMPLOYMENT BENEFITS

In the year ended June 30, 2009, the City of West Monroe has complied with requirements of Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*. This statement requires that employers disclose the *Annual Required Contribution* and *Net Post-employment Benefit Obligation* as determined by actuarial computations. The disclosure of these amounts is presented in more detail in the Notes to the Financial Statements.

#### REQUEST FOR INFORMATION

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



PRIMARY GOVERNMENT FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**CITY OF WEST MONROE, LOUISIANA**

**STATEMENT OF NET ASSETS**

**JUNE 30, 2009**

<b><u>ASSETS</u></b>	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
Cash and Cash Equivalents	\$ 10,143,183	\$ 126,609	\$ 10,269,792
Investments	-	-	-
Accounts Receivable	490,574	481,701	972,275
Minimum Lease Payments Receivable (Net)	1,149,591	-	1,149,591
Due From Other Governments	450,408	-	450,408
Internal Balances	70,500	(70,500)	-
Inventories	31,263	-	31,263
Capital Assets:			
Non-Depreciable	6,276,768	57,750	6,334,518
Depreciable	38,275,319	6,825,301	45,100,620
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 56,887,606</u></b>	<b><u>\$ 7,420,861</u></b>	<b><u>\$ 64,308,467</u></b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 781,545	\$ 3,858	\$ 785,403
Deposits Payable	42,113	126,609	168,722
Non-Current Liabilities			
Due Within One Year			
Bonds Payable	1,125,000	-	1,125,000
Notes Payable	139,171	-	139,171
Obligations Under Capital Leases	-	-	-
Compensated Absences	801,892	136,359	938,251
Due in More Than One Year			
Bonds Payable	11,235,000	-	11,235,000
Notes Payable	1,108,287	-	1,108,287
Obligations Under Capital Leases	-	-	-
Compensated Absences	804,856	-	804,856
Unfunded Postretirement Benefits	83,632	-	83,632
<b><u>TOTAL LIABILITIES</u></b>	<b><u>16,121,496</u></b>	<b><u>266,826</u></b>	<b><u>16,388,322</u></b>
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets, Net of Related Debt	31,761,325	6,883,052	38,644,377
Unrestricted, Capital Projects	4,359,235	-	4,359,235
Unrestricted, Debt Service	11,507	-	11,507
Unrestricted, Unreserved	4,634,043	270,983	4,905,026
<b>Total Net Assets</b>	<b><u>40,766,110</u></b>	<b><u>7,154,035</u></b>	<b><u>47,920,145</u></b>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 56,887,606</u></b>	<b><u>\$ 7,420,861</u></b>	<b><u>\$ 64,308,467</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, 2009

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b><u>Primary Government:</u></b>				
<b>Government Activities:</b>				
General Government	\$ 6,388,694	\$ 1,597,566	\$ -	\$ 129,732
Public Safety	8,959,823	261,614	167,125	-
Public Works	3,312,009	1,087,520	-	-
Culture and Recreation	3,734,371	1,317,647	349,600	-
Urban Redevelopment	859,428	-	62,920	-
Health and Welfare	2,540,472	63,903	1,774,241	-
Interest on Long-Term Debt	477,809	-	-	-
<b>Total Governmental Activities</b>	<u>26,272,606</u>	<u>4,328,250</u>	<u>2,353,886</u>	<u>129,732</u>
 <b>Business-Type Activities:</b>				
Utilities	<u>3,331,747</u>	<u>3,047,994</u>	<u>-</u>	<u>-</u>
 <b><u>Total Primary Government</u></b>	 <u><u>\$ 29,604,353</u></u>	 <u><u>\$ 7,376,244</u></u>	 <u><u>\$ 2,353,886</u></u>	 <u><u>\$ 129,732</u></u>

**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 (Restated)**

**Net Assets - Ending**

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

Governmental Activities	Business-Type Activities	Total
\$ (4,661,396)	\$ -	\$ (4,661,396)
(8,531,084)	-	(8,531,084)
(2,224,489)	-	(2,224,489)
(2,067,124)	-	(2,067,124)
(796,508)	-	(796,508)
(702,328)	-	(702,328)
(477,809)	-	(477,809)
(19,460,738)	-	(19,460,738)
-	(283,753)	(283,753)
<u>\$ (19,460,738)</u>	<u>\$ (283,753)</u>	<u>\$ (19,744,491)</u>
830,218	-	830,218
196,677	-	196,677
15,556,940	-	15,556,940
419,189	-	419,189
540,512	-	540,512
-	-	-
936,149	-	936,149
409,578	-	409,578
304,929	-	304,929
112,317	-	112,317
-	1,149,452	1,149,452
117,751	(244,588)	(126,837)
19,424,260	904,864	20,329,124
(36,478)	621,111	584,633
<u>40,802,588</u>	<u>6,532,924</u>	<u>47,335,512</u>
<u>\$ 40,766,110</u>	<u>\$ 7,154,035</u>	<u>\$ 47,920,145</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, 2009

	<u>General Fund</u>	<u>86 Sales Tax 75% Capital Fund</u>	<u>2007 Debt Capital Fund</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 3,241,861	\$ 1,492,900	\$ 4,556,727
Investments	-	-	-
Accounts Receivable	478,382	-	-
Minimum Lease Payment Receivable	1,318,612	-	-
Due From Other Governments	18,738	248,881	-
Due From Other Funds	1,530,526	135,541	-
Inventories	31,263	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 6,619,382</u></b>	<b><u>\$ 1,877,322</u></b>	<b><u>\$ 4,556,727</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>Liabilities</b>			
Accounts Payable	\$ 53,861	\$ 324,295	\$ 110,990
Due To Other Funds	149,608	1,450,000	-
Unearned Income	169,021	-	-
Deposits Payable	42,113	-	-
<b>Total Liabilities</b>	<b>414,603</b>	<b>1,774,295</b>	<b>110,990</b>
<b>Fund Balances:</b>			
Reserved for:			
Inventories	31,263	-	-
Debt Service	-	-	-
Unreserved, Reported In:			
General Fund	6,173,516	-	-
Special Revenue Funds	-	103,027	-
Capital Project Funds	-	-	4,445,737
<b>Total Fund Balances (Deficits)</b>	<b>6,204,779</b>	<b>103,027</b>	<b>4,445,737</b>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 6,619,382</u></b>	<b><u>\$ 1,877,322</u></b>	<b><u>\$ 4,556,727</u></b>

Total Nonmajor Governmental Funds	Total Governmental Funds
\$ 851,695	\$ 10,143,183
-	-
3,106	481,488
-	1,318,612
182,789	450,408
535,475	2,201,542
-	31,263
<u>\$ 1,573,065</u>	<u>\$ 14,626,496</u>
\$ 292,399	\$ 781,545
536,359	2,135,967
-	169,021
-	42,113
<u>828,758</u>	<u>3,128,646</u>
-	31,263
11,507	11,507
-	6,173,516
922,329	1,025,356
(189,529)	4,256,208
<u>744,307</u>	<u>11,497,850</u>
<u>\$ 1,573,065</u>	<u>\$ 14,626,496</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, 2009

Total Governmental Fund Balances	\$ 11,497,850
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*Amounts reported for governmental  
activities in the statement of net  
assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	44,552,087
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Unfunded postretirement benefit plan obligations are not financial resources and therefore are not reported in the funds	(83,632)
--	----------

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.	(15,214,206)
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The internal service fund is used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	<u>14,011</u>
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Net Assets of Governmental Activities	<u>\$ 40,766,110</u>
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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, 2009

