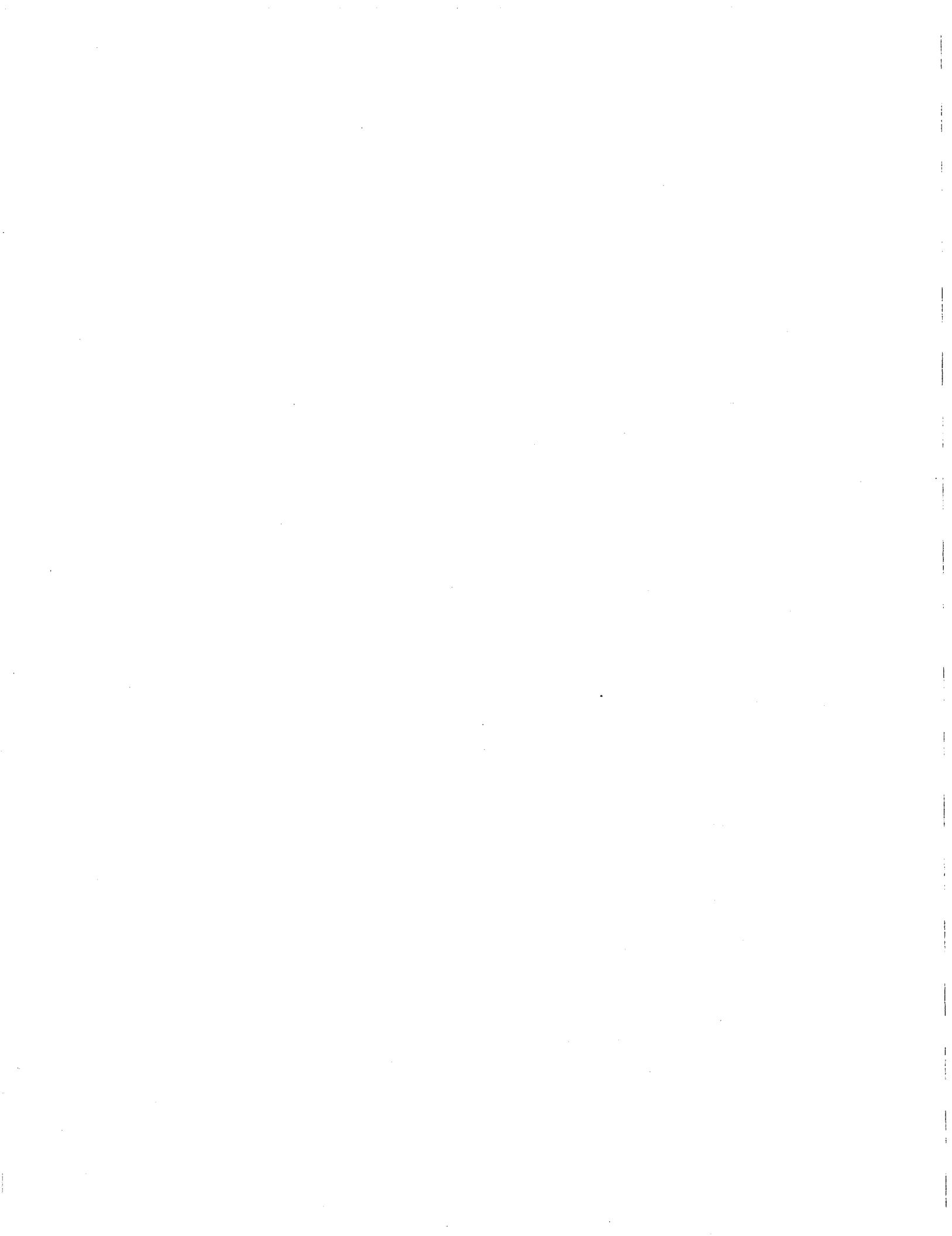


CITY OF WEST MONROE, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report -----	1-2
<u>PRIMARY GOVERNMENT FINANCIAL STATEMENTS</u>	
Required Supplemental Information (Part A)	
Management's Discussion and Analysis -----	3-11
Government-Wide Financial Statements	
Statement of Net Assets -----	12
Statement of Activities -----	13
Fund Financial Statements	
Governmental Funds:	
Balance Sheet -----	14
Reconciliation of the Governmental Fund Balance Sheet	
to the Government-Wide Statement of Net Assets -----	15
Statement of Revenues, Expenditures and Changes in	
Fund Balances -----	16
Reconciliation of the Statement of Revenues, Expenditures	
And Changes in Fund Balances to the Statement of Activities -----	17
Proprietary Funds:	
Statement of Net Assets -----	18
Statement of Revenues, Expenses and Changes in Net Assets -----	19
Statement of Cash Flows -----	20
Fiduciary Funds:	
Statement of Net Assets -----	21
Statement of Changes in Fiduciary Net Assets -----	22
Notes to Financial Statements -----	23-48
Required Supplemental Information (Part B)	
Budgetary Comparison Schedules	
General Fund -----	49
Capital Fund -----	50
Notes to Budgetary Comparison Schedules -----	51



CITY OF WEST MONROE, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

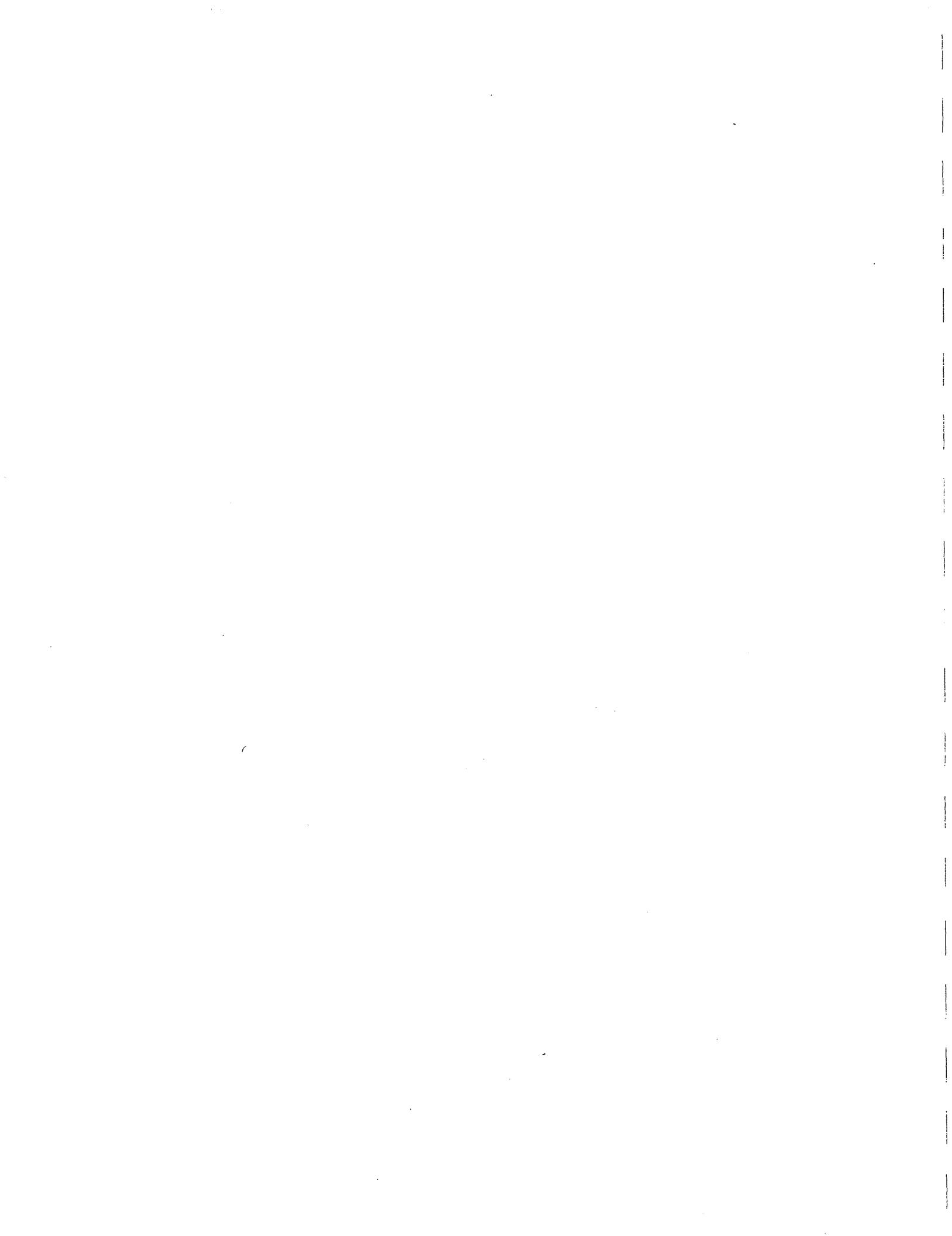
TABLE OF CONTENTS

PRIMARY GOVERNMENT SUPPLEMENTAL
INFORMATION SCHEDULES

	<u>Page</u>
Nonmajor Special Revenue Funds:	
Combining Balance Sheet -----	52-53
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -----	54-55
West Ouachita Senior Center	
Balance Sheets -----	56
Schedules of Revenues, Expenditures and Changes in Fund Balances -----	57
Nonmajor Debt Service Funds:	
Combining Balance Sheet -----	58
Combining Schedules of Revenues, Expenditures and Changes in Fund Balances -----	59
Nonmajor Capital Project Funds:	
Combining Balance Sheet -----	60
Combining Schedules of Revenues, Expenditures and Changes in Fund Balances -----	61

OTHER SUPPLEMENTAL INFORMATION

All Funds –	
Schedule of Assessed Valuation and Ad Valorem Property Tax Levy for 2009 -----	62
Schedule of Revenues and Expenditures –	
Convention Center -----	63
Schedule of Revenues and Expenditures –	
Ike Hamilton Expo Center -----	64
Schedule of Compensation Paid to Council Members -----	65



CITY OF WEST MONROE, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

TABLE OF CONTENTS

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

Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based On an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> -----	66-67
Report on Compliance With Requirements Applicable To Each Major Program and Internal Control Over Compliance In Accordance With OMB Circular A-133 -----	68-69
Schedule of Findings and Questioned Costs -----	70-73
Schedule of Expenditures of Federal Awards -----	74
Notes to Schedule of Expenditures of Federal Awards -----	75
Summary Schedule of Prior Audit Findings -----	76-77



CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Phone (318) 323-1717

Fax (318) 322-5121

Mailing Address:

P. O. Box 2474
West Monroe, LA 71294-2474

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, 2010, 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 do not include financial data of the City's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. The effects of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues and expenses of the aggregate discretely presented component units is not reasonably determinable. In addition, the amounts by which the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information are not reasonably determinable.

In our opinion, because of the omission of the discretely presented component units, as discussed previously, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the City of West Monroe, Louisiana as of June 30, 2010, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, except for the effects of omitting blended component units as discussed previously, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the aggregate remaining fund information for the primary government of the City as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Honorable Mayor and Board of Aldermen of the

City of West Monroe, Louisiana

Page 2

Further, 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, 2010, 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 29, 2010, 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.

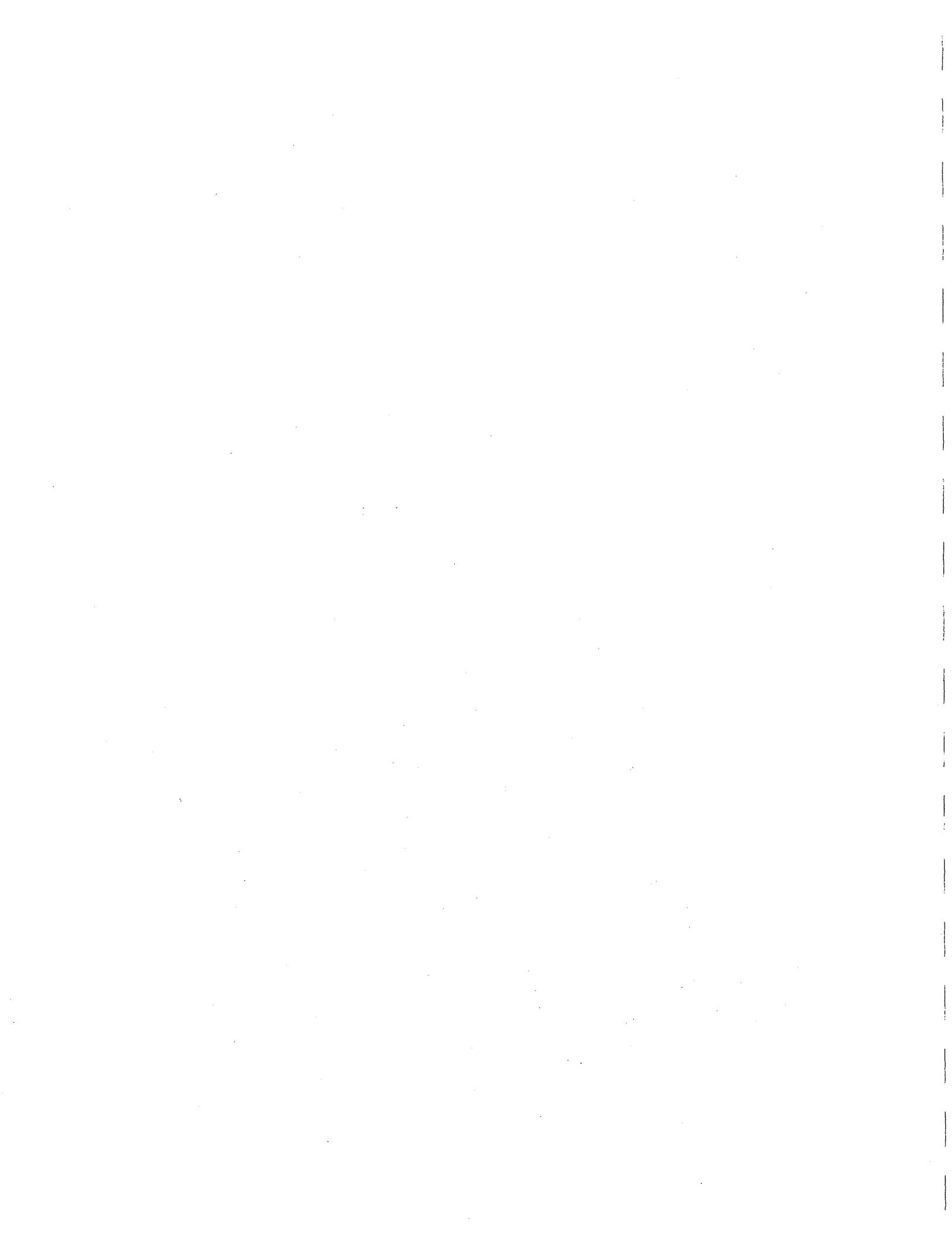
Our audit was conducted for the purpose of forming an opinion on the primary government financial statements of the City of West Monroe, Louisiana, taken as a whole. The accompanying financial information listed as "Schedules" and "Supplementary Information" in the table of contents, including the Schedule 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. Such information has been subjected to the auditing procedures applied in the audit of the City of West Monroe, Louisiana, and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

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 combining and individual nonmajor fund financial statements 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 29, 2010



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



CITY OF WEST MONROE, LOUISIANA

Management's Discussion and Analysis Year Ended June 30, 2010

As management of the City of West Monroe, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2010. 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 \$48.6 million (net assets). Of this amount, \$8.7 million is unrestricted.
- The City's total net assets increased by \$646,054 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 \$9.3 million.
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$6.4 million, or 37% of the total general fund expenditures.
- The general fund reported a deficit of \$143,343 before transfers, and a surplus of \$225,420 after transfers.
- The City's bonded debt had a net increase of \$2,482,000. Total bonded debt at 6-30-10 was \$14,980,000.