	General Fund	86 Sales Tax 75% Capital Fund	2007 Debt Capital Fund
<b><u>Revenues</u></b>			
Taxes	\$ 11,640,904	\$ 4,786,211	\$ -
Intergovernmental	589,665	1,815	-
Licenses and Permits	902,274	-	-
Charges for Services	2,474,198	-	-
Fines and Forfeitures	695,292	-	-
Interest Earned	71,767	5,678	18,323
Franchise Revenue	936,148	-	-
Sale of Assets	36,520	6,175	-
Other	357,053	48,620	-
<b>Total Revenues</b>	<b>17,703,821</b>	<b>4,848,499</b>	<b>18,323</b>
<b><u>Expenditures</u></b>			
General Government	3,922,677	-	-
Public Safety	7,230,467	-	-
Public Works	2,578,076	-	-
Culture and Recreation	2,475,271	-	-
Urban Redevelopment	695,186	-	-
Health and Welfare	-	-	-
Capital Improvements	-	2,848,960	1,449,490
Claims Paid	-	-	-
Debt Service:			
Principal Payments	-	-	-
Interest and Other	-	-	-
<b>Total Expenditures</b>	<b>16,901,677</b>	<b>2,848,960</b>	<b>1,449,490</b>
<b><u>Excess (Deficiency) of Revenues</u></b>			
<b><u>Over Expenditures</u></b>	<b>802,144</b>	<b>1,999,539</b>	<b>(1,431,167)</b>
<b><u>Other Financing Sources and (Uses)</u></b>			
Proceeds From General Obligation Bonds	-	-	3,000,000
Transfers In	451,588	-	-
Transfers Out	(315,024)	(1,194,000)	-
<b>Total Other Financing Sources and Uses</b>	<b>136,564</b>	<b>(1,194,000)</b>	<b>3,000,000</b>
<b><u>Net Change in Fund Balance</u></b>	<b>938,708</b>	<b>805,539</b>	<b>1,568,833</b>
<b><u>Fund Balances - Beginning</u></b>	<b>5,266,071</b>	<b>(702,512)</b>	<b>2,876,904</b>
<b><u>FUND BALANCES - ENDING</u></b>	<b>\$ 6,204,779</b>	<b>\$ 103,027</b>	<b>\$ 4,445,737</b>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 716,277	\$ 17,143,392
2,191,076	2,782,556
-	902,274
-	2,474,198
-	695,292
4,099	99,867
-	936,148
290,000	332,695
374,048	779,721
<u>3,575,500</u>	<u>26,146,143</u>
-	3,922,677
349,996	7,580,463
153,661	2,731,737
318,171	2,793,442
-	695,186
2,202,550	2,202,550
5,082	4,303,532
-	-
1,127,197	1,127,197
477,809	477,809
<u>4,634,466</u>	<u>25,834,593</u>
(1,058,966)	311,550
-	3,000,000
1,175,187	1,626,775
-	(1,509,024)
<u>1,175,187</u>	<u>3,117,751</u>
116,221	3,429,301
<u>628,086</u>	<u>8,068,549</u>
<u>\$ 744,307</u>	<u>\$ 11,497,850</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, 2009

Net Change in Fund Balances - Total Governmental Funds	\$ 3,429,301
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*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	1,318,999
Depreciation expense	(2,780,102)
	(1,461,103)

Postretirement benefit plan expenditures	(83,632)
--	----------

The issuance of long-term debt (e.g. capital leases, bonds) provides current financial resources to government funds, but the repayment reduces long-term liabilities in the statements of net assets.	(3,000,000)
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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.	1,064,945
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Internal Service fund is used by management to charge the cost of certain activities to individual funds. The net revenue of the internal service fund is included in governmental activities in the statement of net assets.	14,011
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Change in Net Assets in Governmental Activities	\$ (36,478)
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The accompanying notes are an integral part of this financial statement.

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2009

<u>ASSETS</u>	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
<b><u>Current Assets</u></b>		
Accounts Receivable, Net of Allowance	\$ 481,701	\$ 9,086
Due From Other Funds	-	4,925
<b>Total Current Assets</b>	<u>481,701</u>	<u>14,011</u>
<b><u>Non-Current Assets</u></b>		
Restricted:		
Cash - Customer Deposits	126,609	-
Capital Assets:		
Land	57,750	-
Construction in Progress	931,594	-
Buildings	73,436	-
Water Plant	4,228,292	-
Wastewater Treatment Plant	11,401,921	-
Machinery, Equipment & Other	1,730,672	-
Less: Accumulated Depreciation	(11,540,614)	-
<b>Total Non-Current Assets</b>	<u>6,883,051</u>	<u>-</u>
<b><u>TOTAL ASSETS</u></b>	<u><u>\$ 7,491,361</u></u>	<u><u>\$ 14,011</u></u>
<b><u>LIABILITIES</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	\$ 3,858	\$ -
Customer Deposits	126,609	-
Accrued Vacation and Sick Pay	136,359	-
Due to Other Funds	70,500	-
<b>Total Current Liabilities</b>	<u>337,326</u>	<u>-</u>
<b><u>NET ASSETS</u></b>		
Invested in Capital Assets, Net of Related Debt	6,883,052	-
Unrestricted	270,983	14,011
<b>Total Net Assets</b>	<u>7,154,035</u>	<u>14,011</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<u><u>\$ 7,491,361</u></u>	<u><u>\$ 14,011</u></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, 2009

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
<b><u>Operating Revenues</u></b>		
User Charges	\$ 1,644,630	\$ 1,943,686
Treatment Plant Fees	858,635	-
Water Penalties and Turn-on Fees	223,299	-
Sewer District 5 Contributions	321,430	-
<b>Total Operating Revenues</b>	<b>3,047,994</b>	<b>1,943,686</b>
<b><u>Operating Expenses</u></b>		
Waterworks	724,567	-
Sewerage	346,939	-
Water Treatment Plant	286,527	-
Sewer Treatment Plant	646,765	-
Public Works Construction	289,452	-
Public Works Administrative	267,547	-
Other Administrative	241,605	308,288
Claims Paid	-	1,621,387
Depreciation	528,345	-
<b>Total Non-Current Assets</b>	<b>3,331,747</b>	<b>1,929,675</b>
<b><u>Operating Income (Loss)</u></b>	<b>(283,753)</b>	<b>14,011</b>
Contributed Capital	1,149,452	-
Transfers In (Out)	(244,588)	-
<b>Total</b>	<b>904,864</b>	<b>-</b>
<b><u>Changes in Net Assets</u></b>	<b>621,111</b>	<b>14,011</b>
<b><u>Net Assets - Beginning</u></b>	<b>6,532,924</b>	<b>-</b>
<b><u>NET ASSETS - ENDING</u></b>	<b>\$ 7,154,035</b>	<b>\$ 14,011</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, 2009

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
<b>Cash Flows From Operations</b>		
Receipts From Customers	\$ 3,046,820	\$ -
Receipts From Group Contributions	-	1,929,675
Payments to Provide Services	(2,557,701)	(1,621,387)
Payments for General and Administrative	(244,532)	(308,288)
<b>Net Cash Used by Operating Activities</b>	<u>244,587</u>	<u>-</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
Increase in Customer Deposits	1,175	-
Operating Transfers In (Out)	(244,588)	-
<b>Net Cash Flows From Noncapital         Financing Activities</b>	<u>(243,413)</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Acquisitions of Capital Assets	(1,149,452)	-
Capital Contribution From Other Funds	1,149,452	-
<b>Net Cash Flows From Capital and Related         Financing Activities</b>	<u>-</u>	<u>-</u>
<b>Net Increase in Cash and Cash Equivalents</b>	1,174	-
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>125,435</u>	<u>-</u>
<b><u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u></b>	<u><u>\$ 126,609</u></u>	<u><u>\$ -</u></u>
<b>Classified As:</b>		
Cash in Bank	\$ -	\$ -
Restricted Assets	<u>126,609</u>	<u>-</u>
<b><u>TOTAL CASH AND CASH EQUIVALENTS</u></b>	<u><u>\$ 126,609</u></u>	<u><u>\$ -</u></u>

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
<b><u>Reconciliation of Operating Loss to Net Cash</u></b>		
<b><u>Used by Operating Activities:</u></b>		
Changes in Net Assets	\$ (283,753)	\$ 14,011
Adjustments to Reconcile Net Loss to Net		
Cash Used by Operating Activities		
Depreciation	528,345	-
(Increase) Decrease in Accounts Receivable	(7,234)	(4,865)
Increase in Accounts Payable	1,492	-
Increase in Due From Other Funds	-	(4,925)
Increase (Decrease) in Due to Other Funds	2,810	(4,221)
Decrease in Accrued Vacation and Sick Pay	2,927	-
Total Adjustments	<u>528,340</u>	<u>(14,011)</u>
<b><u>Net Cash Used by Operating Activities</u></b>	<u>\$ 244,587</u>	<u>\$ -</u>

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

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2009

	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	\$ 528,442	\$ -	\$ 607,082	\$ 1,135,524
Investments	6,008	-	12,037	18,045
Due From Other Funds	-	-	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 534,450</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 619,119</u></b>	<b><u>\$ 1,153,569</u></b>
<b><u>LIABILITIES</u></b>				
Due To Other Funds	\$ -	\$ -	\$ -	\$ -
<b><u>NET ASSETS</u></b>				
Reserved:				
Workmen's Compensation Claims	534,450	-	-	534,450
Cemetery Maintenance	-	-	619,119	619,119
Insurance Claims	-	-	-	-
<b>Total Net Assets</b>	<b><u>534,450</u></b>	<b><u>-</u></b>	<b><u>619,119</u></b>	<b><u>1,153,569</u></b>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 534,450</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 619,119</u></b>	<b><u>\$ 1,153,569</u></b>

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

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF CHANGES IN  
FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

	Employees' Workmen's Compensation Reserve Fund	General Insurance Fund	Hasley Cemetery Fund	Total Nonmajor Expendable Trust Funds
<b><u>Revenues</u></b>				
Sales Tax	\$ -	\$ 24,000	\$ -	\$ 24,000
Lot Sales	-	-	35,700	35,700
Insurance Proceeds	-	13,196	-	13,196
Interest	62	-	124	186
<b>Total Revenues</b>	<u>62</u>	<u>37,196</u>	<u>35,824</u>	<u>73,082</u>
<b><u>Expenditures</u></b>				
Hasley Cemetery	-	-	-	-
Claims Paid	-	164,033	-	164,033
<b>Total Expenditures</b>	<u>-</u>	<u>164,033</u>	<u>-</u>	<u>164,033</u>
<b><u>Excess (Deficiency) of Revenues</u></b>				
<b><u>Over Expenditures</u></b>	62	(126,837)	35,824	(90,951)
<b><u>Other Financing Sources (Uses)</u></b>				
Operating Transfers - In (Out)	<u>-</u>	<u>126,837</u>	<u>-</u>	<u>126,837</u>
<b><u>Change in Net Assets</u></b>	62	-	35,824	35,886
<b><u>Net Assets - Beginning</u></b>	<u>534,388</u>	<u>-</u>	<u>583,295</u>	<u>1,117,683</u>
<b><u>NET ASSETS - ENDING</u></b>	<u>\$ 534,450</u>	<u>\$ -</u>	<u>\$ 619,119</u>	<u>\$ 1,153,569</u>

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

## INTRODUCTION

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

### Note 1 – Summary of Significant Accounting Policies

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

#### A. Financial Reporting Entity

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

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

**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, 2009

**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, 2009 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, 2009

**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.

*2007 Debt Capital Fund* – These funds are predominately used for capital expenditures. The income is provided by proceeds from general obligation bonds for that purpose.

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

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

**4. Proprietary Funds**

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

**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, 2009

**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, 2009

**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, 2009

**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, 2009

**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, 2009.

At June 30, 2009, the City has cash and cash equivalents (book balances net of overdrafts) in the amount of \$11,405,316.

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, 2009, are secured as follows:

Bank Balances	<u>\$ 10,445,863</u>
Federal Deposits Insurance	\$ 100,000
Pledged Securities (Uncollateralized)	<u>11,217,354</u>
<u>TOTAL</u>	<u>\$ 11,317,354</u>

**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, 2009.

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, 2009, the City had the following investments stated at cost, which approximates market:

Louisiana Asset Management Pool	<u>\$ 18,045</u>
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CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

**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, 2009:

Non-Major Funds	
Special Revenue Funds	
Celtic Festival	23,211
Debt Service Funds	
Firemen’s Pension Merger	16,401
2003 Debt Service Fund	90,022
Capital Project Funds	
Detention Basin	340,195

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, 2009

**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, 2008
Levy Date	September 1, 2008
Tax Bills Mailed	November 27, 2008
Total Taxes Are Due	December 31, 2008
Penalties and Interest are Added	March 31, 2009
Tax Sales – 2008 Delinquent Property	June 18, 2009

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, 2009, consisted of the following:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Accounts Receivable	\$ 478,382	\$ 481,701	\$ 960,083
Other Receivables	<u>12,192</u>	<u>-</u>	<u>12,192</u>
<b><u>TOTAL</u></b>	<b><u>\$ 490,574</u></b>	<b><u>\$ 481,701</u></b>	<b><u>\$ 972,275</u></b>



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

**Note 7 – Due From Other Governments**

The amounts due from other governments at June 30, 2009 are as follows:

Louisiana Department of Transportation and Development	\$ 12,400
Department of Education	33,259
Louisiana Department of Revenue	6,337
Ouachita Parish School Board	400
Louisiana State Police	6,033
Corporation for National and Community Service	12,711
Department of Homeland Security	248,882
Department of Justice	55,861
Louisiana Governor's Office of Elderly Affairs	14,636
Louisiana Commission on Law Enforcement	59,889
<u>TOTAL</u>	<u>\$ 450,408</u>

**Note 8 – Capital Assets**

Capital asset activity for the year ended June 30, 2009 is as follows:

	Primary Government			
	June 30, 2008			June 30, 2009
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Government Activities:				
Non-Depreciable Assets:				
Land	\$ 5,702,494	\$ 350,726	\$( 27,766)	\$ 6,025,454
Construction In Progress	-	251,314	-	251,314
Total	5,702,494	602,040	( 27,766)	6,276,768
Depreciable Assets:				
Buildings	25,436,109	-	-	25,436,109
Improvements	2,382,092	28,320	-	2,424,812
Equipment	4,537,267	318,722	-	4,841,589
Vehicles	5,251,786	131,350	( 20,864)	5,362,272
Infrastructure	57,601,671	266,333	-	57,868,004
Total at Historical Cost	\$ 95,208,925	\$ 744,725	\$( 20,864)	\$ 95,932,786
Less Accumulated				
Depreciation for:				
Buildings	\$( 8,545,569)	\$( 634,520)	\$ -	\$( 9,180,089)
Improvements	( 231,832)	( 79,098)	-	( 316,210)
Equipment	( 4,052,606)	( 240,185)	-	( 4,287,511)
Vehicles	( 4,516,645)	( 232,995)	20,864	( 4,728,776)
Infrastructure	( 37,551,577)	( 1,593,304)	-	( 39,144,881)
Total Accumulated				
Depreciation	( 54,898,229)	( 2,780,102)	20,864	( 57,657,467)
<u>Government Activities Capital</u>				
<u>Assets, Net</u>	<u>\$ 46,013,190</u>	<u>\$( 1,433,337)</u>	<u>\$( 27,766)</u>	<u>\$ 44,552,087</u>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

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

	Primary Government			
	June 30, 2008			June 30, 2009
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Business-Type Activities:				
Non-Depreciable Assets:				
Land	\$ 57,750	\$ -	\$ -	\$ 57,750
Construction in Progress	-	931,594	-	931,594
Total	57,750	931,594	-	989,344
Depreciable Assets:				
Buildings	73,436	-	-	73,436
Water Plant	5,447,585	716,764	-	6,164,349
Treatment Plant	10,212,755	44,641	( 791,533)	9,465,863
Equipment	1,482,686	247,986	-	1,730,672
Totals at Historical Cost	17,216,462	1,009,391	( 791,533)	17,434,320
Less Accumulated				
Depreciation for:				
Buildings	( 73,361)	( 15)	-	( 73,376)
Water Plant	( 3,449,646)	( 139,322)	-	( 3,588,968)
Treatment Plant	( 6,576,036)	( 263,292)	-	( 6,839,328)
Equipment	( 913,226)	( 125,715)	-	( 1,038,941)
Total Accumulated				
Depreciation	( 11,012,269)	( 528,344)	-	( 11,540,613)
<u>Business-Type Activities</u>				
<u>Capital Assets, Net</u>	<u>\$ 6,261,943</u>	<u>\$ 1,412,641</u>	<u>\$ ( 791,533)</u>	<u>\$ 6,883,051</u>

Depreciation expense for the year ended June 30, 2009 was charged to functions of the primary government as follows:

Government Activities:	
General Government	\$ 1,809,360
Public Safety	231,842
Public Works	145,706
Culture and Recreation	48,515
Community Development	70,941
Ike Hamilton Expo Center	457,426
Convention Center	16,312
Health and Welfare	-
Total Depreciation Expense -	
Governmental Activities	<u>\$ 2,780,102</u>
Business-Type Activities:	
Utilities	<u>\$ 528,344</u>

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

At June 30, 2009, 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, 2009

**Note 10 - Pension and Retirement Plans**

CITY OF WEST MONROE-SPONSORED PENSION PLANS

Effective January 1, 1986, the City-Sponsored West Monroe Firemen's Pension and Relief System merged with the State Firefighters' Retirement System. As a result of that merger, the City of West Monroe was indebted to the State Firefighters' Retirement System for \$923,399 at June 30, 2009 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 2009 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 13.50 percent of annual covered payroll. The City's contributions to the System under Plan A for the years ending June 30, 2009, 2008 and 2007 were \$731,937, \$736,016 and \$827,139, respectively, equal to the required contributions for each year.

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

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

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 9.5 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, 2009, 2008 and 2007 were \$284,036, \$402,864 and \$415,479, 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, 2009

**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 12.5 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, 2009, 2008 and 2007 were \$160,733, \$179,588, and \$186,698, 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 18.5 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, 2009, 2008 and 2007 were \$7,555, \$8,009 and \$7,097, respectively, equal to the required contributions for the year.