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.

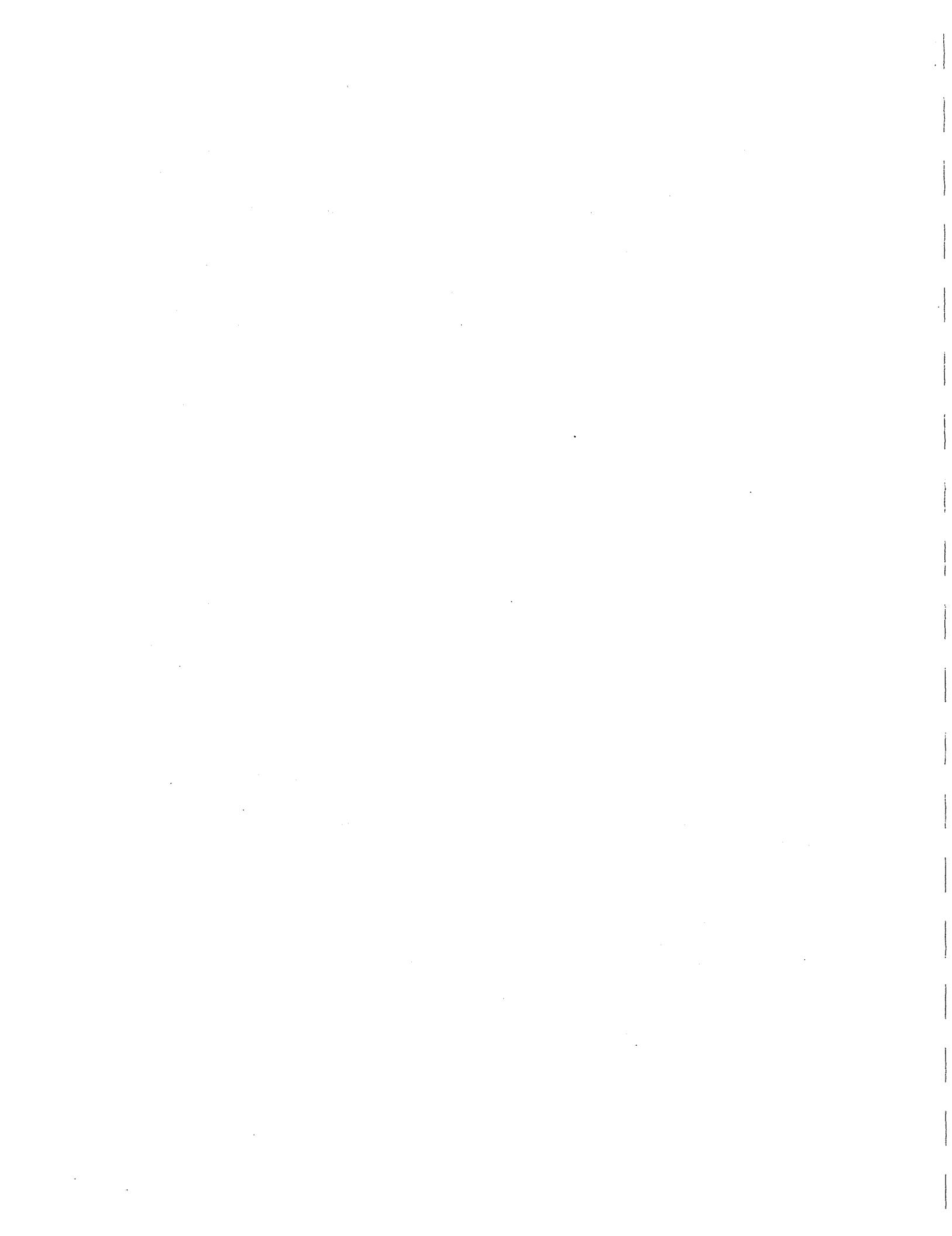
GOVERNMENT-WIDE STATEMENTS

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.

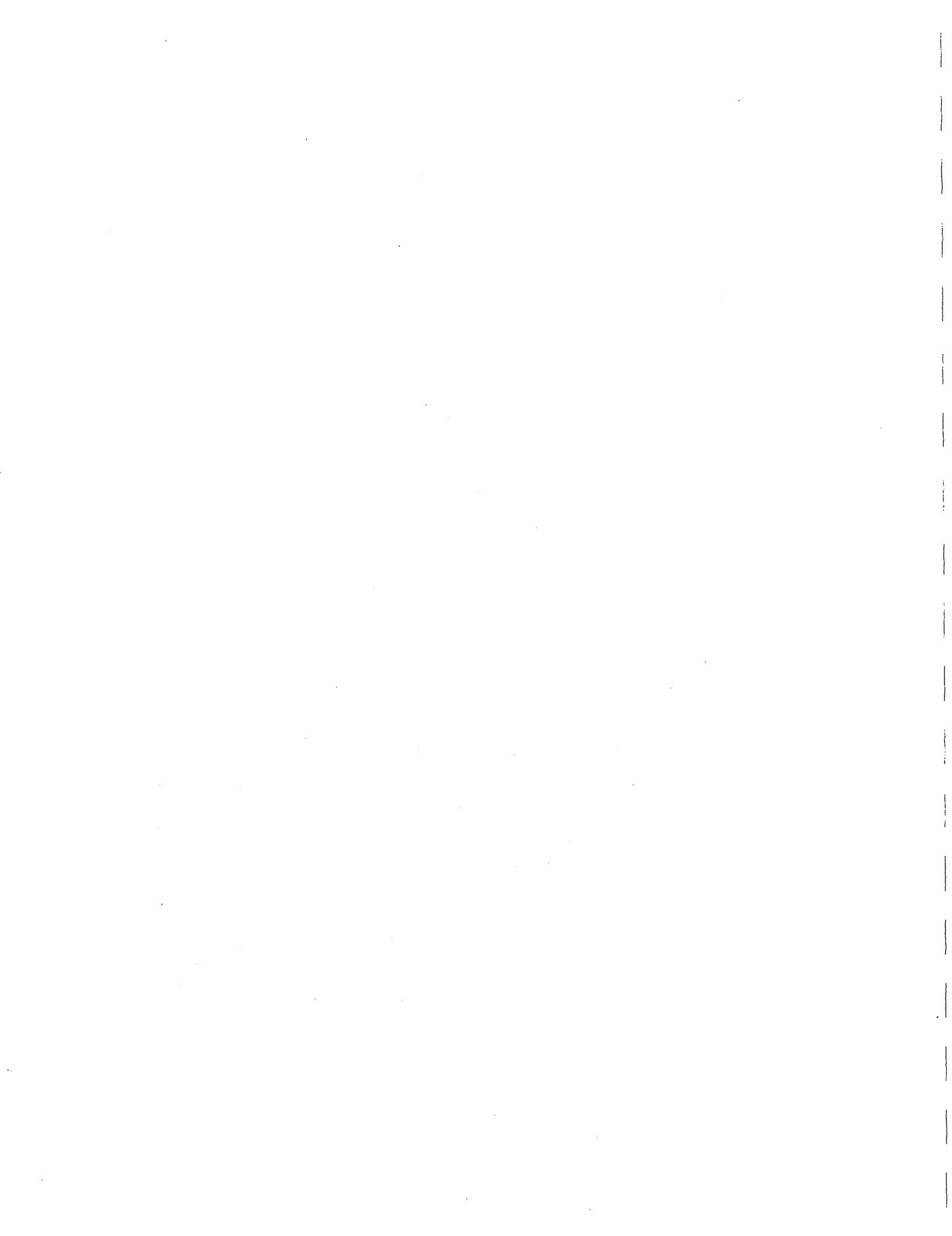
FUND FINANCIAL STATEMENTS

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 2009-2010 fiscal year increased by \$646,054. Table 1 shows the statement of net assets for the year ending 2009 and the year ending 2010. 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

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2009	2010	2009	2010	2009	2010
ASSETS:						
Current and other assets	\$ 12.34	\$ 10.87	\$ 0.54	\$ 0.53	\$ 12.88	\$ 11.4
Capital Assets	44.55	42.39	6.88	14.08	51.43	56.5
Total Assets	\$ 56.89	\$ 53.26	\$ 7.42	\$ 14.61	\$ 64.31	\$ 67.9
LIABILITIES:						
Long-term debt outstanding	\$ 15.30	\$ 17.78	\$ 0.14	\$ 0.14	\$ 15.44	\$ 17.92
Other liabilities	0.82	1.25	0.13	0.13	0.95	1.38
Total Liabilities	\$ 16.12	\$ 19.03	\$ 0.27	\$ 0.27	\$ 16.39	\$ 19.30
NET ASSETS:						
Invested in Capital Assets						
Net of debt	\$ 31.76	\$ 26.30	\$ 6.88	\$ 14.08	\$ 38.64	\$ 40.38
Restricted	-	-	-	-	-	-
Unrestricted	9.01	7.92	0.27	0.27	9.28	\$ 8.19
Total Net Assets	\$ 40.77	\$ 34.22	\$ 7.15	\$ 14.35	\$ 47.92	\$ 48.57

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 \$48.57 million at the close of the fiscal year. The largest portion of the City's net assets (83%) 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 \$8.19 million may be used to meet the City's ongoing obligations.

Governmental Activities

Net assets of the City's governmental activities decreased from \$40.77 million to \$34.22 million. This decrease is mainly due to expenses related to the Sparta Reuse project which is associated with the Waste Water Treatment Plant.



Business-type Activities

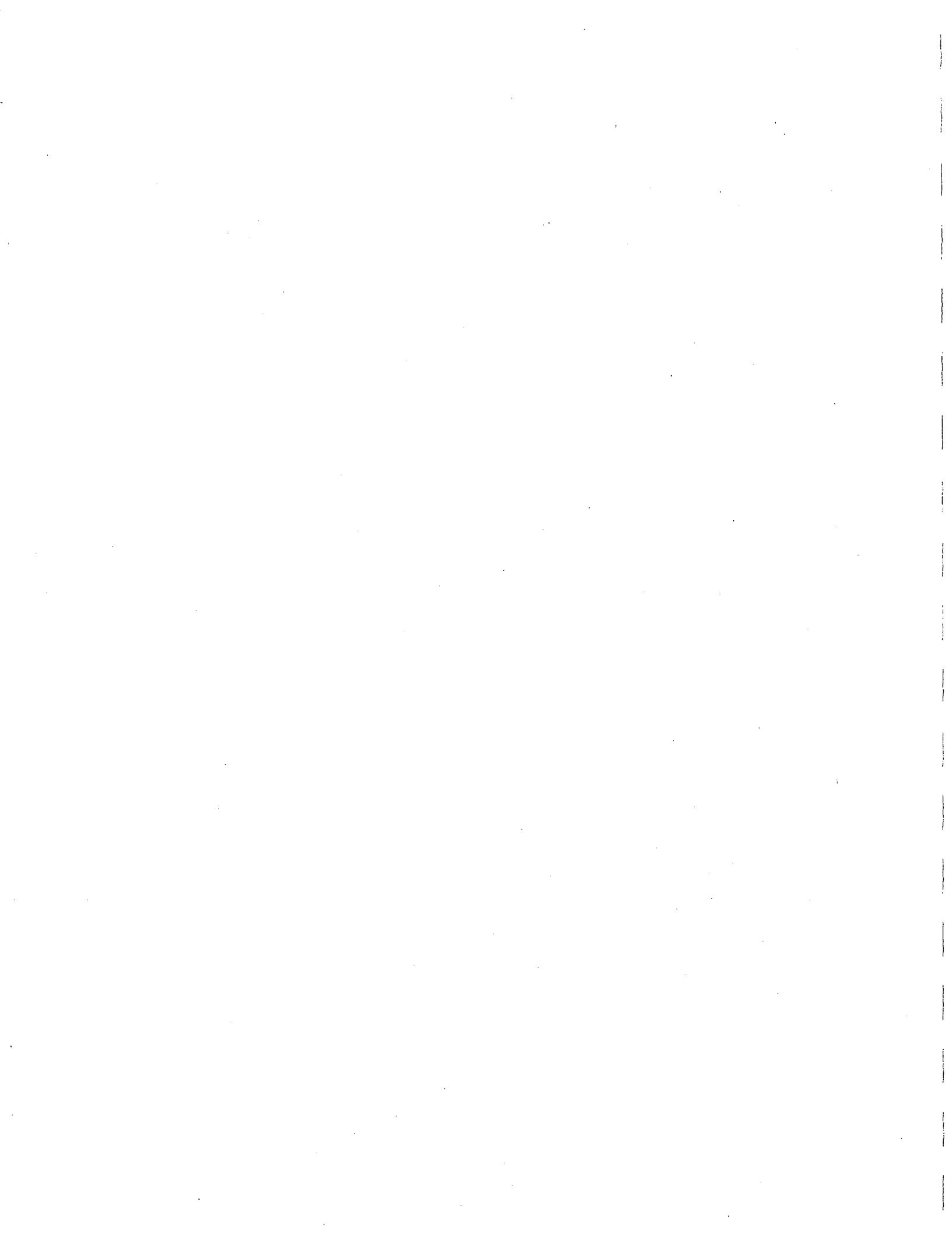
Net assets of the City's business-type activities increased from \$7.15 million to \$14.35 million. This increase is associated with the additions to construction in progress related to the Sparta Reuse project.