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

**Note 11 - Postemployment Health Care Benefits**

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

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

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

**Fund Policy.** Until 2008, the City of West Monroe recognized the cost of providing post-employment medical benefits (the City of West Monroe's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2008/2009, the City of West Monroe's portion of health care funding cost for retired employees totaled \$46,728.

Effective with the Fiscal Year beginning July 1, 2008, the City of West Monroe implemented Government Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions (GASB 45).

**Annual Required Contribution.** The City of West Monroe's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2008 is \$83,632, as set forth below:

	Medical
Normal Cost	\$ 37,857
30-year UAL amortization amount	45,775
	<hr/>
Annual required contribution (ARC)	\$ 83,632

**Net Post-employment Benefit Obligation (Asset).** The table below shows the City of West Monroe's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2009:

	Medical
Beginning Net OPEB Obligation (Asset) 9/1/2008	\$ 0
Annual required contribution	+ 83,632
Interest on Net OPEB Obligation (Asset)	-0
ARC Adjustment	+0
	<hr/>
OPEB Cost	83,632
Contribution	0
Current year retiree premium	- 46,728
	<hr/>
Change in Net OPEB Obligation	+ 36,904
Ending Net OPEB Obligation (Asset) 8/31/2009	\$ 36,904

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

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

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

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical	June 30, 2009	\$83,632	55.83%	\$36,904

**Funded Status and Funding Progress.** In the fiscal year ending June 30, 2009, the City of West Monroe made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2008, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$791,607, which is defined as that portion, as determined by a particular actuarial cost method (the City of West Monroe uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2008, the entire actuarial accrued liability of \$791,607 was unfunded.

Actuarial Accrued Liability (AAL)	Medical \$ 791,607
Actuarial Value of Plan Assets	0
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 791,607</u>
Funded Ratio (Act. Val. Assets/AAL)	0%
Covered Payroll (active plan members)	\$12,190,706
UAAL as a percentage of covered payroll	6%

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

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

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

**Actuarial Value of Plan Assets.** Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 will be used.

**Turnover Rate.** An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 5%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 - 25	10.0%
26 - 40	6.0%
41 - 54	4.0%
55+	3.0%

It has also been assumed that 20% of future eligible retirees will decline coverage because of the retiree contributions required.

**Post employment Benefit Plan Eligibility Requirements.** Based on past experience, it has been assumed that entitlement to benefits will commence six years after the earliest retirement (D.R.O.P. entry) eligibility, as described above under "Plan Descriptions". The six years consists of the three year D.R.O.P. period plus three additional years. Medical benefits are provided to employees upon actual retirement. The employees are covered by several retirement systems with similar eligibility provisions. In the absence of specific details about which employees are covered by each system, we have used the following retirement eligibility (D.R.O.P. entry) provisions as representative of the eligibility: 25 years of service at any age; or, age 60 and 10 years of service. Entitlement to benefits continue through Medicare to death.

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

**Health Care Cost Trend Rate.** The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

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

**Mortality Rate.** The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

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

**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>
Governmental Activities:					
Bonds and Notes Payable:					
Certificates of Indebtedness,					
Series 2003	\$ 5,055,000	\$ -	\$ 765,000	\$ 4,290,000	\$ 795,000
Series 2005	225,000	-	30,000	195,000	30,000
Series 2006	575,000	-	55,000	520,000	60,000
Series 2007	4,500,000	-	145,000	4,355,000	150,000
Series 2009	-	3,000,000	-	3,000,000	90,000
Community Development Block Grant for Economic Development	456,257	-	25,495	430,762	25,000
State Firefighters' Retirement System	<u>923,398</u>	<u>-</u>	<u>106,702</u>	<u>816,696</u>	<u>114,171</u>
<u>Total Bonds and Notes Payable</u>	11,734,655	3,000,000	1,127,197	13,607,458	1,264,171
Other Liabilities:					
Accrued Heart and Lung Disability	882,525	-	18,642	863,883	59,027
Accrued Vacation, Sick And Compensatory Time	<u>661,971</u>	<u>80,894</u>	<u>-</u>	<u>742,865</u>	<u>742,865</u>
Total Other Liabilities	<u>1,544,496</u>	<u>80,894</u>	<u>18,642</u>	<u>1,606,748</u>	<u>801,892</u>
<u>Total Governmental Activities Long-Term Debt</u>	<u>\$13,279,151</u>	<u>\$ 3,080,894</u>	<u>\$ 1,145,839</u>	<u>\$15,214,206</u>	<u>\$2,066,063</u>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

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

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
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	75,000	17,969	35,000	4,594	890,000	51,923
2014	80,000	13,125	35,000	2,756	925,000	17,529
2015	170,000	10,938	35,000	919	-	-
<b>Total</b>	<b>\$ 520,000</b>	<b>\$ 121,876</b>	<b>\$ 195,000</b>	<b>\$ 31,894</b>	<b>\$ 4,290,000</b>	<b>\$ 418,796</b>

Year Ended June 30,	Certificates of Indebtedness				State Firefighters' Retirement System	
	Series 2007		Series 2009		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 150,000	\$ 183,062	\$ 90,000	\$ 101,246	\$ 114,171	\$ 57,169
2011	155,000	175,438	275,000	103,137	122,163	49,177
2012	165,000	167,437	285,000	92,721	130,714	40,625
2013	170,000	159,063	300,000	81,840	139,864	31,475
2014	180,000	151,213	310,000	70,494	149,655	21,685
2015-2019	1,020,000	639,663	1,740,000	166,842	160,129	11,209
2020-2024	1,275,000	407,639	-	-	-	-
2025-2029	1,240,000	110,695	-	-	-	-
<b>Total</b>	<b>\$ 4,355,000</b>	<b>\$ 1,993,940</b>	<b>\$ 3,000,000</b>	<b>\$ 616,280</b>	<b>\$ 816,696</b>	<b>\$ 211,340</b>

Year Ended June 30,	CDBG Division of Admn. Economic Development	
	Principal	Interest
	Principal	Interest
2010	\$ 25,000	\$ -
2011	25,000	-
2012	25,000	-
2013	25,000	-
2014	25,000	-
2015-2019	125,000	-
2020-2024	125,000	-
2025-2029	55,762	-
<b>Total</b>	<b>\$ 430,762</b>	<b>\$ -</b>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

**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, 2008, the City is responsible for payment of lifetime benefits to five firemen. The actuarial estimate of the liability is \$863,883.

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

The annual payment requirements outstanding at June 30, 2009 are as follows:

2010	\$ 59,027
2011	59,027
2012	59,027
2013	59,027
2014	59,027
2015-2019	295,135
2020-2024	236,108
2025-2029	<u>37,505</u>
<u>TOTAL</u>	<u>\$ 863,883</u>

**Note 14 - 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, 2009:

<u>Year Ended</u>	<u>Amount</u>
<u>June 30,</u>	
2010	\$ 45,744

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>	
2010	\$ 12,000
2011	12,000
2012	12,000
2013	12,000
2014	12,000
2015	12,000

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

**Note 15 - 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 16 - Litigation**

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

**Note 17 - Self-Insurance Program**

During 1998, the City began a self-insurance program for hospitalization and medical coverage for its active employees and retirees. The City limits its losses through the use of reinsurers up to \$60,000 per employee. The City's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees. At June 30, 2009, the City's annual cost, excluding reinsurance premiums, is limited to approximately \$2,222,747 which was for active employees. Approximately 30 retirees receive benefits under this plan. These retirees reimbursed the City for \$122,684 during the year ended June 30, 2009 for their cost of the health care benefits.

**Note 18- 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 \$114,671 are held by Nationwide Retirement Solutions, Inc.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

**Note 19 - Interfund Receivables and Payables**

Interfund balances at June 30, 2009, were as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Interfund Payables</u>
<b>Major Funds:</b>		
General Fund	\$ 1,530,526	\$ 149,608
'86 Sales Tax	135,541	1,450,000
<b>Enterprise Fund</b>	-	70,500
<b>Non-Major Funds:</b>		
Special Revenue Funds	535,475	101,066
Capital Project Funds	-	345,271
Debt Service Funds	-	90,022
Internal Service Fund	<u>4,925</u>	<u>-</u>
<b><u>TOTAL</u></b>	<b><u>\$ 2,206,467</u></b>	<b><u>\$ 2,206,467</u></b>

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

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

Interfund operating transfers in and out during the year ended June 30, 2009, were as follows:

<u>Fund</u>	<u>In</u>	<u>Operating Transfers Out</u>
<b>Major Funds:</b>		
General Fund	\$ 451,588	\$ 315,024
'86 Sales Tax Capital	-	1,194,000
<b>Enterprise Fund</b>	-	244,588
<b>Non-Major Funds:</b>		
Special Revenue Funds	188,187	-
Expendable Trust Funds	126,837	-
Debt Service Funds	<u>987,000</u>	<u>-</u>
<b><u>TOTAL</u></b>	<b><u>\$ 1,753,612</u></b>	<b><u>\$ 1,753,612</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.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

**Note 21 - 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 \$489,591 and the related expenditures are as follows:

Marshal's Office	\$ 15,300
Police Department	273,041
Jail	39,034
Fire Department	162,216
Total	<u>\$ 489,591</u>

**Note 22- Minimum Lease Payments Receivable – Direct Financing Lease**

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

The following lists the components of the minimum lease payments to be received under the direct financing lease as of June 30, 2009:

Total minimum lease payments to be received	\$ 1,318,612
Less: Amounts representing estimated executory costs (such as taxes, maintenance, and insurance), including profit thereon, included in total minimum lease payments	-
Minimum lease payments receivable	1,318,612
Estimated residual values of leased property (unguaranteed)	-
Less: Unearned Income	( 169,021)
<u>NET MINIMUM LEASE PAYMENTS RECEIVABLE – DIRECT FINANCING LEASE</u>	<u>\$ 1,149,591</u>

Future minimum lease payments are as follows:

Year Ended <u>June 30,</u>	<u>Amount</u>
2010	\$ 147,000
2011	147,000
2012	147,000
2013	147,000
2014	147,000
2015-2019	400,132
2020-2024	125,100
2025-2027	<u>58,380</u>
Total	<u>\$ 1,318,612</u>

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

**Note 23 - Operating Lease – Golf Course Lease Agreement**

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

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2010	\$ 10,500
2011	10,500
2012	10,500
2013	10,500
2014	10,500
2015-2017	<u>27,125</u>
Total	<u>\$ 79,625</u>

**REQUIRED SUPPLEMENTAL INFORMATION (PART B)**  
**BUDGETARY COMPARISON SCHEDULES**



CITY OF WEST MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<b><u>Revenues</u></b>				
Taxes	\$ 11,626,700	\$ 11,640,700	\$ 11,640,904	\$ 204
Intergovernmental	686,792	575,900	589,665	13,765
Licenses and Permits	923,500	902,000	902,274	274
Charges for Services	2,482,000	2,486,000	2,474,198	(11,802)
Fines and Forfeitures	675,500	695,800	695,292	(508)
Interest Earned	19,500	78,000	71,767	(6,233)
Franchise Revenue	905,000	935,000	936,148	1,148
Sale of Assets	15,000	15,000	36,520	21,520
Other	359,400	385,300	357,053	(28,247)
<b>Total Revenues</b>	<b>17,693,392</b>	<b>17,713,700</b>	<b>17,703,821</b>	<b>(9,879)</b>
<b><u>Expenditures</u></b>				
General Government:				
Elected Council	84,940	84,940	82,980	1,960
City Court	388,452	388,452	386,466	1,986
Marshal	276,887	276,887	288,085	(11,198)
Mayor's Office	168,948	168,948	168,861	87
City Clerk's Office	997,240	997,240	998,354	(1,114)
City Hall Maintenance	486,702	465,000	464,158	842
General and Administrative	1,550,588	1,550,588	1,533,773	16,815
Public Safety:				
Legal	376,840	376,840	374,243	2,597
Fire	1,986,050	1,986,050	1,962,170	23,880
Police	4,105,162	4,105,162	4,120,315	(15,153)
Prison	681,080	681,080	678,716	2,364
Police Shop	96,314	96,314	95,023	1,291
Public Works:				
Garbage	671,390	662,000	661,511	489
Trash	548,000	548,000	541,537	6,463
Streets	824,810	845,000	847,131	(2,131)
Cemetery	38,552	38,552	38,957	(405)
Planning and Zoning	208,013	213,243	213,654	(411)
City Maintenance Shop	271,985	271,985	275,286	(3,301)

**CITY OF WEST MONROE, LOUISIANA**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
<b>Culture and Recreation:</b>				
Recreation and Parks	\$ 294,242	\$ 294,242	\$ 289,781	\$ 4,461
Kiroli Park	317,970	317,970	320,670	(2,700)
Lazarre Park	9,800	9,800	7,940	1,860
Restoration Park	2,877	2,877	2,198	679
Farmer's Market	41,762	41,762	41,438	324
Tanner Building & Business Center	140,760	140,760	142,237	(1,477)
Section 8 Housing	187,637	160,000	159,986	14
Community Development & Center	386,590	330,000	328,193	1,807
Ike Hamilton Expo Center	922,174	881,000	881,875	(875)
Convention Center	872,273	927,373	931,369	(3,996)
Economic Development	64,028	64,028	64,770	(742)
<b>Total Expenditures</b>	<b>17,002,066</b>	<b>16,926,093</b>	<b>16,901,677</b>	
<b><u>Excess of Revenues Over (Under)</u></b>				
<b><u>Expenditures</u></b>	691,326	787,607	802,144	14,537
<b><u>Other Financing Sources and (Uses)</u></b>				
Transfers In	778,421	450,000	451,588	1,588
Transfers Out	(475,000)	(315,000)	(315,024)	(24)
<b>Total Other Financing Sources and Uses</b>	<b>303,421</b>	<b>135,000</b>	<b>136,564</b>	<b>1,564</b>
<b><u>Net Change in Fund Balance</u></b>	<b>994,747</b>	<b>922,607</b>	<b>938,708</b>	<b>16,101</b>
<b><u>Fund Balance at Beginning of Year</u></b>	<b>5,266,071</b>	<b>5,266,071</b>	<b>5,266,071</b>	<b>-</b>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<b>\$ 6,260,818</b>	<b>\$ 6,188,678</b>	<b>\$ 6,204,779</b>	<b>\$ 16,101</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<b><u>Revenues</u></b>				
Sales Tax	\$ 4,600,000	\$ 4,660,000	\$ 4,658,294	\$ (1,706)
Non-City Revenue	200,000	185,000	178,352	(6,648)
Sale of Assets	-	-	6,175	6,175
Interest Income	-	2,000	5,678	3,678
<b>Total Revenues</b>	<u>4,800,000</u>	<u>4,847,000</u>	<u>4,848,499</u>	<u>1,499</u>
<b><u>Expenditures</u></b>				
Computer Equipment and Software	300,000	476,000	476,153	(153)
Street Projects	100,000	120,000	120,299	(299)
Drainage Projects	75,000	83,000	83,116	(116)
Furniture and Fixtures	30,000	18,000	18,204	(204)
Vehicles	275,000	55,000	55,573	(573)
Machinery and Equipment	300,000	500,000	503,647	(3,647)
Consultants	20,000	93,000	91,915	1,085
Engineering	250,000	242,000	243,015	(1,015)
Construction/Buildings/Facilities	150,000	106,000	107,560	(1,560)
Water Projects	125,000	60,000	71,909	(11,909)
Sewer Projects	100,000	164,000	164,994	(994)
Treatment Plant Projects	125,000	6,000	5,620	380
Land Purchases	-	275,000	273,600	1,400
Maintenance	315,000	635,000	633,355	1,645
<b>Total Expenditures</b>	<u>2,165,000</u>	<u>2,833,000</u>	<u>2,848,960</u>	<u>(15,960)</u>
<b><u>Deficiency of Revenues Over</u></b>				
<b><u>Expenditures</u></b>	2,635,000	2,014,000	1,999,539	(14,461)
<b><u>Other Financing Sources and (Uses)</u></b>				
Transfers In	-	-	-	-
Transfers Out	(1,545,000)	(1,194,000)	(1,194,000)	-
<b>Total Other Financing Sources</b>				
<b>and Uses</b>	<u>(1,545,000)</u>	<u>(1,194,000)</u>	<u>(1,194,000)</u>	<u>-</u>
<b><u>Net Change in Fund Balance</u></b>	1,090,000	820,000	805,539	(14,461)
<b><u>Fund Balance at Beginning of Year</u></b>	(702,512)	(702,512)	(702,512)	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 387,488</u>	<u>\$ 117,488</u>	<u>\$ 103,027</u>	<u>\$ (14,461)</u>