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	
	2009	2010	2009	2010	2009	2010
REVENUES:						
Program Revenues						
Charges for services	\$ 4.33	\$ 4.27	\$ 3.05	\$ 3.03	\$ 7.38	\$ 7.30
Operating grants and contributions	2.35	2.40			2.35	2.40
Capital grants and contributions	0.13	1.37			0.13	1.37
General Revenues						
Property Taxes	1.03	1.16			1.03	1.16
Other taxes	15.98	15.85			15.98	15.85
Intergovernmental	0.54	0.28			0.54	0.28
Franchise	0.94	0.80			0.94	0.80
Miscellaneous	0.41	0.12			0.41	0.12
Sale of Assets	0.30	0.27			0.30	0.27
Interest earned	0.11	0.09			0.11	0.09
Capital contributions	-	-	1.15	7.74	1.15	7.74
Total Revenues	\$ 26.12	\$ 26.61	\$ 4.20	\$ 10.77	\$ 30.32	\$ 37.38
EXPENSES:						
General government	\$ 6.39	\$ 6.23			\$ 6.39	\$ 6.23
Public safety	8.96	8.56			8.96	8.56
Public works	3.31	10.91			3.31	10.91
Culture and recreations	3.74	4.23			3.74	4.23
Urban Development	0.86	0.75			0.86	0.75
Health and welfare	2.54	2.16			2.54	2.16
Interest on long-term debt	0.48	0.53			0.48	0.53
Utilities	-	-	3.33	3.28	3.33	3.28
Total Expenses	\$ 26.28	\$ 33.37	\$ 3.33	\$ 3.28	\$ 29.61	\$ 36.65
Increase in net assets before transfers	\$ (0.16)	\$ (6.76)	\$ 0.87	\$ 7.49	\$ 0.71	\$ 0.73
Transfers	0.12	0.21	(0.25)	(0.30)	(0.13)	(0.90)
Increase/decrease in assets	\$ (0.04)	\$ (6.55)	\$ 0.62	\$ 7.19	\$ 0.58	\$ 0.64



Governmental Activities

The City's total revenues from governmental activities increased from \$26.12 million (year end 2009) to \$26.61 million (year end 2010). West Monroe's largest source of general revenue (\$16.98 million) is taxes, composed of property tax, sales tax, insurance premium taxes, and beer tax. Sixty-four percent of the City's revenue from governmental activities comes from these taxes. Charges for services (\$4.27 million) were the second largest revenue source for governmental activities.

The City's expenses for the fiscal year ended June 30, 2010 were \$33.37 million, an increase of approximately \$7.09 million from year end 2009. These expenses cover a wide range of services with the largest being public works \$10.91 million or 33%, public safety \$8.56 million or 26%, and general government \$6.23 million or 19%.

Business-Type Activities

The total revenues from business-type activities were \$10.77 million for the fiscal year ended June 30, 2010. This is an increase of approximately \$6.57 million from last year. This change is the result of capital contributions from the capital fund in the amount \$7.74 million for the Sparta Reuse Project. Charges for services decreased by approximately \$200,000. Expenses for the City's business-type activities were \$3.28 million. The business-type activities had a net gain of approximately \$7.19 million for the fiscal year ended June 30, 2010.

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 \$9.3 million. This \$9.3 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 \$6.4 million, an increase of \$224,000 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 \$3.8 million out of the 86 Sales Tax Capital Fund to fund major capital projects and purchases. This amount increased by \$1 million from last year. The fund transferred out \$904,750 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 \$14.35 million. The fund had an operating profit for the year of \$7.19 million after depreciation and transfers.

Net assets of the Internal Service fund (Employees Health Insurance Fund) at the end of the year were \$305,954.

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 \$8,463. Actual total revenues fell short of the original budget by \$18,274.

CAPITAL ASSETS AND DEBT ADMINISTRATION

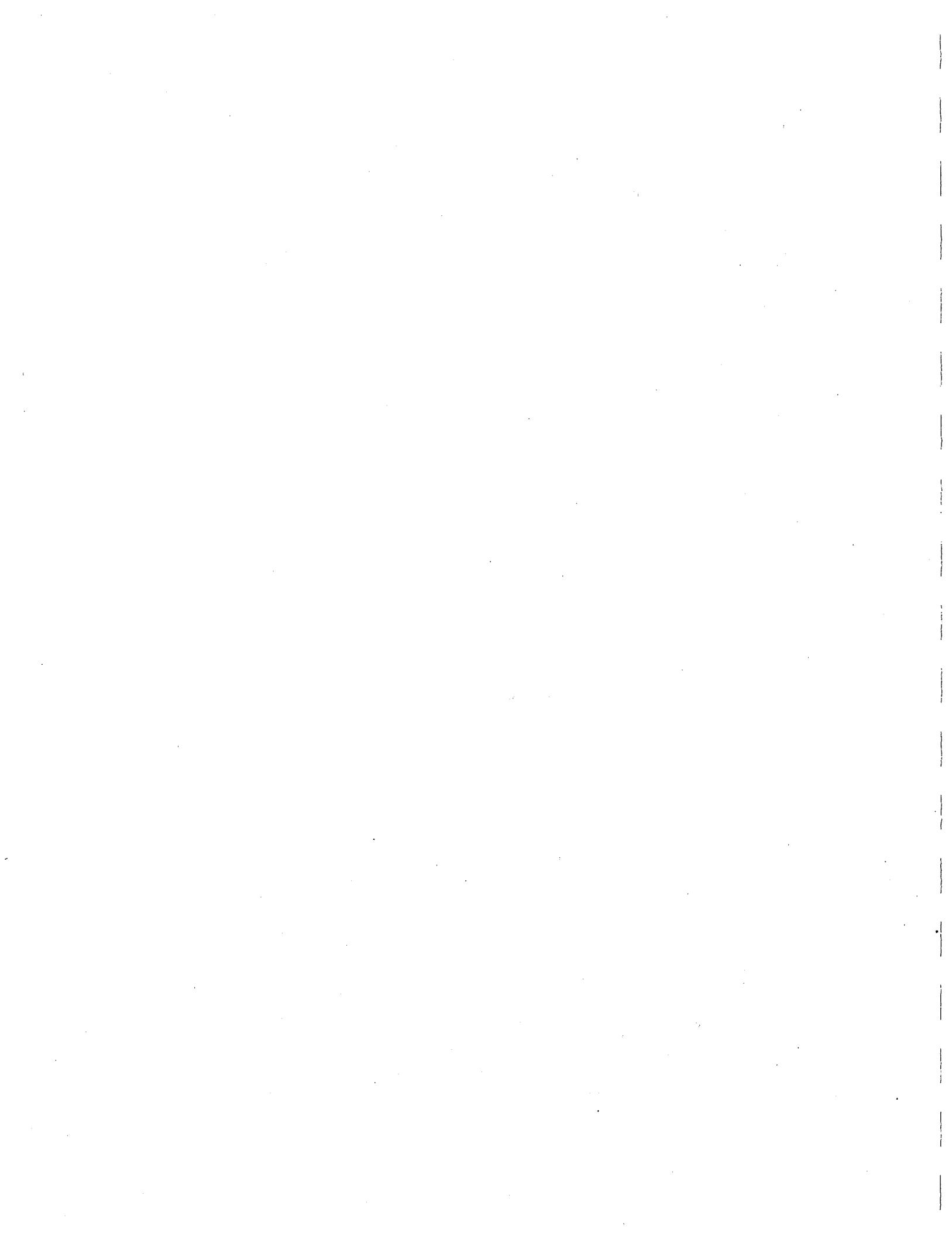
Capital Assets

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	
	2009	2010	2009	2010	2009	2010
Land	\$ 6.03	\$ 6.12	\$ 0.06	\$ 0.06	\$ 6.09	\$ 6.18
Construction in progress	0.25	0.25	0.93	7.86	1.18	8.11
Buildings	16.26	15.62	-	-	16.26	15.62
Improvements	2.11	2.08	-	-	2.11	2.08
Equipment	0.55	0.58	0.69	0.55	1.24	1.13
Vehicles	0.63	0.58	-	-	0.63	0.58
Infrastructure	18.72	17.16	-	-	18.72	17.16
Water Plant			2.58	2.40	2.58	2.40
Treatment Plant			2.62	3.17	2.62	3.17
Total	\$ 44.55	\$ 42.39	\$ 6.88	\$ 14.04	\$ 51.43	\$ 56.43

The City of West Monroe's investment in Capital assets for its governmental and business-type activities as of June 30, 2010, amounts to \$56.43 million (net of depreciation). This is up \$5 million from last year. This investment includes land, construction in progress, buildings and improvements, equipment, vehicles, infrastructure, water and sewer treatment plant.



Long-term Debt

The following table shows the City's outstanding debt:

TABLE 4
OUTSTANDING DEBT AT YEAR END

	YR END 6/30/09	YR END 6/30/10
Bond Payable Series 2003	\$ 4,290,000	\$ 3,495,000
Bond Payable Series 2005	\$ 195,000	\$ 165,000
Bond Payable Series 2006	\$ 520,000	\$ 460,000
Bond Payable Series 2007	\$ 4,355,000	\$ 4,205,000
Bond Payable Series 2009	\$ 3,000,000	\$ 2,910,000
Bond Payable Series 2009	\$ -	\$ 3,452,572
Bond Payable Series 2010 Community Dev. Block Grant for Economic Development	\$ -	\$ 295,373
Firefighters Retirement System	\$ 430,762	\$ 403,657
Heart and Lung Disability	\$ 816,696	\$ 702,525
Vacation, Sick and Comp. Time	\$ 863,883	\$ 833,566
Total	\$ 879,224	\$ 929,642
Total	\$ 15,350,565	\$ 17,852,335

At the end of the fiscal year, the City of West Monroe had total bonded debt outstanding of \$14.98 million. This is an increase of \$2.62 million in total bond debt. In 2010 the City had \$3.75 million in debt issues. The proceeds of the debt issue will be used to finance capital projects. Under the terms of the Bond agreement, a \$4.75 million portion of the City's obligation to repay will be forgiven with installment payments by DEQ of the full purchase price (see Note 14 in the Notes to the Financial Statements). An additional issue in the amount of \$1.25 million will be repaid over twenty years from funds generated by sewer revenue. 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.

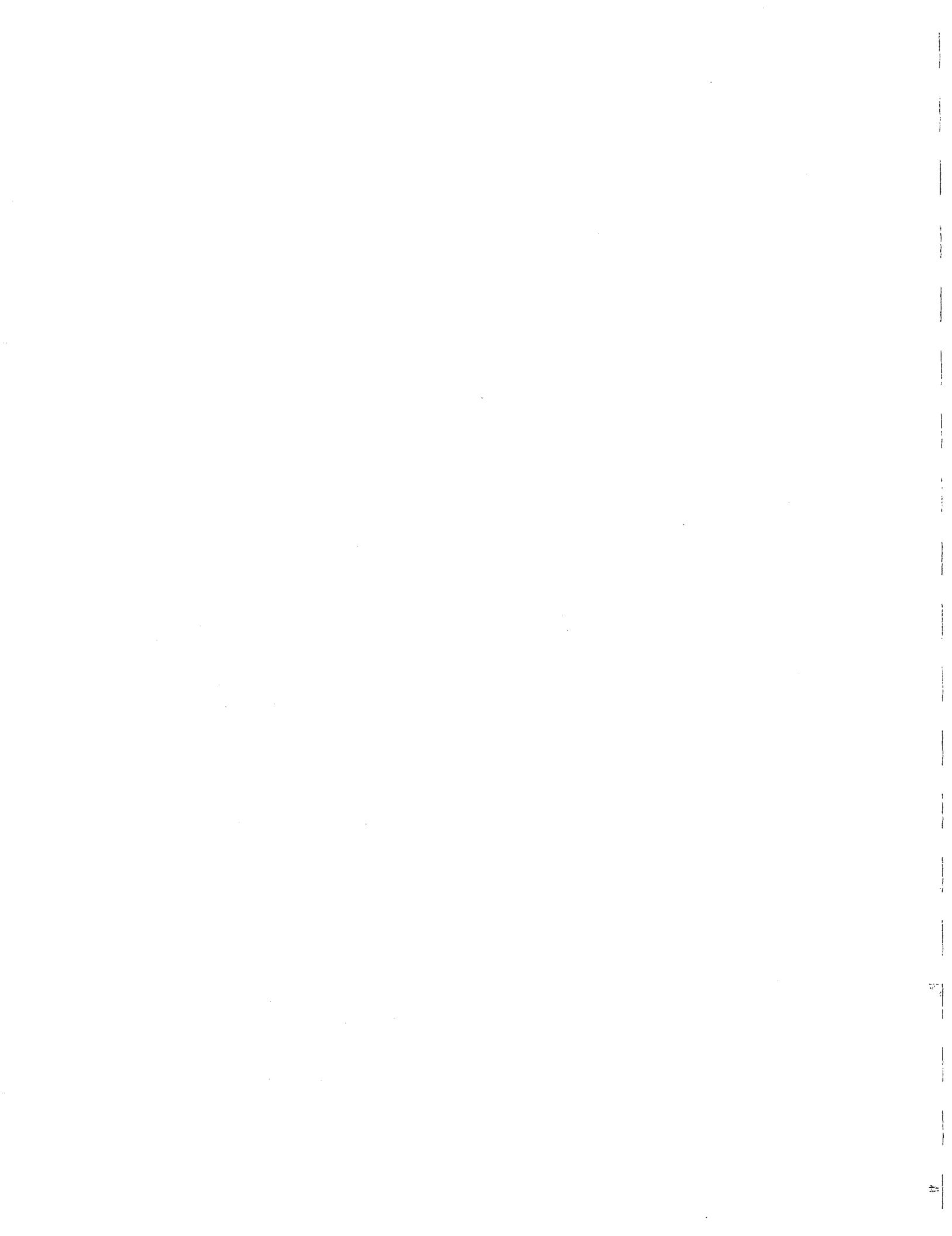
The City of West Monroe's total long-term debt obligations at year end were \$17.85 million.

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 2010-2011 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 2010-2011 fiscal year. All other General Fund revenues should remain fairly consistent with prior year collections. The total General Fund revenue budget for the 2010-2011 fiscal year is \$17.1 million compared to \$17.7 million last year.

During the 2010-2011 fiscal year, the City will continue to develop the 60 acres along I-20 into a retail center.



The budgeted expenses for the 2010-2011 fiscal year are \$17.3 million, an increase of \$400,000 over the prior year. The City gave all employees a 2% pay raise for the 2010-2011 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 increased significantly for the 2010-2011 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, 2011 is \$6.2 million.