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2009

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, 2009

	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	-	-	3,106	-
Due From Other Governments	-	14,636	-	400
Due From Other Funds	321,182	-	15,598	32,235
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 321,182</u></b>	<b><u>\$ 14,636</u></b>	<b><u>\$ 18,704</u></b>	<b><u>\$ 32,635</u></b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ -	\$ 595	\$ 550	\$ -
Due To Other Funds	-	14,041	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>14,636</b>	<b>550</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>				
Unreserved	321,182	-	18,154	32,635
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 321,182</u></b>	<b><u>\$ 14,636</u></b>	<b><u>\$ 18,704</u></b>	<b><u>\$ 32,635</u></b>

<u>Rental Rehabilitation Fund</u>	<u>Metro LCLE Grant Fund</u>	<u>Juvenile Justice Grant Fund</u>	<u>North Delta Law Enforcement Training Center Fund</u>	<u>Office of Motor Vehicles</u>	
\$ 6,904	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	
-	52,825	7,064	-	6,033	C
-	22,965	-	40,747	48,586	O
<u>\$ 6,904</u>	<u>\$ 75,790</u>	<u>\$ 7,064</u>	<u>\$ 40,747</u>	<u>\$ 54,619</u>	N
					T
\$ -	\$ 73,176	\$ -	\$ 48	\$ 143	I
-	-	7,064	-	-	
-	73,176	7,064	48	143	N
					U
<u>6,904</u>	<u>2,614</u>	<u>-</u>	<u>40,699</u>	<u>54,476</u>	E
					D
<u>\$ 6,904</u>	<u>\$ 75,790</u>	<u>\$ 7,064</u>	<u>\$ 40,747</u>	<u>\$ 54,619</u>	

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2009

	Section 8 Housing Fund	Brownfields Assessment Grant	21st Century Department of Education Grant	Americorps Grant Fund
<b><u>ASSETS</u></b>				
Cash in Bank	\$ 416,180	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due From Other Governments	-	-	33,259	12,711
Due From Other Funds	14,067	-	-	24,087
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 430,247</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 33,259</u></b>	<b><u>\$ 36,798</u></b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 991	\$ -	\$ 134	\$ -
Due To Other Funds	-	-	32,710	-
<b>Total Liabilities</b>	<b>991</b>	<b>-</b>	<b>32,844</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>				
Unreserved	429,256	-	415	36,798
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 430,247</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 33,259</u></b>	<b><u>\$ 36,798</u></b>



<u>Celtic Festival Fund</u>	<u>Domestic Violence Response Team</u>	<u>Miscellaneous Projects and Grant Funds</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ 423,084
-	-	-	3,106
-	55,861	-	182,789
-	-	16,008	535,475
<u>\$ -</u>	<u>\$ 55,861</u>	<u>\$ 16,008</u>	<u>\$ 1,144,454</u>
\$ -	\$ 45,422	\$ -	\$ 121,059
23,211	10,439	13,601	101,066
<u>23,211</u>	<u>55,861</u>	<u>13,601</u>	<u>222,125</u>
<u>(23,211)</u>	<u>-</u>	<u>2,407</u>	<u>922,329</u>
<u>\$ -</u>	<u>\$ 55,861</u>	<u>\$ 16,008</u>	<u>\$ 1,144,454</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, 2009

	Street Maintenance Fund	West Ouachita Senior Center Fund	Emergency Shelter Program Fund	Officer Witness Court Fund
<b><u>Revenues</u></b>				
Taxes	\$ 196,677	\$ -	\$ -	\$ -
Intergovernmental	-	209,693	25,347	-
Interest	-	-	-	-
Other	-	150,833	-	58,344
<b>Total Revenues</b>	<u>196,677</u>	<u>360,526</u>	<u>25,347</u>	<u>58,344</u>
<b><u>Expenditures</u></b>				
Public Safety	-	-	-	83,556
Public Works	153,661	-	-	-
Health and Welfare	-	508,179	19,259	-
Culture and Recreation	-	-	-	-
Capital Expenditures & Major Repairs	-	-	-	-
<b>Total Expenditures</b>	<u>153,661</u>	<u>508,179</u>	<u>19,259</u>	<u>83,556</u>
<b><u>Excess (Deficiency) of</u></b>				
<b><u>Revenues Over Expenditures</u></b>	43,016	(147,653)	6,088	(25,212)
<b><u>Other Financing Sources</u></b>				
Operating Transfers - In (Out)	-	147,653	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>147,653</u>	<u>-</u>	<u>-</u>
<b><u>Net Change in Fund Balance</u></b>	43,016	-	6,088	(25,212)
<b><u>Fund Balances - Beginning</u></b>	<u>278,166</u>	<u>-</u>	<u>12,066</u>	<u>57,847</u>
<b><u>FUND BALANCES - ENDING</u></b>	<u>\$ 321,182</u>	<u>\$ -</u>	<u>\$ 18,154</u>	<u>\$ 32,635</u>

Rental Rehabilitation Fund	Metro LCLE Grant Fund	Juvenile Justice Grant Fund	North Delta Law Enforcement Training Center Fund	Office of Motor Vehicles	
\$ -	\$ -	\$ -	\$ -	\$ -	
-	70,889	47,083	-	66,441	
-	-	-	-	-	
-	-	-	66,498	-	
-	70,889	47,083	66,498	66,441	
-	70,889	47,083	57,284	49,421	C
-	-	-	-	-	O
-	-	-	-	-	N
-	-	-	-	-	T
-	70,889	47,083	57,284	49,421	I
-	-	-	9,214	17,020	N
-	-	-	-	-	U
-	-	-	-	-	E
-	-	-	-	-	D
-	-	-	9,214	17,020	
6,904	2,614	-	31,485	37,456	
\$ 6,904	\$ 2,614	\$ -	\$ 40,699	\$ 54,476	

Celtic Festival Fund	Domestic Violence Response Team	Miscellaneous Projects and Grant Funds	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 196,677
-	41,763	-	2,191,076
-	-	-	4,099
81,658	-	5,204	374,048
<u>81,658</u>	<u>41,763</u>	<u>5,204</u>	<u>2,765,900</u>
-	41,763	-	349,996
-	-	-	153,661
-	-	-	2,202,550
97,493	-	5,664	318,171
-	-	-	-
<u>97,493</u>	<u>41,763</u>	<u>5,664</u>	<u>3,024,378</u>
(15,835)	-	(460)	(258,478)
-	-	-	188,187
<u>-</u>	<u>-</u>	<u>-</u>	<u>188,187</u>
(15,835)	-	(460)	(70,291)
<u>(7,376)</u>	<u>-</u>	<u>2,867</u>	<u>992,620</u>
<u>\$ (23,211)</u>	<u>\$ -</u>	<u>\$ 2,407</u>	<u>\$ 922,329</u>

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

	June 30,	
	<u>2009</u>	<u>2008</u>
<b><u>Assets</u></b>		
Due From Other Governments:		
Department of Transportation	\$ 14,636	\$ 10,020
<b><u>Total Assets</u></b>	<u>\$ 14,636</u>	<u>\$ 10,020</u>
 <b><u>Liabilities and Fund Balance</u></b>		
<b><u>Liabilities</u></b>		
Accounts Payable	\$ 595	\$ 366
Due To Other Funds	14,041	9,654
<b>Total Liabilities</b>	<u>14,636</u>	<u>10,020</u>
 <b><u>Fund Balance</u></b>		
Unreserved	<u>-</u>	<u>-</u>
 <b><u>Total Liabilities and Fund Balance</u></b>	<u>\$ 14,636</u>	<u>\$ 10,020</u>

**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,	
	2009	2008
<b><u>Revenues</u></b>		
Department of Transportation	\$ 58,027	\$ 59,339
Ouachita Council on Aging		
Senior Center Funds	62,412	60,906
Supplemental Senior Center Funds	6,619	83,125
Professional Services Contract	75,000	-
United Way	94,565	91,335
Transportation Fees	7,425	7,556
Miscellaneous Revenues (Ceramics, Greenhouse, etc.)	56,478	47,565
Total Revenues	<u>360,526</u>	<u>349,826</u>
<b><u>Expenditures</u></b>		
Salaries and Related Expenditures	356,502	335,497
Professional Services	-	2,650
Repairs and Maintenance	10,918	10,207
Communications	4,581	7,021
Postage	1,080	6,420
Newsletter	8,046	495
Advertising	979	121
Travel	909	1,613
Supplies	53,151	63,665
Utilities	27,796	27,102
Fuel	36,000	45,771
Miscellaneous	8,217	12,260
Total Expenditures	<u>508,179</u>	<u>512,822</u>
<b><u>Deficiency of Revenues Over Expenditures</u></b>	(147,653)	(162,996)
<b><u>Other Financing Sources</u></b>		
Transfers In From City General Fund	<u>147,653</u>	<u>162,996</u>
<b><u>Net Change in Fund Balance</u></b>	-	-
<b><u>Fund Balance - Beginning</u></b>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCE - ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2009