OTHER POST-EMPLOYMENT BENEFITS

In the year ended June 30, 2010, 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.

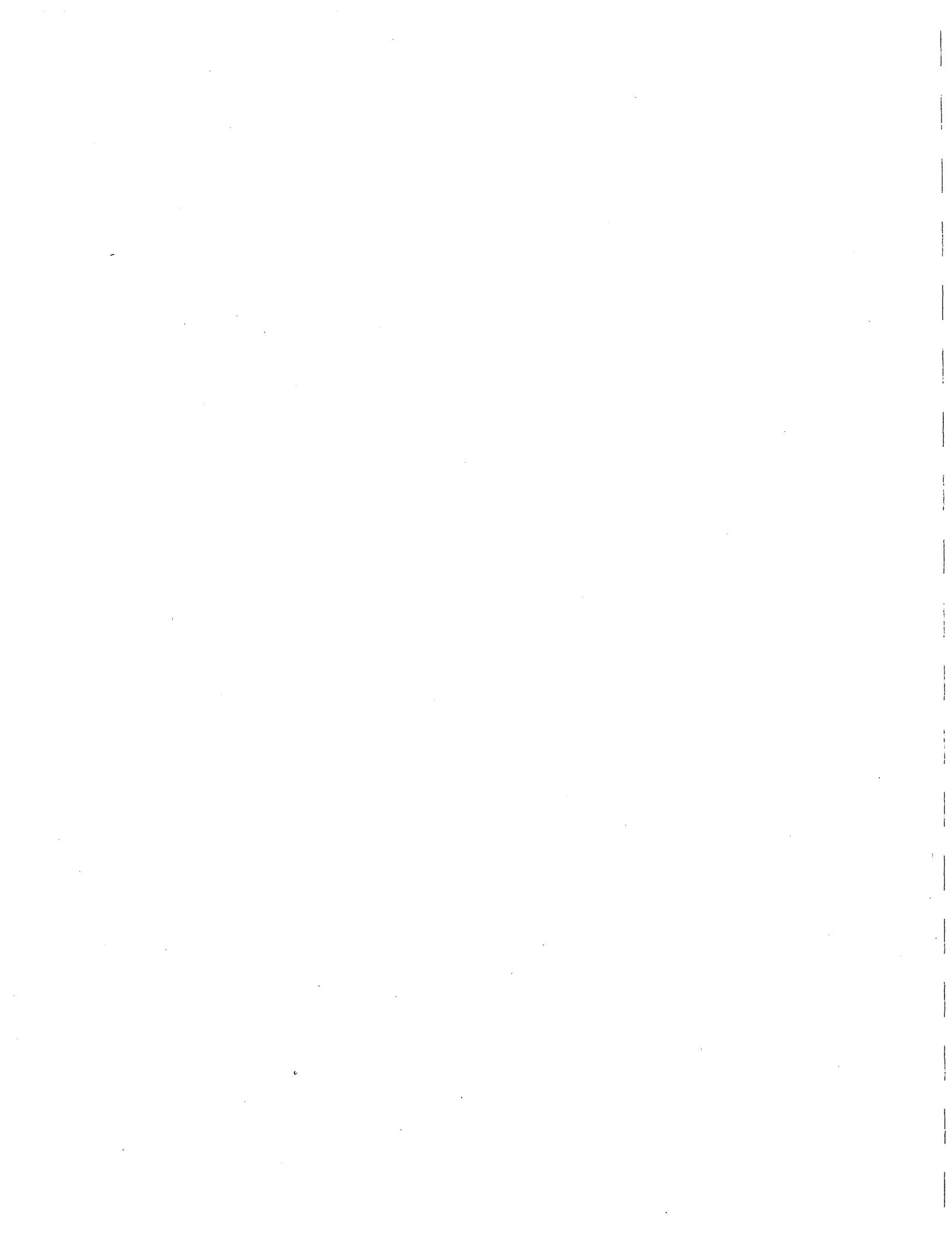
REQUEST FOR INFORMATION

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 7th Street, West Monroe, Louisiana 71291.



PRIMARY GOVERNMENT FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS



CITY OF WEST MONROE, LOUISIANA

STATEMENT OF NET ASSETS

JUNE 30, 2010

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 6,480,732	\$ 128,914	\$ 6,609,646
Accounts Receivable	2,171,494	552,008	2,723,502
Minimum Lease Payments Receivable (Net)	1,043,401	-	1,043,401
Due From Other Governments	994,987	-	994,987
Internal Balances	144,433	(144,433)	-
Inventories	32,671	-	32,671
Capital Assets:			
Non-Depreciable	6,369,862	57,750	6,427,612
Depreciable	<u>36,018,431</u>	<u>14,020,189</u>	<u>50,038,620</u>
<u>TOTAL ASSETS</u>	<u>\$ 53,256,011</u>	<u>\$ 14,614,428</u>	<u>\$ 67,870,439</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,187,741	\$ 608	\$ 1,188,349
Deposits Payable	60,834	128,914	189,748
Non-Current Liabilities			
Due Within One Year			
Bonds Payable	1,350,000	-	1,350,000
Notes Payable	147,163	-	147,163
Compensated Absences	852,488	135,983	988,471
Due in More Than One Year			
Bonds Payable	13,632,945	-	13,632,945
Notes Payable	959,019	-	959,019
Compensated Absences	774,737	-	774,737
Unfunded Postretirement Benefits	<u>73,808</u>	<u>-</u>	<u>73,808</u>
<u>TOTAL LIABILITIES</u>	<u>19,038,735</u>	<u>265,505</u>	<u>19,304,240</u>
<u>NET ASSETS</u>			
Invested in Capital Assets,			
Net of Related Debt	26,299,166	14,077,939	40,377,105
Unrestricted, Capital Projects	(189,529)	-	(189,529)
Unrestricted, Debt Service	(278,123)	-	(278,123)
Unrestricted, Unreserved	<u>8,385,762</u>	<u>270,984</u>	<u>8,656,746</u>
<u>TOTAL NET ASSETS</u>	<u>\$ 34,217,276</u>	<u>\$ 14,348,923</u>	<u>\$ 48,566,199</u>

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Function/Program Activities	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Government Activities:				
General Government	\$ 6,229,858	\$ 1,408,068	\$ -	\$ 1,371,510
Public Safety	8,562,664	260,456	60,668	-
Public Works	10,906,119	1,166,364	-	-
Culture and Recreation	4,231,397	1,356,083	480,117	-
Urban Redevelopment	746,674	-	-	-
Health and Welfare	2,159,094	71,585	1,857,263	-
Interest on Long-Term Debt	529,954	-	-	-
Total Governmental Activities	33,365,760	4,262,556	2,398,048	1,371,510
Business-Type Activities:				
Utilities	3,279,759	3,028,885	-	-
Total Primary Government	\$ 36,645,519	\$ 7,291,441	\$ 2,398,048	\$ 1,371,510

General Revenues:

Taxes:

 Property Taxes Levied for General Purposes

 Property Taxes Levied for Street Maintenance

 Sales Taxes

 Insurance Premium Taxes

 Intergovernmental Revenues

 Franchise Revenue

 Miscellaneous

 Special Item - Sale of Assets

 Interest Earned

 Capital Contributions

 Transfers

 Total General Revenues, Special Items and Transfers

Changes in Net Assets

Net Assets - Beginning

Net Assets - Ending

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

Governmental Activities	Business-Type Activities	Total
\$ (3,450,280)	\$ -	\$ (3,450,280)
(8,241,540)	- (250,874)	(8,241,540) (250,874)
(9,739,755)	- (250,874)	(9,739,755) (250,874)
(2,395,197)	- (250,874)	(2,395,197) (250,874)
(746,674)	- (250,874)	(746,674) (250,874)
(230,246)	- (250,874)	(230,246) (250,874)
(529,954)	- (250,874)	(529,954) (250,874)
<u>(25,333,646)</u>	<u>- (250,874)</u>	<u>(25,333,646) (250,874)</u>
 <u>\$ (25,333,646)</u>	<u>\$ (250,874)</u>	<u>\$ (25,584,520)</u>
941,230	- 7,740,671	941,230 7,740,671
223,259	- (294,909)	223,259 (294,909)
15,406,256	- 7,445,762	15,406,256 7,445,762
439,167	- 7,194,888	439,167 7,194,888
280,590	- 7,194,888	280,590 7,194,888
803,987	- 7,194,888	803,987 7,194,888
123,188	- 7,194,888	123,188 7,194,888
270,870	- 7,194,888	270,870 7,194,888
91,071	- 7,194,888	91,071 7,194,888
- 7,740,671	- 7,740,671	- 7,740,671 - 7,740,671
<u>205,194</u>	<u>(294,909)</u>	<u>(89,715)</u>
<u>18,784,812</u>	<u>7,445,762</u>	<u>26,230,574</u>
<u>(6,548,834)</u>	<u>7,194,888</u>	<u>646,054</u>
 <u>40,766,110</u>	<u>7,154,035</u>	<u>47,920,145</u>
 <u>\$ 34,217,276</u>	<u>\$ 14,348,923</u>	<u>\$ 48,566,199</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, 2010

	General Fund	86 Sales Tax 75% Capital Fund	2007 Debt Capital Fund
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 2,503,445	\$ 1,923,173	\$ 1,307,878
Accounts Receivable	540,274	382,415	1,186,361
Minimum Lease Payment Receivable	1,171,612	-	-
Due From Other Governments	927,730	-	-
Due From Other Funds	1,644,490	135,541	-
Inventories	<u>32,671</u>	<u>-</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>\$ 6,820,222</u>	<u>\$ 2,441,129</u>	<u>\$ 2,494,239</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts Payable	\$ 65,437	\$ 170,034	\$ 669,865
Due To Other Funds	135,541	1,549,500	-
Unearned Income	128,211	-	-
Deposits Payable	<u>60,834</u>	<u>-</u>	<u>-</u>
Total Liabilities	390,023	1,719,534	669,865
Fund Balances:			
Reserved for:			
Inventories	32,671	-	-
Debt Service	-	-	-
Unreserved, Reported In:			
General Fund	6,397,528	-	-
Special Revenue Funds	-	721,595	-
Capital Project Funds	-	-	1,824,374
Total Fund Balances (Deficits)	6,430,199	721,595	1,824,374
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 6,820,222</u>	<u>\$ 2,441,129</u>	<u>\$ 2,494,239</u>

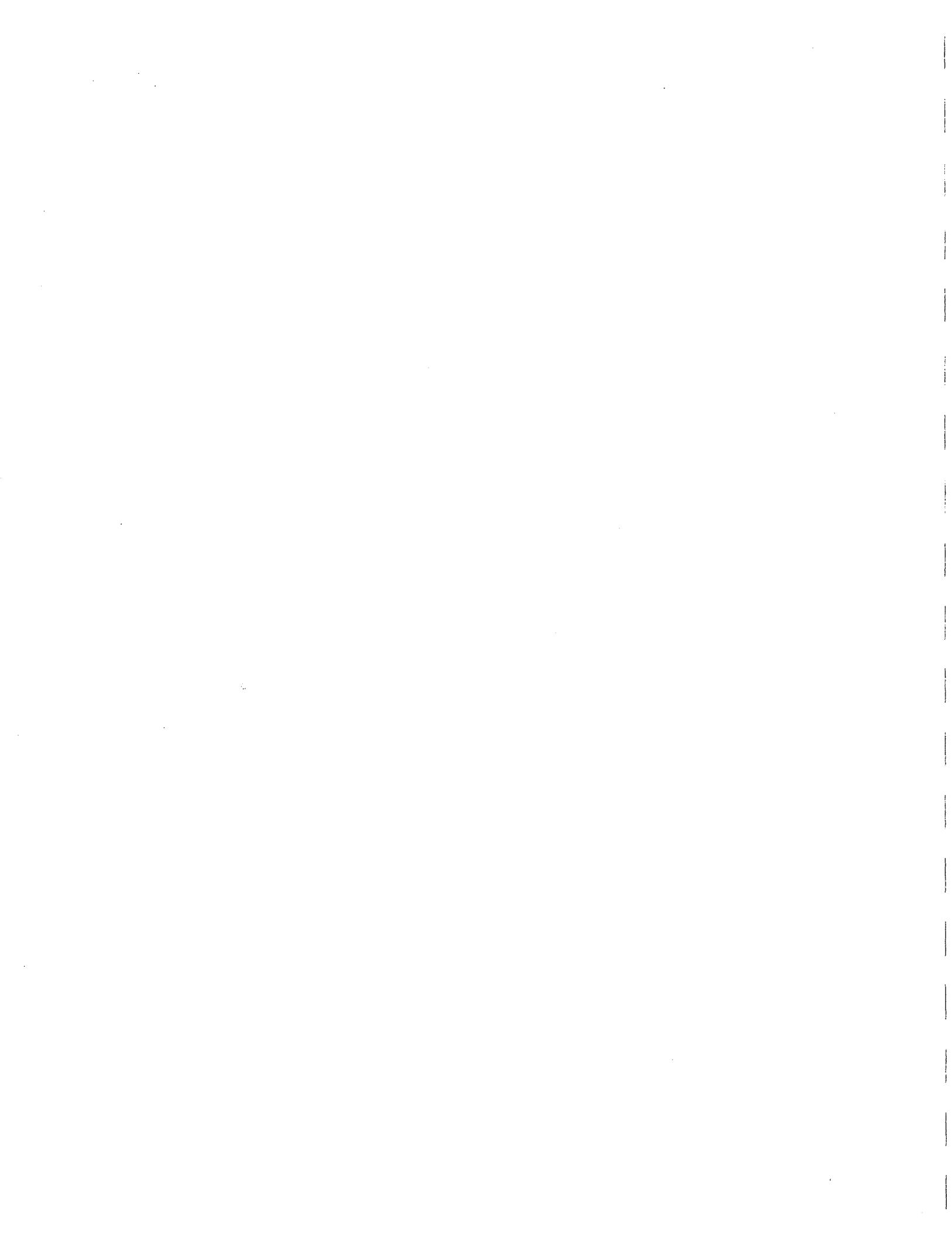
Total Nonmajor Governmental Funds	Total Governmental Funds
--	--------------------------------

\$ 746,236	\$ 6,480,732
59,462	2,168,512
-	1,171,612
67,257	994,987
800,504	2,580,535
-	32,671
<u>\$ 1,673,459</u>	<u>\$ 13,429,049</u>

\$ 282,405	\$ 1,187,741
1,054,033	2,739,074
-	128,211
-	60,834
<u>1,336,438</u>	<u>4,115,860</u>