	<u>Firemen's Pension Merger Fund</u>	<u>2007 Debt Service Fund</u>	<u>2003 Debt Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
<b><u>ASSETS</u></b>				
Cash in Bank	<u>\$ 154,939</u>	<u>\$ 117,930</u>	<u>\$ -</u>	<u>\$ 272,869</u>
<b><u>LIABILITIES</u></b>				
Payable to State Retirement	\$ 171,340	\$ -	\$ -	\$ 171,340
Due To Other Funds	<u>-</u>	<u>-</u>	<u>90,022</u>	<u>90,022</u>
Total Liabilities	171,340	-	90,022	261,362
<b><u>FUND BALANCES</u></b>				
Reserved For Debt Service	<u>(16,401)</u>	<u>117,930</u>	<u>(90,022)</u>	<u>11,507</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<u>\$ 154,939</u>	<u>\$ 117,930</u>	<u>\$ -</u>	<u>\$ 272,869</u>

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2009

	Firemen's Pension Merger Fund	2007 Debt Service Fund	2003 Debt Service Fund	Total Nonmajor Debt Service Funds
<b><u>Revenues</u></b>				
Taxes	\$ 171,600	\$ 348,000	\$ -	\$ 519,600
Sales of Assets	-	-	290,000	290,000
Total Revenues	171,600	348,000	290,000	809,600
<b><u>Expenditures</u></b>				
Principal Retirement	106,702	145,000	875,495	1,127,197
Other Debt Service Costs	-	401	-	401
Interest	64,638	190,438	222,332	477,408
Total Expenditures	171,340	335,839	1,097,827	1,605,006
<b><u>Excess (Deficiency) of Revenues</u></b>				
<b><u>Over Expenditures</u></b>	260	12,161	(807,827)	(795,406)
<b><u>Other Financing Sources</u></b>				
Operating Transfers - In	-	-	987,000	987,000
<b><u>Net Change in Fund Balance</u></b>	260	12,161	179,173	191,594
<b><u>Fund Balance - Beginning</u></b>	(16,661)	105,769	(269,195)	(180,087)
<b><u>FUND BALANCE - ENDING</u></b>	\$ (16,401)	\$ 117,930	\$ (90,022)	\$ 11,507



CITY OF WEST MONROE, LOUISIANA  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2009

	<u>I-20 Ramp Project</u>	<u>CDBG - Street Paving Project</u>	<u>Detention Basin Grant Project</u>
<b><u>ASSETS</u></b>			
Cash in Bank	\$ 149,461	\$ 6,278	\$ -
Due From Other Governments	-	-	-
Due From Other Funds	-	-	-
<b><u>TOTAL ASSETS</u></b>	<u>\$ 149,461</u>	<u>\$ 6,278</u>	<u>\$ -</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ -	\$ -	\$ -
Due To Other Funds	-	-	345,271
<b>Total Liabilities</b>	-	-	345,271
<b><u>FUND BALANCES (DEFICITS)</u></b>			
Unreserved:			
Designated for Future Expenditures	<u>149,461</u>	<u>6,278</u>	<u>(345,271)</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</u></b>	<u>\$ 149,461</u>	<u>\$ 6,278</u>	<u>\$ -</u>

<u>CDBG - Send Technologies Project</u>	<u>CDBG - Pine Valley Foods Project</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ 3	\$ -	\$ 155,742
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 155,742</u>
\$ -	\$ -	\$ -
-	-	345,271
<u>-</u>	<u>-</u>	<u>345,271</u>
3	-	(189,529)
<u>3</u>	<u>-</u>	<u>(189,529)</u>
\$ 3	\$ -	\$ 155,742
<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 155,742</u>

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS)  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>I-20 Ramp Project</u>	<u>CDBG - Street Paving Project</u>	<u>Detention Basin Grant Project</u>
<b><u>Revenues</u></b>			
Intergovernmental	\$ -	\$ -	\$ -
Sale of Assets	-	-	-
<b>Total Revenues</b>	-	-	-
<b><u>Expenditures</u></b>			
Capital Projects	-	-	5,076
<b><u>Excess (Deficiency) of</u></b>			
<b><u>Revenues Over Expenditures</u></b>	-	-	(5,076)
<b><u>Other Financing Sources (Uses)</u></b>			
Operating Transfers - In	-	-	-
Operating Transfers - Out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-
<b><u>Net Change in Fund Balance</u></b>	-	-	(5,076)
<b><u>Fund Balances - Beginning</u></b>	149,461	6,278	(340,195)
<b><u>FUND BALANCES - ENDING</u></b>	<u>\$ 149,461</u>	<u>\$ 6,278</u>	<u>\$ (345,271)</u>

CDBG - Send Technologies Project	CDBG - Pine Valley Foods Project	Total Nonmajor Capital Project Funds
\$ -	\$ -	\$ -
-	-	-
-	-	-
3	3	5,082
(3)	(3)	(5,082)
-	-	-
-	-	-
-	-	-
(3)	(3)	(5,082)
6	3	(184,447)
<u>\$ 3</u>	<u>\$ -</u>	<u>\$ (189,529)</u>

OTHER SUPPLEMENTAL INFORMATION

CITY OF WEST MONROE, LOUISIANA  
ALL FUNDS  
SCHEDULE OF ASSESSED VALUATION AND AD VALOREM  
PROPERTY TAX LEVY FOR 2008

<u>Original Assessed Valuation</u>	\$ 124,506,179
<u>Tax Rate Per Thousand Dollars (Mills)</u>	8.62
<u>Gross Tax Levy</u>	\$ 1,073,243
Less: Adjustments	<u>(46,348)</u>
<u>Adjusted Gross Tax Levy</u>	<u>\$ 1,026,895</u>
<u>Tax Collected</u>	
2008 Assessments	<u>\$ 1,026,895</u>

	<u>2008 Tax</u>	
	<u>Rate Mills</u>	
<u>Allocation of Tax Collected</u>		
General Fund	6.97	\$ 830,218
Street Maintenance	<u>1.65</u>	<u>196,677</u>
Total	<u>8.62</u>	<u>\$ 1,026,895</u>

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF REVENUES AND EXPENDITURES - CONVENTION CENTER  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Events</u>	<u>Concession</u>	<u>Catering</u>	<u>Total</u>
<u>Revenues</u>	\$ 11,919	\$ 39,978	\$ 656,000	\$ 707,897
<u>Cost of Operations</u>				
Operating Expenditures	22,354	-	317,202	339,556
Personnel	13,455	-	322,913	336,368
Total	<u>35,809</u>	<u>-</u>	<u>640,115</u>	<u>675,924</u>
<u>Gross Profit</u>	<u>\$ (23,890)</u>	<u>\$ 39,978</u>	<u>\$ 15,885</u>	31,973
<u>Administrative Expenditures</u>				
Director's Salary				48,480
Operations Salaries				74,822
Employee Benefits				36,116
Vehicle Maintenance				1,054
Materials, Repairs & Supplies				49,569
Postage & Freight				58
Travel, Car & Meetings				6,458
Cell Phones and Pagers				3,097
Advertising				2,432
Office Supplies				3,210
Utilities				<u>30,147</u>
Total Administrative Expenditures				<u>255,443</u>
<u>Deficiency of Revenues Under Expenditures</u>				<u>\$ (223,470)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 32,000	\$ (27)
48,513	33
83,200	8,378
35,810	(306)
1,000	(54)
45,000	(4,569)
-	(58)
4,500	(1,958)
3,200	103
2,000	(432)
3,150	(60)
<u>26,000</u>	<u>(4,147)</u>
<u>252,373</u>	<u>(3,070)</u>
<u>\$ (220,373)</u>	<u>\$ (3,097)</u>



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF REVENUES AND EXPENDITURES - IKE HAMILTON EXPO CENTER  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Equine Events</u>	<u>Concession</u>	<u>Stall Rentals &amp; Shavings</u>	<u>Total</u>
<u>Revenues</u>	\$ 143,694	\$ 15,931	\$ 217,476	\$ 377,101
<u>Cost of Operations</u>				
Operating Expenditures	77,138	20,662	39,946	137,746
Personnel	86,669	16,508	34,393	137,570
Total	<u>163,807</u>	<u>37,170</u>	<u>74,339</u>	<u>275,316</u>
<u>Gross Profit</u>	<u>\$ (20,113)</u>	<u>\$ (21,239)</u>	<u>\$ 143,137</u>	101,785
<u>Administrative Expenditures</u>				
Director's Salary				75,644
Operations Salaries				122,742
Employee Benefits				46,538
Vehicle Maintenance				7,254
Materials, Repairs & Supplies				27,447
Gas and Oil				-
Office				2,980
Cell Phones and Pagers				7,094
Advertising				-
Other Miscellaneous Purchases				242
Utilities				<u>316,618</u>
Total Administrative Expenditures				<u>606,559</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (504,774)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 14,082	\$ 87,703
75,726	82
125,300	2,558
50,156	3,618
6,500	(754)
14,500	(12,947)
-	-
2,900	(80)
11,600	4,506
500	500
400	158
<u>317,000</u>	<u>382</u>
<u>604,582</u>	<u>(1,977)</u>
<u>\$ (590,500)</u>	<u>\$ 85,726</u>

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO COUNCIL MEMBERS  
FOR THE YEAR ENDED JUNE 30, 2009

James Bennett	\$	10,800
James Brian		10,800
Alice Pearson		10,800
Fred Ragland		10,800
Sam Yeager		10,800
	\$	<u>54,000</u>

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

# CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

*Certified Public Accountants*

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

**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, 2009, which collectively comprise the City's basic primary government financial statements and have issued our report thereon dated October 30, 2009. 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 09-1 through 09-4.