-	32,671
(278,123)	(278,123)
-	6,397,528
958,754	1,680,349
(343,610)	1,480,764
<u>337,021</u>	<u>9,313,189</u>
<u>\$ 1,673,459</u>	<u>\$ 13,429,049</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, 2010

Total Governmental Fund Balances	\$ 9,313,189
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	42,388,293
Unfunded postretirement benefit plan obligations are not financial resources and therefore are not reported in the funds	(73,808)
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.	(17,716,352)
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>305,954</u>
Net Assets of Governmental Activities	<u>\$ 34,217,276</u>

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	86 Sales Tax 75% Capital Fund	2007 Debt Capital Fund
Revenues			
Taxes	\$ 11,681,415	\$ 4,612,749	\$ -
Intergovernmental	320,242	534,050	3,992,401
Licenses and Permits	820,379	-	-
Charges for Services	2,462,893	127,456	-
Fines and Forfeitures	587,689	-	-
Interest Earned	52,330	3,833	6,665
Franchise Revenue	803,987	-	-
Sale of Assets	306,980	-	-
Other	85,961	22,304	-
Total Revenues	17,121,876	5,300,392	3,999,066
Expenditures			
General Government	3,790,589	-	-
Public Safety	7,542,780	-	-
Public Works	2,602,631	-	-
Culture and Recreation	2,751,465	-	-
Urban Redevelopment	577,754	-	-
Health and Welfare	-	-	-
Capital Improvements	-	3,785,455	6,915,802
Claims Paid	-	-	-
Debt Service:			
Principal Payments	-	-	-
Interest and Other	-	-	-
Total Expenditures	17,265,219	3,785,455	6,915,802
Excess (Deficiency) of Revenues Over Expenditures	(143,343)	1,514,937	(2,916,736)
Other Financing Sources and (Uses)			
Proceeds From General Obligation Bonds	-	-	295,373
Transfers In	523,405	297,631	-
Transfers Out	(154,642)	(1,194,000)	-
Total Other Financing Sources and Uses	368,763	(896,369)	295,373
Net Change in Fund Balance	225,420	618,568	(2,621,363)
Fund Balances - Beginning	6,204,779	103,027	4,445,737
FUND BALANCES - ENDING	\$ 6,430,199	\$ 721,595	\$ 1,824,374

Nonmajor Governmental Funds	Total Governmental Funds
\$ 742,959	\$ 17,037,123
2,553,045	7,399,738
-	820,379
-	2,590,349
-	587,689
1,130	63,958
-	803,987
-	306,980
<u>384,946</u>	<u>493,211</u>
<u>3,682,080</u>	<u>30,103,414</u>
 - 189,797 146,571 493,410 - 2,191,538 4,620	 3,790,589 7,732,577 2,749,202 3,244,875 577,754 2,191,538 10,705,877
 1,266,276 529,954	 1,266,276 529,954
<u>4,822,166</u>	<u>32,788,642</u>
 (1,140,086)	 (2,685,228)
 - 1,179,892 (447,092)	 295,373 2,000,928 (1,795,734)
<u>732,800</u>	<u>500,567</u>
 (407,286)	 (2,184,661)
 <u>744,307</u>	 <u>11,497,850</u>
 <u>\$ 337,021</u>	 <u>\$ 9,313,189</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, 2010

Net Change in Fund Balances - Total

Government Funds \$ (2,184,661)

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	610,648
Depreciation expense	<u>(2,774,442)</u>
	<u>(2,163,794)</u>

Postretirement benefit plan expenditures 9,824

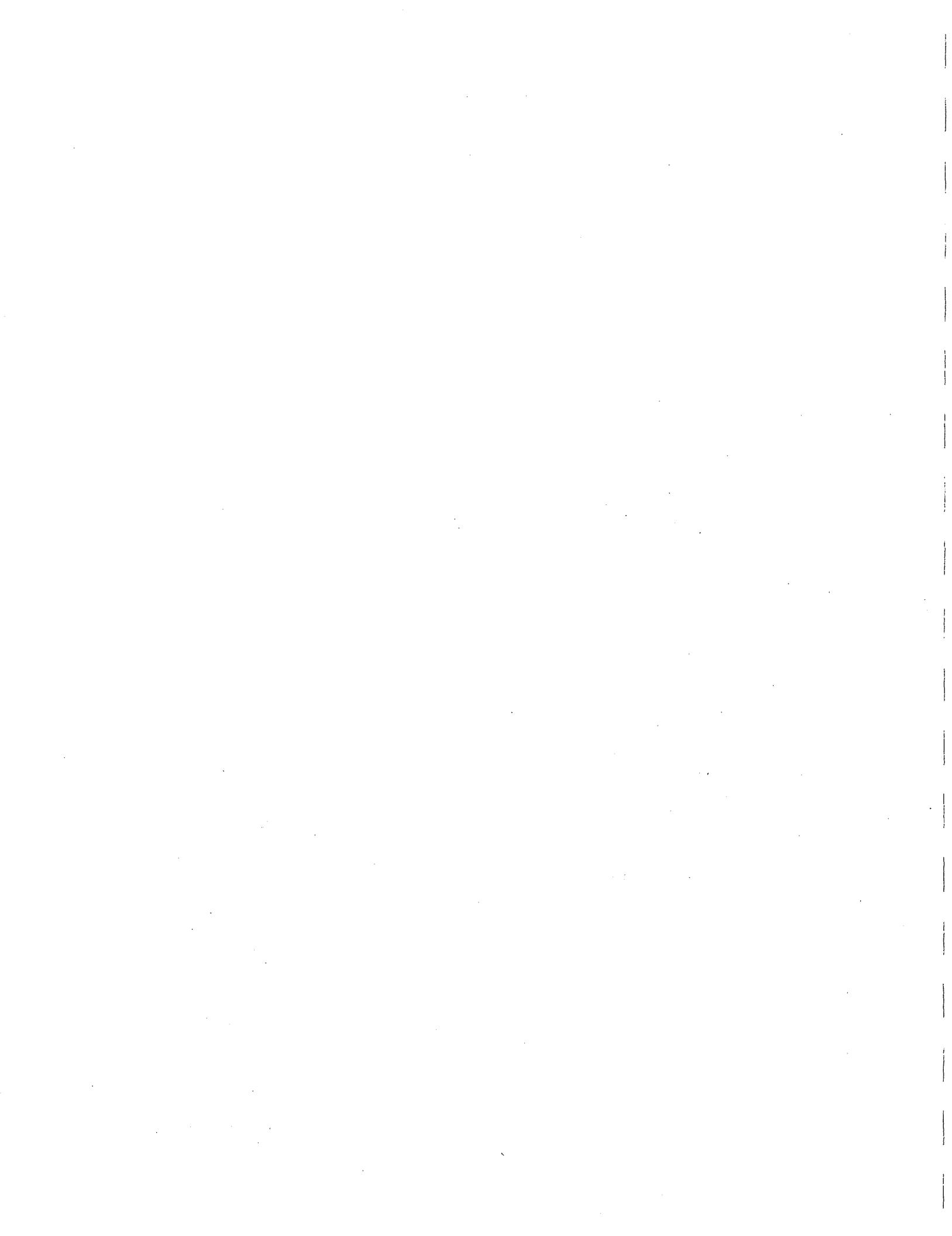
The issuance of long-term debt (e.g. capital leases, bonds) provides current financial resources to government funds, but the repayment reduces long-term liabilities in the statements of net assets. (3,747,945)

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. 1,245,799

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. 291,943

Change in Net Assets in Governmental Activities \$ (6,548,834)

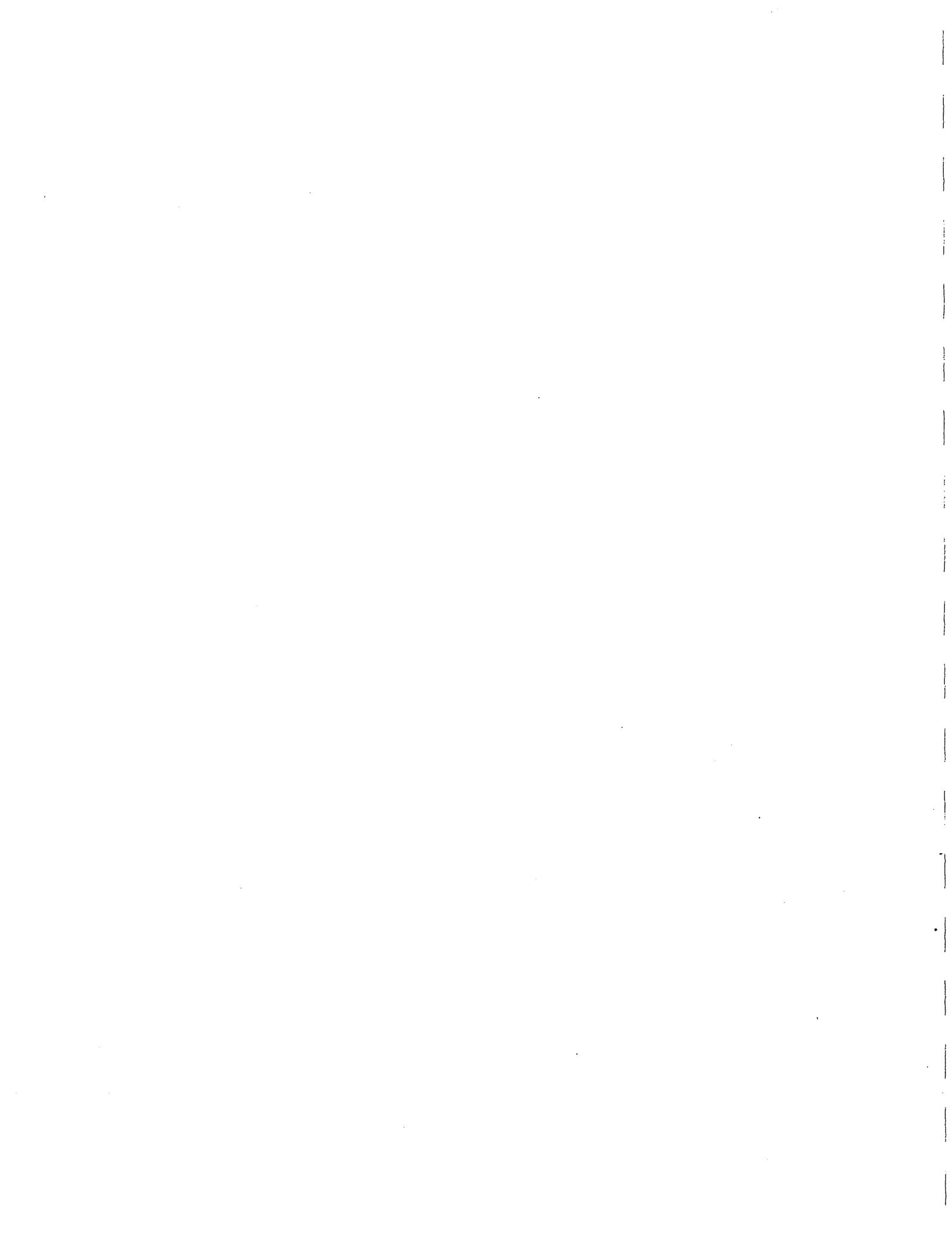
The accompanying notes are an integral part of this financial statement.



CITY OF WEST MONROE, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Business-Type Activities	Governmental Activities
	Utility Enterprise Fund	Internal Service Fund
<u>ASSETS</u>		
<u>Current Assets</u>		
Accounts Receivable, Net of Allowance	\$ 552,008	\$ 2,982
Due From Other Funds	-	302,972
Total Current Assets	552,008	305,954
<u>Non-Current Assets</u>		
Restricted:		
Cash - Customer Deposits	128,914	-
Capital Assets:		
Land	57,750	-
Construction in Progress	7,767,873	-
Buildings	73,436	-
Water Plant	4,228,292	-
Wastewater Treatment Plant	12,323,917	-
Machinery, Equipment & Other	1,693,281	-
Less: Accumulated Depreciation	(12,066,610)	-
Total Non-Current Assets	14,077,939	-
TOTAL ASSETS	\$ 14,758,861	\$ 305,954
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 608	\$ -
Customer Deposits	128,914	-
Accrued Vacation and Sick Pay	135,983	-
Due to Other Funds	144,433	-
Total Current Liabilities	409,938	-
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	14,077,939	-
Unrestricted	270,984	305,954
TOTAL NET ASSETS	\$ 14,348,923	\$ 305,954

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, 2010

	Business-Type Activities	Governmental Activities	Internal Service Fund
	Utility Enterprise Fund		
<u>Operating Revenues</u>			
User Charges	\$ 1,671,270	\$ 2,091,517	
Treatment Plant Fees	856,995	-	
Water Penalties and Turn-on Fees	161,023	-	
Sewer District 5 Contributions	339,597	-	
Total Operating Revenues	3,028,885	2,091,517	
<u>Operating Expenses</u>			
Waterworks	695,715	-	
Sewerage	388,883	-	
Water Treatment Plant	325,501	-	
Sewer Treatment Plant	673,071	-	
Public Works Construction	260,667	-	
Public Works Administrative	242,181	-	
Other Administrative	147,958	315,227	
Claims Paid	-	1,484,347	
Depreciation	545,783	-	
Total Non-Current Assets	3,279,759	1,799,574	
<u>Operating Income (Loss)</u>	(250,874)	291,943	
Contributed Capital	7,740,671	-	
Transfers In (Out)	(294,909)	-	
Total	7,445,762	-	
<u>Changes in Net Assets</u>	7,194,888	291,943	
<u>Net Assets - Beginning</u>	7,154,035	14,011	
<u>NET ASSETS - ENDING</u>	\$ 14,348,923	\$ 305,954	

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, 2010

	Business-Type Activities	Governmental Activities
	Utility Enterprise Fund	Internal Service Fund
Cash Flows From Operations		
Receipts From Customers	\$ 2,958,578	\$ -
Receipts From Group Contributions	-	1,799,574
Payments to Provide Services	(2,515,335)	(1,484,347)
Payments for General and Administrative	(148,333)	(315,227)
Net Cash Provided by Operating Activities	<u>294,910</u>	-
Cash Flows From Noncapital Financing Activities		
Increase in Customer Deposits	2,304	-
Operating Transfers In (Out)	(294,909)	-
Net Cash Flows From Noncapital Financing Activities	<u>(292,605)</u>	-
Cash Flows From Capital and Related Financing Activities		
Acquisitions of Capital Assets	(7,740,671)	-
Capital Contribution From Other Funds	7,740,671	-
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	-
Net Increase in Cash and Cash Equivalents	<u>2,305</u>	-
Cash and Cash Equivalents at Beginning of Year	<u>126,609</u>	-
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 128,914</u>	<u>\$ -</u>
Classified As:		
Cash in Bank	\$ -	\$ -
Restricted Assets	<u>128,914</u>	-
<u>TOTAL CASH AND CASH EQUIVALENTS</u>	<u>\$ 128,914</u>	<u>\$ -</u>