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.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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  
October 30, 2009

# CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

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104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

## **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, 2009. 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, 2009.

### **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.

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  
October 30, 2009



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009

**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. Three 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 program tested as major program included the Department of Housing and Urban Development Voucher Program, CFDA No. 14.871.
8. The threshold for distinguishing between Types A and B programs was \$300,000.
9. The City of West Monroe, Louisiana does qualify to be a low-risk auditee.

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009 (continued)

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

There were no findings relating to this category.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**09-1 Delinquent Utility Customer Accounts**

Condition:

As noted in prior year, during our testwork of delinquent utility customers, we noted that in many instances customers were allowed to remain on the water and sewer system longer than the established minimum for cutoff for non-payment. In some cases, the customers leave the City owing the payment and the City never collects it which causes the penalties to grow exponentially.

Criteria:

The City has policies and guidelines to protect against non payment of water and sewer services. These policies should be followed so that revenues will be collected to cover the costs of providing the water and sewer services.

Effect:

When the City does not adhere to its policy regarding cutoff for nonpayment of utility bills, it causes loss of revenues that are essential to the operation of the utility enterprise fund.

Recommendation:

The City should enforce more rigidly its water and sewer cutoff procedures for customers that don't make timely payments or any payments at all.

Response:

The City's administration will work with the Utility Department to make sure the cutoff policies will be enforced. All delinquent accounts will be cutoff timely.

**09-2 Utility Fund Accounts Receivable**

Condition:

As noted in prior year, 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.

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.

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009 (continued)

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

**09-2    Utility Fund Accounts Receivable (continued)**

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 examine the Utility accounts receivable and determine the accounts which are not collectible. Once accounts have been determined to be uncollectible, they will be written off.

**09-3    Theft of Utility Payments**

Condition:

In June 2009, the City became aware of a theft of funds from the City Hall water counter by an employee. The employee took cash that was paid by the customer at the counter and through the mail and did not enter their bill as paid until later in the week when subsequent payments were used to cover the amount taken. This is also known as lapping. The employee was immediately terminated and the theft was reported to West Monroe Police Department. The case is now being handled by the Ouachita Parish District Attorney. The amount stolen could not be easily determined, but after an internal investigation by the City's Accounting Department, the City feels it is an amount less than \$10,000.

Recommendation:

The City should closely monitor the collection and daily reconciliation of water counter receipts to the customers' paid tickets.

Response:

We have instituted additional controls in order to discourage this type of activity in the future. Since we are a very small staff, complete separation of duties is difficult; however, we have made the following changes:

- The employee responsible has been terminated.
- The payments received by mail will no longer be entered by cashiers taking payments at the counter. The mail receipts will be processed separately.
- The mail payments will be time stamped by a separate clerk who is not responsible for entering payments.
- Random, unannounced audits of the cash drawers will be conducted periodically throughout the week.
- Additional training on state ethics and laws will be instituted.
- All payments received at the counter will have to have a receipt generated regardless of tender method (cash, check or credit card).

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass - Through Number</u>	<u>Expenditures</u>
<b>Department of Housing &amp; Urban Development</b>			
Public and Indian Housing			
HAP - Vouchers	14.871	LA186VO	* \$ 1,451,926
<b>Department of Homeland Security</b>			
EF&S National Board Program	97.024	36600-002	19,136
Hazard Mitigation Grant	97.039	07380955-00	249,655
<b>Environmental Protection Agency</b>			
Brownfields Pilot for Site Identification and Active Redevelopment	66.811	BF-97699901-0	52,985
Brownfields Cleanup Revolving Loan Fund for Petroleum Sites	66.818	BF-966331-01-0	9,935
<b>Department of Justice</b>			
Bureau of Justice Assistance			
LA Commission on Law Enforc.	16.738	B08-2-007	44,492
LA Commission on Law Enforc.	16.738	B05-2-012	8,333
			<u>52,825</u>
Office of Juvenile Justice and Delinquency Prevention			
Juvenile Intervention Grant	16.548	W04-2-001	12,636
Juvenile Intervention Grant	16.548	W05-2-001	16,206
			<u>28,842</u>
Juvenile Justice Grant	16.540	J08-2-002	3,065
Juvenile Justice Grant	16.540	J07-2-002	3,181
Juvenile Justice Grant	16.540	J07-2-004	11,995
			<u>18,241</u>
Immigration & Custom Enforcement	None	None	3,704
Federal Bureau of Investigation			
Safestreeets Violent Crime Initiative	None	106-113	15,036
Office on Violence Against Women	16.588	2007-WE-AX-0037	231,331
Bureau of Justice Assistance			
Bullet Proof Vest Grant	16.607	None	4,716

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass - Through Number</u>	<u>Expenditures</u>
<b>Department of Transportation</b>			
Federal Transit Administration			
Section 5311 - Operating Assistance	20.509	LA-18-X021	58,027
Highway Safety Commission			
PD Year Long Overtime	20.600	PT 07-32-00	6,692
PD Year Long Overtime	20.600	PT 08-57-00	35,000
			<u>41,692</u>
<b>Corporation for National and Community Service</b>			
AmeriCorps - 07/08 Grant	94.006	03ACHLA0010005	9,487
AmeriCorps - 08/09 Grant	94.006	03ACHLA0010005	65,661
			<u>75,148</u>
<b>Office of Elementary &amp; Secondary Education</b>			
<b>Department of Education</b>			
Twenty-First Century Community Learning Centers	84.287	661028	139,125
<b>Executive Office of the President</b>			
Office of National Drug Control Policy	None	HIDTA Overtime	29,323
			<u>\$ 2,481,647</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, 2009

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, 2009

**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**

**08-1    Bank ETF Funds for July 2007 not Recorded in General Ledger**

**Condition:**

During our audit it was noted that none of the ETF direct deposits in the operating account had been recorded during the month of July 2007.

**Recommendation:**

The City should review each month that all direct deposits, as well as all other activity, be recorded as each bank account is reconciled.

**Current Status:**

This condition has not been noted since the finding was issued.

**08-2    Operating Cash not Reconciled to General Ledger at Year End**

**Condition:**

During the audit of the operating cash account of the City of West Monroe, it was noted that the account was not reconciled to the year end general ledger.

**Recommendation:**

Each reconciliation should be performed carefully and reviewed by a responsible employee each month.

**Response:**

Although there was an immaterial difference at June 30, 2009, the reconciliation process has improved significantly from prior year.

**08-3    Grant Administrator**

**Condition:**

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

**Recommendation:**

The City's management should consider creating a position of grant administrator to oversee all federal and state grants the City receives. Also, each department should be required to notify the grant administrator if a new grant is applied for or received.

**Current Status:**

At this time, the City feels that it is not cost beneficial to hire another employee or give this responsibility to an existing employee because of the work involved.

CITY OF WEST MONROE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009 (continued)

08-4 Delinquent Accounts in Utility Billing System

Condition:

During our testwork of delinquent utility customers, we noted that in many instances customers were allowed to remain on the water and sewer system longer than the established minimum for cutoff for non-payment. In some cases, the customers leave the City owing the payment and the City never collects it which causes the penalties to grow exponentially.

Recommendation:

The City should enforce more rigidly its water and sewer cutoff procedures for customers that don't make timely payments or any payments at all.

Current Status:

This finding has been repeated in the current year as finding 09-1.

08-5 Utility Fund Accounts Receivable

Condition:

As noted in prior year, during the audit of the utility fund, the 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.

Recommendation:

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

Current Status:

This finding has been repeated in the current year as finding 09-2.