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities	Governmental Activities
	Utility Enterprise Fund	Internal Service Fund
<u>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</u>		
Changes in Net Assets	\$ (250,874)	\$ 291,943
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities		
Depreciation	545,783	-
(Increase) Decrease in Accounts Receivable	(70,306)	6,104
Decrease in Accounts Payable	(3,250)	-
Increase in Due From Other Funds	-	(298,047)
Increase (Decrease) in Due to Other Funds	73,933	-
Decrease in Accrued Vacation and Sick Pay	(376)	-
Total Adjustments	<u>545,784</u>	<u>(291,943)</u>
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 294,910</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, 2010

	Employees' Workmen's Compensation Reserve Fund	General Insurance Fund	Hasley Cemetery Fund	Total Nonmajor Expendable Trust Funds
ASSETS				
Cash and Cash Equivalents	\$ 528,442	\$ -	\$ 620,782	\$ 1,149,224
Investments	6,018	-	12,057	18,075
Due From Other Funds	-	2,000	-	2,000
TOTAL ASSETS	\$ 534,460	\$ 2,000	\$ 632,839	\$ 1,169,299
LIABILITIES				
Due To Other Funds	\$ -	\$ 2,000	\$ -	\$ 2,000
NET ASSETS				
Reserved:				
Workmen's Compensation Claims	534,460	-	-	534,460
Cemetery Maintenance	-	-	632,839	632,839
Insurance Claims	-	-	-	-
Total Net Assets	534,460	-	632,839	1,167,299
TOTAL LIABILITIES AND NET ASSETS	\$ 534,460	\$ 2,000	\$ 632,839	\$ 1,169,299

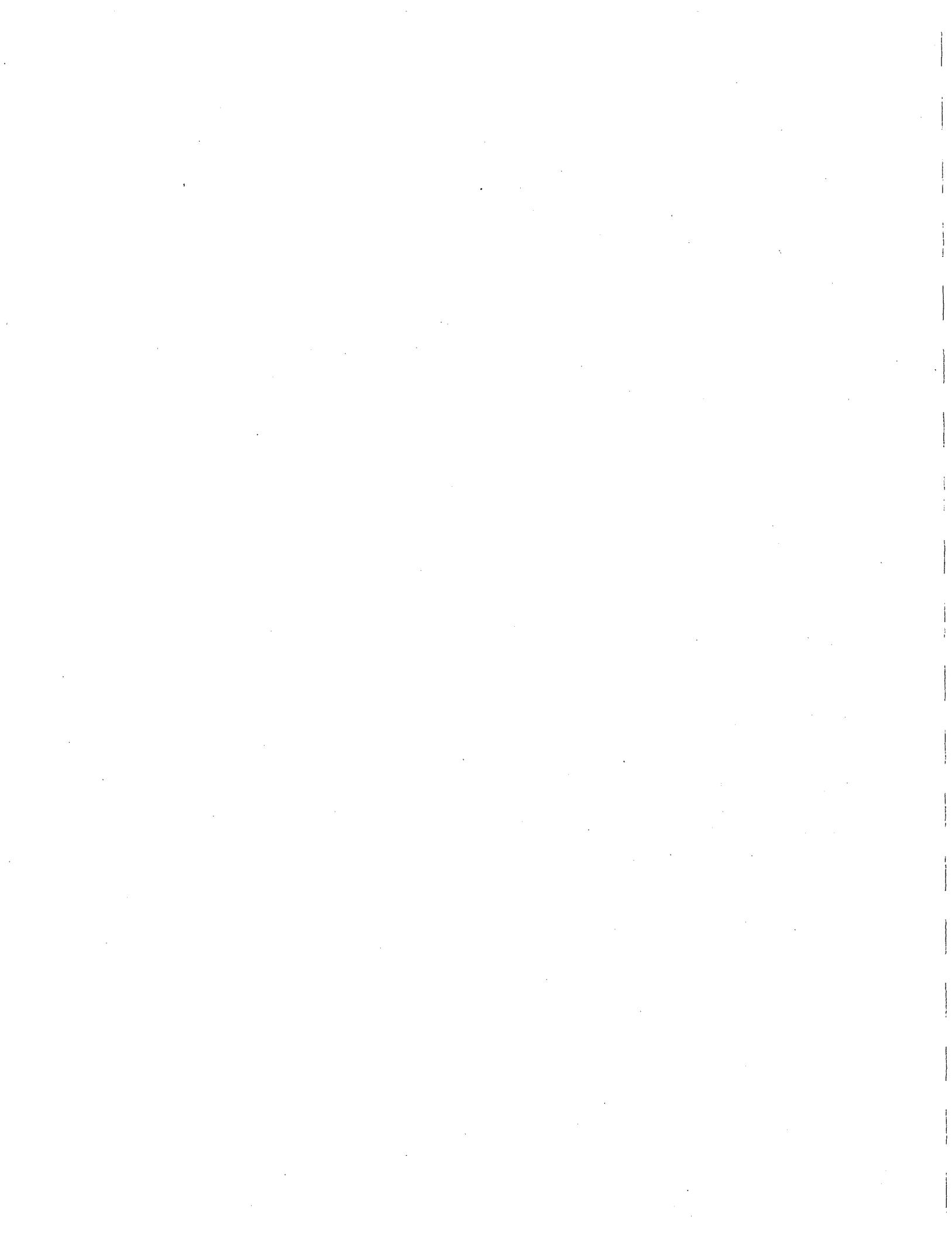
The accompanying notes are an integral part of this financial statement.



CITY OF WEST MONROE, LOUISIANA
STATEMENT OF CHANGES IN
FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Employees' Workmen's Compansation Reserve Fund	General Insurance Fund	Hasley Cemetary Fund	Total Nonmajor Expendable Trust Funds
Revenues				
Sales Tax	\$ -	\$ 24,000	\$ -	\$ 24,000
Lot Sales	-	-	13,700	13,700
Insurance Proceeds	-	11,139	-	11,139
Interest	10	-	20	30
Total Revenues	10	35,139	13,720	48,869
Expenditures				
Hasley Cemetary	-	-	-	-
Claims Paid	-	124,854	-	124,854
Total Expenditures	-	124,854	-	124,854
Excess (Deficiency) of Revenues				
Over Expenditures	10	(89,715)	13,720	(75,985)
Other Financing Sources (Uses)				
Operating Transfers - In (Out)	-	89,715	-	89,715
Change in Net Assets	10	-	13,720	13,730
Net Assets - Beginning	534,450	-	619,119	1,153,569
NET ASSETS - ENDING	\$ 534,460	\$ -	\$ 632,839	\$ 1,167,299

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, 2010

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, 2010

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, 2010

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, 2010 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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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, 2010.

At June 30, 2010, the City has cash and cash equivalents (book balances net of overdrafts) in the amount of \$7,758,870.

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, 2010, are secured as follows:

Bank Balances	<u>\$ 8,995,274</u>
Federal Deposits Insurance	\$ 100,000
Pledged Securities (Uncollateralized)	<u>9,376.531</u>
 <u>TOTAL</u>	 <u>\$ 9,476,531</u>
Governmental Funds Cash	\$ 6,480,732
Enterprise Funds Cash	128,914
Fiduciary Funds Cash	<u>\$ 1,149,224</u>
 <u>TOTAL BOOK BALANCES BY FUND TYPE</u>	 <u>\$ 7,758,870</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, 2010.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

Note 3 – Investments (continued)

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, 2010, the City had the following investments stated at cost, which approximates market:

Louisiana Asset Management Pool	<u>\$ 18,075</u>
---------------------------------	------------------

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

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

Note 4 – Fund Deficits

The following funds had deficits at June 30, 2010:

Non-Major Funds	
Special Revenue Funds	
Keep West Monroe Beautiful Fund	\$ 308
Debt Service Funds	
Firemen's Pension Merger	\$ 16,141
2003 Debt Service Fund	\$ 394,448
Capital Project Funds	
Detention Basin	\$ 349,899

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, 2010

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, 2009
Levy Date	September 1, 2009
Tax Bills Mailed	December 11, 2009
Total Taxes Are Due	January 31, 2010
Penalties and Interest are Added	February 1, 2010
Tax Sales – 2009 Delinquent Property	June 9 & 23, 2010

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>
<u>TOTAL</u>	<u>8.62</u>

Note 6 – Accounts Receivable

Accounts receivable at June 30, 2010, consisted of the following:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Accounts Receivable	\$ 2,112,032	\$ 552,008	\$ 2,664,040
Other Receivables	<u>59,462</u>	<u>—</u>	<u>59,462</u>
<u>TOTAL</u>	<u>\$ 2,171,494</u>	<u>\$ 552,008</u>	<u>\$ 2,723,502</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

Note 7 – Due From Other Governments

The amounts due from other governments at June 30, 2010 are as follows:

Louisiana Highway Safety Commission	\$ 27,734
City of Monroe, Louisiana Sales Tax	847,004
Louisiana Department of Revenue	34,740
Louisiana State Legislature Line Item Allocation	11,629
LA Department of Transportation and Development	10,842
Corporation for National and Community Service	12,351
Department of Public Safety and Corrections	6,783
Department of Housing & Urban Development	11,431
Louisiana Governor's Office of Elderly Affairs	22,053
Ouachita Council of Governments	7,797
Louisiana Department of Education	2,623
TOTAL	<u>\$ 994,987</u>

Note 8 – Capital Assets

Capital asset activity for the year ended June 30, 2010 is as follows:

	Primary Government			June 30, 2010 Balance
	June 30, 2009 Balance	Additions	Deletions	
Government Activities:				
Non-Depreciable Assets:				
Land	\$ 6,025,454	\$ 129,204	\$(29,923)	\$ 6,124,735
Construction In Progress	<u>251,314</u>	-	-	<u>251,314</u>
Total	6,276,768	129,204	(29,923)	6,376,049
Depreciable Assets:				
Buildings	25,436,109	-	-	25,436,109
Improvements	2,424,812	22,576	-	2,447,388
Equipment	4,841,589	244,692	-	5,086,281
Vehicles	5,362,272	198,741	(59,512)	5,501,501
Infrastructure	<u>57,868,004</u>	<u>51,545</u>	-	<u>57,919,549</u>
Total at Historical Cost	<u>\$ 95,932,786</u>	<u>\$ 517,554</u>	<u>\$(59,512)</u>	<u>\$ 96,390,828</u>
Less Accumulated Depreciation for:				
Buildings	\$(9,180,089)	\$(634,520)	\$ -	\$(9,814,609)
Improvements	(316,210)	(79,661)	-	(395,871)
Equipment	(4,287,511)	(218,455)	-	(4,505,966)
Vehicles	(4,728,776)	(241,128)	53,325	(4,916,579)
Infrastructure	<u>(39,144,881)</u>	<u>(1,600,678)</u>	-	<u>(40,745,559)</u>
Total Accumulated Depreciation	<u>(57,657,467)</u>	<u>(2,774,442)</u>	<u>53,325</u>	<u>(60,378,584)</u>
Government Activities Capital Assets, Net	<u>\$ 44,552,087</u>	<u>\$(2,127,684)</u>	<u>\$(36,110)</u>	<u>\$ 42,388,293</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

Note 8 – Capital Assets (continued)

	Primary Government			June 30, 2010
	June 30, 2009	Additions	Deletions	
Business-Type Activities:				
Non-Depreciable Assets:				
Land	\$ 57,750	\$ -	\$ -	\$ 57,750
Construction in Progress	<u>931,594</u>	<u>6,874,678</u>	<u>(38,399)</u>	<u>7,767,873</u>
Total	<u>989,344</u>	<u>6,874,678</u>	<u>(38,399)</u>	<u>7,825,623</u>
Depreciable Assets:				
Buildings	73,436	-	-	73,436
Water Plant	6,164,349	-	-	6,164,349
Treatment Plant	9,465,863	921,996	-	10,387,859
Equipment	<u>1,730,672</u>	<u>96,600</u>	<u>(133,991)</u>	<u>1,693,281</u>
Totals at Historical Cost	<u>17,434,320</u>	<u>1,018,596</u>	<u>(133,991)</u>	<u>18,318,925</u>
Less Accumulated				
Depreciation for:				
Buildings	(73,361)	(14)	-	(73,390)
Water Plant	(3,588,968)	(173,934)	-	(3,762,902)
Treatment Plant	(6,839,328)	(268,124)	19,787	(7,087,665)
Equipment	<u>(1,038,941)</u>	<u>(103,711)</u>	<u>-</u>	<u>(1,142,652)</u>
Total Accumulated				
Depreciation	<u>(11,540,613)</u>	<u>(545,783)</u>	<u>19,787</u>	<u>(12,066,609)</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 6,883,051</u>	<u>\$ 7,347,491</u>	<u>\$ (152,603)</u>	<u>\$14,077,939</u>

Depreciation expense for the year ended June 30, 2010 was charged to functions of the primary government as follows:

Government Activities:	
General Government	\$ 1,793,228
Public Safety	226,876
Public Works	163,012
Culture and Recreation	48,513
Community Development	70,941
Ike Hamilton Expo Center	455,560
Convention Center	16,312
Health and Welfare	-
Total Depreciation Expense -	
Governmental Activities	<u>\$ 2,774,442</u>

Business-Type Activities:	
Utilities	<u>\$ 545,783</u>

Note 9 - Restricted Assets and Related Resources

At June 30, 2010, 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, 2010

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 \$702,526 at June 30, 2010 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 2010 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 13.5 percent of annual covered payroll. The City's contributions to the System under Plan A for the years ending June 30, 2010, 2009 and 2008 were \$754,559, \$731,937 and \$736,016, 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, 2010

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 11 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, 2010, 2009 and 2008 were \$325,077, \$284,036 and \$402,864, 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, 2010

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 14 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, 2010, 2009 and 2008 were \$196,490, \$160,733, and \$179,588, 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 18.6 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, 2010, 2009 and 2008 were \$7,787, \$7,555 and \$8,009, 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, 2010

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 2009/2010, 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 and 2009 is \$83,632, as set forth below:

	Medical
Normal Cost	\$ 37,857
30-year UAL amortization amount	45,775
Annual required contribution (ARC)	<hr/> \$ 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, 2010:

	Medical
Beginning Net OPEB Obligation (Asset) 7/1/2009	\$ 36,904
Annual required contribution	+ 83,632
Interest on Net OPEB Obligation (Asset)	-0
ARC Adjustment	+0
OPEB Cost	<hr/> 120,536
Contribution	0
Current year retiree premium	- 46,728
Change in Net OPEB Obligation	<hr/> + 73,808
Ending Net OPEB Obligation (Asset) 6/30/2010	\$ 73,808

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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, 2010	\$83,632	55.83%	\$36,904

Funded Status and Funding Progress. In the fiscal year ending June 30, 2010, 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)	 \$12,260,960
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, 2010

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:

Age	Percent Turnover
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). "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, 2010

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	\$ 4,290,000	\$ -	\$ 795,000	\$ 3,495,000	\$ 825,000	
Series 2005	195,000	-	30,000	165,000	30,000	
Series 2006	520,000	-	60,000	460,000	65,000	
Series 2007	4,355,000	-	150,000	4,205,000	155,000	
Series 2009	3,000,000	-	90,000	2,910,000	275,000	
Series 2009 (Note 14)	-	3,452,572	-	3,452,572	-	
Series 2010 (Note 14)	-	295,373	-	295,373	-	
Community Development						
Block Grant for						
Economic Development	430,762	-	27,105	403,657	25,000	
State Firefighters' Retirement System	816,696	-	114,171	702,525	122,163	
<u>Total Bonds and Notes Payable</u>	13,607,458	3,747,945	1,266,276	16,089,127	1,497,163	
Other Liabilities:						
Accrued Heart and Lung Disability	863,883	-	30,317	833,566	58,829	
Accrued Vacation, Sick And Compensatory Time						
Governmental Activities	742,865	50,794	-	793,659	793,659	
Business-Type Activities	136,359	-	376	135,983	135,983	
<u>Total Other Liabilities</u>	1,743,107	50,794	30,693	1,763,208	988,471	
<u>Total Governmental Activities</u>						
<u>Long-Term Debt</u>	<u>\$15,350,565</u>	<u>\$3,798,739</u>	<u>\$ 1,296,969</u>	<u>\$17,852,335</u>	<u>\$2,485,634</u>	

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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
2011	\$ 65,000	\$ 30,625	\$ 30,000	\$ 7,875	\$ 825,000	\$ 116,827
2012	70,000	26,719	30,000	6,300	855,000	84,991
2013	75,000	22,500	35,000	4,594	890,000	51,923
2014	80,000	17,969	35,000	2,756	925,000	17,529
2015	80,000	13,125	35,000	919	-	-
2016	90,000	10,938	-	-	-	-
Total	\$ 460,000	\$ 121,876	\$ 165,000	\$ 22,444	\$ 3,495,000	\$ 271,270
Year Ended June 30,	Certificates of Indebtedness					
	Series 2007		Series 2009		State Firefighters' Retirement System	
	Principal	Interest	Principal	Interest	Principal	Interest
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	185,000	143,912	320,000	58,776	160,129	11,209
2016-2020	1,065,000	597,848	1,420,000	108,066	-	-
2021-2025	1,335,000	352,761	-	-	-	-
2026-2028	950,000	63,205	-	-	-	-
Total	\$ 4,205,000	\$ 1,674,787	\$ 2,910,000	\$ 515,034	\$ 702,525	\$ 154,171
Year Ended June 30,	CDBG Division of Admn. Economic Development			Sewer Revenue Bonds Series 2010		
	Principal	Interest	-	Principal	Interest	-
	\$ 25,000	\$ -	\$ -	\$ 5,344	\$ 5,344	\$ -
2011	25,000	-	-	-	5,625	-
2012	25,000	-	-	57,000	5,497	-
2013	25,000	-	-	58,000	5,238	-
2014	25,000	-	-	58,000	4,977	-
2015	25,000	-	-	299,000	20,891	-
2016-2020	125,000	-	-	314,000	13,995	-
2021-2025	125,000	-	-	328,000	6,782	-
2026-2030	28,657	-	-	136,000	612	-
2031	-	-	-	-	-	-
Total	\$ 403,657	\$ -	\$ 1,250,000	\$ 68,960	\$ -	\$ -

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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, 2010, the City is responsible for payment of lifetime benefits to five firemen. The actuarial estimate of the liability is \$833,566.

The annual payment requirements outstanding at June 30, 2010 are as follows:

2011	\$ 58,829
2012	58,829
2013	58,829
2014	58,829
2015	58,829
2016-2020	294,145
2021-2025	235,316
2026-2030	<u>9,960</u>
 TOTAL	 <u>\$ 833,566</u>

Note 14 - Municipal Facilities Revolving Loan Fund

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

Sewer Revenue Bonds With 100% Principal Forgiveness (\$4,750,000)

Sewer revenue bonds were issued in the amount of \$4,750,000 to help fund the above project. However, under the terms of the loan agreement, the City's obligation to repay the principal of the bonds will be forgiven simultaneously with the payment by the DEQ of each installment of the purchase price of the bonds. As of June 30, 2010, the City received \$3,452,572 which was recognized as bonds payable in the government wide financial statements. Upon forgiveness, this amount will be recognized as other financing sources in the City's Debt Capital Fund.

Sewer Revenue Bonds (\$1,250,000)

Sewer revenue bonds were also issued in the amount of \$1,250,000 to help fund the above project. This amount will be paid back over a twenty year amortization period at .45% and is also recognized as bonds payable. See note 12 for the principal and interest requirements. As of June 30, 2010, the City has only drawn \$295,373.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

Note 15 - Operating Lease

The City is obligated under an operating lease for a building. This lease is a triple net lease for a period of ten years for \$1,000 per month. 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>June 30,</u>	<u>Amount</u>
2011	\$ 12,000
2012	12,000
2013	12,000
2014	12,000
2015	12,000

Note 16 - Northeast Louisiana Arts Council

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

Note 17 - Litigation

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

Note 18 - Self-Insurance Program

During 1998, the City began a self-insurance program for hospitalization and medical coverage for its active employees and retirees. The City limits its losses through the use of reinsurers up to \$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, 2010, the City's annual cost, excluding reinsurance premiums, is limited to approximately \$2,241,180 which was for active employees. Approximately 30 retirees receive benefits under this plan. These retirees reimbursed the City for \$160,757 during the year ended June 30, 2010 for their cost of the health care benefits.

Note 19 - Deferred Compensation Plan

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

Since the assets of the plans are held in a custodial account with a third party administrator, the assets and liabilities are not presented in the City's financial statements in accordance with GASB 32. Assets with a fair market value of \$328,920 are held by Nationwide Retirement Solutions, Inc. and VALIC Financial Advisors.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

Note 20 - Interfund Receivables and Payables

Interfund balances at June 30, 2010, were as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General Fund	\$ 1,644,490	\$ 135,541
'86 Sales Tax	135,541	1,549,500
Enterprise Fund		
Non-Major Funds:		
Special Revenue Funds	718,254	227,436
Capital Project Funds	-	349,899
Debt Service Funds	82,250	476,698
Internal Service Fund	<u>302,972</u>	<u>-</u>
TOTAL	\$ 2,883,507	\$ 2,883,507

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 21- Interfund Operating Transfers In and Out

Interfund operating transfers in and out during the year ended June 30, 2010, were as follows:

<u>Fund</u>	<u>In</u>	<u>Operating Transfers</u>	<u>Out</u>
Major Funds:			
General Fund	\$ 523,405	\$ 154,642	
'86 Sales Tax Capital	297,631	1,194,000	294,909
Enterprise Fund			
Non-Major Funds:			
Special Revenue Funds	192,892	-	
Capital Project Funds	-	447,092	
Expendable Trust Funds	89,715	-	
Debt Service Funds	<u>987,000</u>	<u>-</u>	<u>-</u>
TOTAL	\$ 2,090,643	\$ 2,090,643	

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

Note 22 - On-Behalf Payments

Certain City employees in the City Marshal's office, the West Monroe Police and Fire departments receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No. 24, the City has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$594,253 and the related expenditures are as follows:

Marshal's Office	\$ 17,895
Police Department	311,469
Jail	53,490
Fire Department	211,399
Total	\$ 594,253

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

Note 23- Minimum Lease Payments Receivable – Direct Financing Lease

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

The following lists the components of the minimum lease payments to be received under the direct financing lease as of June 30, 2010:

Future minimum lease payments are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2011	\$ 147,000
2012	147,000
2013	147,000
2014	147,000
2015	147,000
2016-2020	253,132
2021-2025	125,100
2026-2027	58,380
Total	\$ 1,171,612

Note 24 - 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>Amount</u>
<u>June 30.</u>	
2011	\$ 10,500
2012	10,500
2013	10,500
2014	10,500
2015	10,500
2016-2017	16,625
Total	\$ 69,125

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

Note 25 - Subsequent Events

Subsequent events have been evaluated through October 29, 2010, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 11,550,500	\$ 11,680,000	\$ 11,681,415	\$ 1,415
Intergovernmental	517,392	320,000	320,242	242
Licenses and Permits	845,250	820,250	820,379	129
Charges for Services	2,520,700	2,460,200	2,462,893	2,693
Fines and Forfeitures	550,200	589,000	587,689	(1,311)
Interest Earned	10,800	53,000	52,330	(670)
Franchise Revenue	890,000	806,000	803,987	(2,013)
Sale of Assets	-	307,000	306,980	(20)
Other	89,900	104,700	85,961	(18,739)
Total Revenues	16,974,742	17,140,150	17,121,876	(18,274)
Expenditures				
General Government:				
Elected Council	87,440	87,440	87,366	74
City Court	396,734	396,734	398,009	(1,275)
Marshal	283,987	266,000	265,225	775
Mayor's Office	170,615	170,615	170,823	(208)
City Clerk's Office	969,842	969,842	969,042	800
City Hall Maintenance	446,051	422,000	421,491	509
General and Administrative	1,481,888	1,481,888	1,478,633	3,255
Public Safety:				
Legal	392,280	378,000	378,214	(214)
Fire	1,954,110	1,963,000	1,963,021	(21)
Police	4,227,627	4,315,000	4,315,037	(37)
Prison	762,310	770,000	770,001	(1)
Police Shop	63,140	116,500	116,507	(7)
Public Works:				
Garbage	673,226	670,000	669,513	487
Trash	567,125	553,000	552,736	264
Streets	818,520	823,500	823,354	146
Cemetery	38,138	38,138	38,165	(27)
Planning and Zoning	107,930	107,930	107,844	86
Inspection	106,577	106,577	107,285	(708)
City Maintenance Shop	301,555	301,555	303,734	(2,179)

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Culture and Recreation:				
Recreation and Parks	\$ 282,180	\$ 288,500	\$ 288,464	\$ 36
Kiroli Park	368,490	392,800	384,793	8,007
Lazarre Park	7,700	7,700	5,698	2,002
Restoration Park	2,100	2,100	2,385	(285)
Farmer's Market	42,270	41,000	40,873	127
Ike Hamilton Expo Center	893,970	1,058,000	1,058,628	(628)
Convention Center	907,410	970,700	970,624	76
Community Development & Center	418,012	377,000	378,795	(1,795)
Tanner Building & Business Center	133,480	133,480	133,225	255
Economic Development	66,031	66,031	65,734	297
Total Expenditures	16,970,738	17,275,030	17,265,219	9,811
Excess of Revenues Over (Under) Expenditures	4,004	(134,880)	(143,343)	(8,463)
Other Financing Sources and (Uses)				
Transfers In	541,000	500,000	523,405	23,405
Transfers Out	(275,000)	(155,000)	(154,642)	358
Total Other Financing Sources and Uses	266,000	345,000	368,763	23,763
Net Change in Fund Balance	270,004	210,120	225,420	15,300
Fund Balance at Beginning of Year	6,204,779	6,204,779	6,204,779	-
FUND BALANCE AT END OF YEAR	\$ 6,474,783	\$ 6,414,899	\$ 6,430,199	\$ 15,300

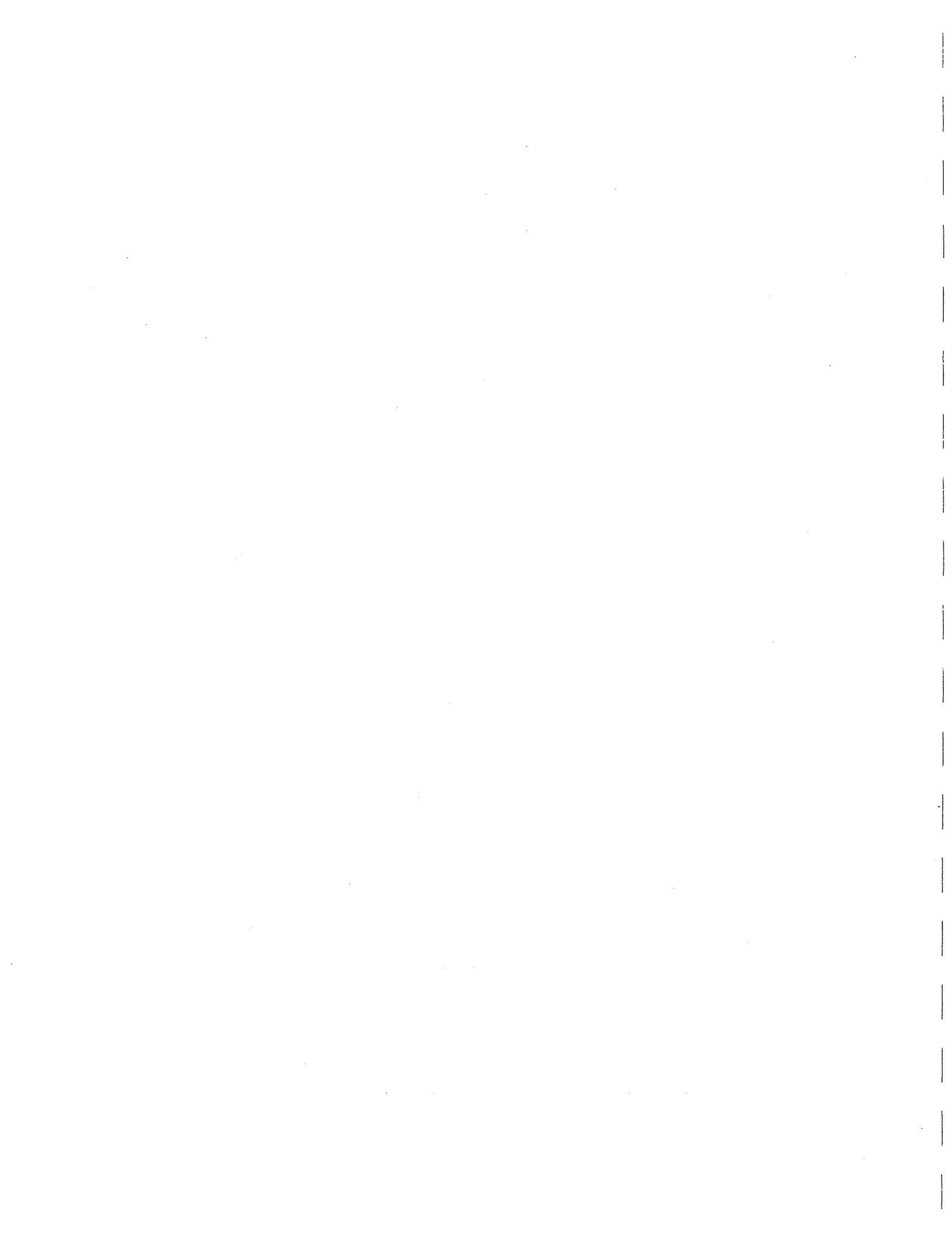
The accompanying notes are an integral part of this financial statement.



CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - '86 SALES TAX 75% CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Sales Tax	\$ 4,600,000	\$ 4,612,000	\$ 4,612,749	\$ 749
Non-City Revenue	300,000	532,000	534,050	2,050
Charges for Services	-	128,000	127,456	(544)
Other	-	20,000	22,304	2,304
Interest Income	-	6,795	3,833	(2,962)
Total Revenues	4,900,000	5,298,795	5,300,392	1,597
Expenditures				
Computer Equipment and Software	300,000	498,000	499,049	(1,049)
Street Projects	50,000	122,000	121,845	155
Drainage Projects	75,000	30,000	30,198	(198)
Furniture and Fixtures	10,000	28,000	27,836	164
Vehicles	500,000	209,000	208,428	572
Machinery and Equipment	300,000	595,000	595,260	(260)
Consultants	30,000	46,000	45,617	383
Engineering	250,000	333,000	333,244	(244)
Construction/Buildings/Facilities	250,000	85,000	85,854	(854)
Water Projects	125,000	77,000	77,034	(34)
Sewer Projects	300,000	851,000	850,906	94
Treatment Plant Projects	150,000	269,000	268,489	511
Land Purchases	-	133,000	132,804	196
Major Repairs	-	87,000	86,919	81
Maintenance	350,000	422,000	421,972	28
Total Expenditures	2,690,000	3,785,000	3,785,455	(455)
Deficiency of Revenues Over Expenditures				
	2,210,000	1,513,795	1,514,937	1,142
Other Financing Sources and (Uses)				
Transfers In	-	297,631	297,631	-
Transfers Out	(1,545,000)	(1,194,000)	(1,194,000)	-
Total Other Financing Sources and Uses	(1,545,000)	(896,369)	(896,369)	-
Net Change in Fund Balance	665,000	617,426	618,568	1,142
Fund Balance at Beginning of Year	103,027	103,027	103,027	-
FUND BALANCE AT END OF YEAR	\$ 768,027	\$ 720,453	\$ 721,595	\$ 1,142

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



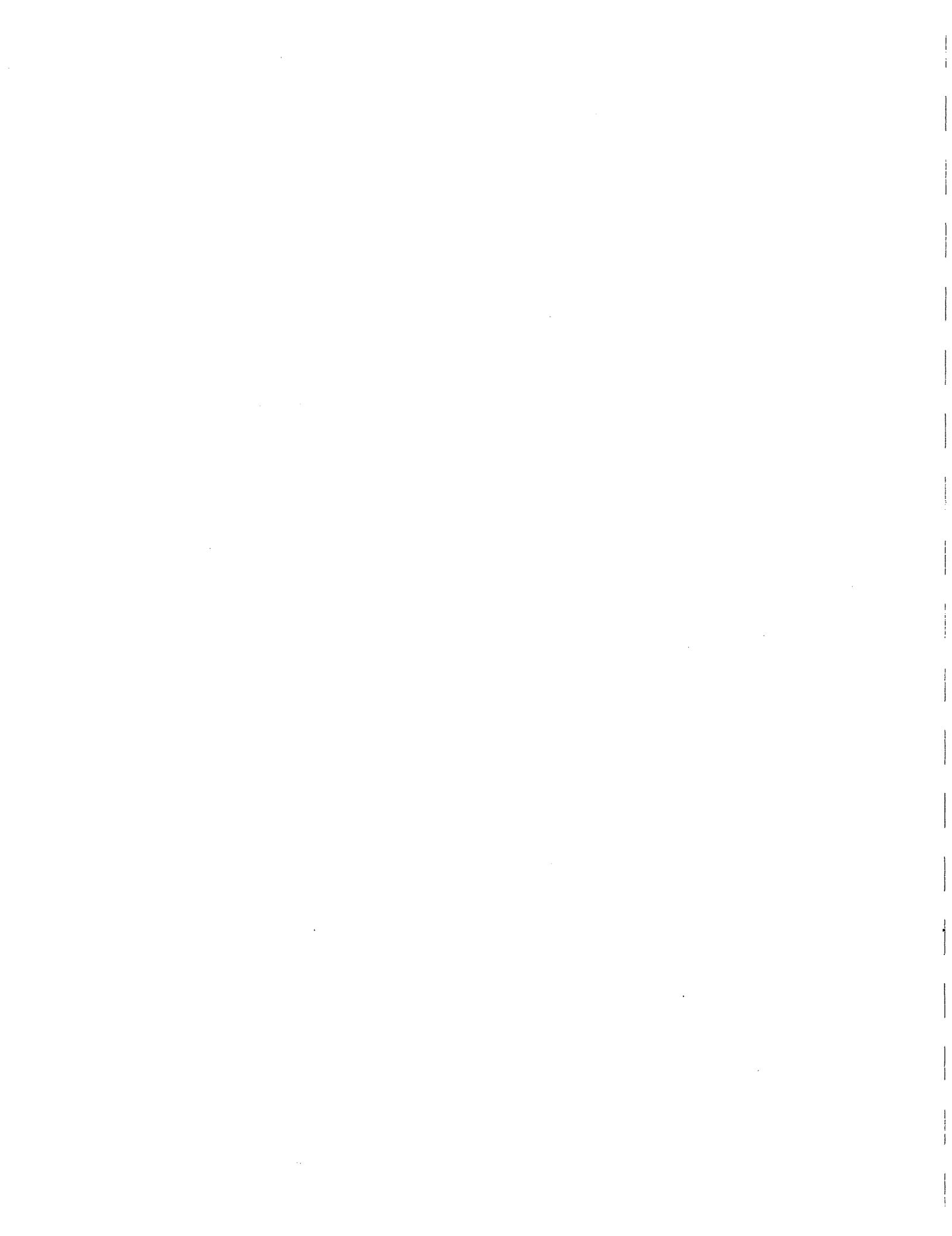
CITY OF WEST MONROE, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2010

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, 2010

	Street Maintenance Fund	West Ouachita Senior Center Fund	Emergency Shelter Program Fund	Officer Witness Court Fund
<u>ASSETS</u>				
Cash in Bank	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	5,180	-	8,347	-
Due From Other Governments	-	32,895	-	1,174
Due From Other Funds	392.790	-	3,446	17,869
<u>TOTAL ASSETS</u>	\$ 397,970	\$ 32,895	\$ 11,793	\$ 19,043
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 1,125	\$ -	\$ -
Due To Other Funds	-	31,770	-	-
Total Liabilities	-	32,895	-	-
<u>FUND BALANCES</u>				
Unreserved	<u>397,970</u>	<u>-</u>	<u>11,793</u>	<u>19,043</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 397,970</u>	<u>\$ 32,895</u>	<u>\$ 11,793</u>	<u>\$ 19,043</u>

Rental Rehabilitation Fund	Metro LCLE Grant Fund	Juvenile Justice Grant Fund	North Delta Law Enforcement Training Center Fund	Office of Motor Vehicles	
\$ 6,904	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	6,783	C
-	<u>67,457</u>	-	<u>66,203</u>	<u>67,513</u>	O
<u>\$ 6,904</u>	<u>\$ 67,457</u>	<u>\$ -</u>	<u>\$ 66,203</u>	<u>\$ 74,296</u>	N
					T
\$ -	\$ 64,843	\$ -	\$ -	\$ -	I
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	N
<u>-</u>	<u>64,843</u>	<u>-</u>	<u>-</u>	<u>-</u>	U
<u>6,904</u>	<u>2,614</u>	<u>-</u>	<u>66,203</u>	<u>74,296</u>	E
					D
<u>\$ 6,904</u>	<u>\$ 67,457</u>	<u>\$ -</u>	<u>\$ 66,203</u>	<u>\$ 74,296</u>	

CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010

	Section 8 Housing Fund	21st Century Department of Education Grant	AmeriCorps Grant Fund	Celtic Festival Fund
<u>ASSETS</u>				
Cash in Bank	\$ 488,678	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due From Other Governments	11,431	2,623	12,351	-
Due From Other Funds	-	-	35,527	-
<u>TOTAL ASSETS</u>	\$ 500,109	\$ 2,623	\$ 47,878	\$ -
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	171,411	2,208	-	-
Total Liabilities	171,411	2,208	-	-
<u>FUND BALANCES</u>				
Unreserved	328,698	415	47,878	-
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 500,109	\$ 2,623	\$ 47,878	\$ -

Domestic Violence Response Team	Miscellaneous Projects and Grant Funds	Keep West Monroe Beautiful Grant Program	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 495,582
-	-	2,635	16,162
-	-	-	67,257
<u>45,097</u>	<u>22,352</u>	<u>-</u>	<u>718,254</u>
\$ 45,097	\$ 22,352	\$ 2,635	\$ 1,297,255
<hr/>			
\$ 45,097	\$ -	\$ -	\$ 111,065
<u>-</u>	<u>19,104</u>	<u>2,943</u>	<u>227,436</u>
<u>45,097</u>	<u>19,104</u>	<u>2,943</u>	<u>338,501</u>
<hr/>			
-	<u>3,248</u>	<u>(308)</u>	<u>958,754</u>
\$ 45,097	\$ 22,352	\$ 2,635	\$ 1,297,255

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, 2010

	Street Maintenance Fund	West Ouachita Senior Center Fund	Emergency Shelter Program Fund	Officer Witness Court Fund
<u>Revenues</u>				
Taxes	\$ 223,359	\$ -	\$ -	\$ -
Intergovernmental	-	203,663	16,693	-
Interest	-	-	-	-
Other	-	149,319	-	48,758
Total Revenues	223,359	352,982	16,693	48,758
<u>Expenditures</u>				
Public Safety	-	-	-	62,350
Public Works	146,571	-	-	-
Health and Welfare	-	507,623	23,054	-
Culture and Recreation	-	-	-	-
Capital Expenditures & Major Repairs	-	-	-	-
Total Expenditures	146,571	507,623	23,054	62,350
Excess (Deficiency) of Revenues Over Expenditures	76,788	(154,641)	(6,361)	(13,592)
<u>Other Financing Sources</u>				
Operating Transfers - In (Out)	-	154,641	-	-
Total Other Financing Sources	-	154,641	-	-
Net Change in Fund Balance	76,788	-	(6,361)	(13,592)
Fund Balances - Beginning	321,182	-	18,154	32,635
FUND BALANCES - ENDING	\$ 397,970	\$ -	\$ 11,793	\$ 19,043

Rental Rehabilitation Fund	Metro LCLE Grant Fund	Juvenile Justice Grant Fund	Law Enforcement Training Center Fund	Office of Motor Vehicles	North Delta
\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	3,611	-	74,046	
-	-	-	-	-	
-	-	-	77,709	-	
		3,611	77,709	74,046	
		3,611	52,205	54,226	C
-	-	-	-	-	O
-	-	-	-	-	N
-	-	-	-	-	T
		3,611	52,205	54,226	I
-	-	-	25,504	19,820	N
					U
-	-	-	-	-	E
					D
-	-	-	25,504	19,820	
6,904	2,614	-	40,699	54,476	
<u>\$ 6,904</u>	<u>\$ 2,614</u>	<u>\$ -</u>	<u>\$ 66,203</u>	<u>\$ 74,296</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, 2010

	Section 8 Housing Fund	21st Century Department of Education Grant	Americorps Grant Fund	Celtic Festival Fund
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,558,793	288,519	75,970	-
Interest	1,130	-	-	-
Other	380	-	11,080	87,834
Total Revenues	1,560,303	288,519	87,050	87,834
Expenditures				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health and Welfare	1,660,861	-	-	-
Culture and Recreation	-	288,519	75,970	102,874
Capital Expenditures & Major Repairs	-	-	-	-
Total Expenditures	1,660,861	288,519	75,970	102,874
Excess (Deficiency) of				
Revenues Over Expenditures	(100,558)	-	11,080	(15,040)
Other Financing Sources (Uses)				
Operating Transfers - In (Out)	-	-	-	38,251
Total Other Financing Sources (Uses)	-	-	-	38,251
Net Change in Fund Balance	(100,558)	-	11,080	23,211
Fund Balances - Beginning	429,256	415	36.798	(23,211)
FUND BALANCES - ENDING	\$ 328,698	\$ 415	\$ 47,878	\$ -

Domestic Violence Response Team	Miscellaneous Projects and Grant Funds	Keep West Monroe Beautiful Grant Program	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 223,359
17,405	-	16,714	2,255,414
-	-	-	1,130
-	7,866	2,000	384,946
<u>17,405</u>	<u>7,866</u>	<u>18,714</u>	<u>2,864,849</u>
 17,405	 -	 -	 189,797
-	-	-	146,571
-	-	-	2,191,538
-	7,025	19,022	493,410
 <u>17,405</u>	 <u>7,025</u>	 <u>19,022</u>	 <u>3,021,316</u>
 - -	 841	 (308)	 (156,467)
 - -	 -	 -	 192,892
 <u>- -</u>	 <u>-</u>	 <u>-</u>	 <u>192,892</u>
 - -	 841	 (308)	 36,425
 <u>- -</u>	 <u>2,407</u>	 <u>-</u>	 <u>922,329</u>
 <u>\$ -</u>	 <u>\$ 3,248</u>	 <u>\$ (308)</u>	 <u>\$ 958,754</u>



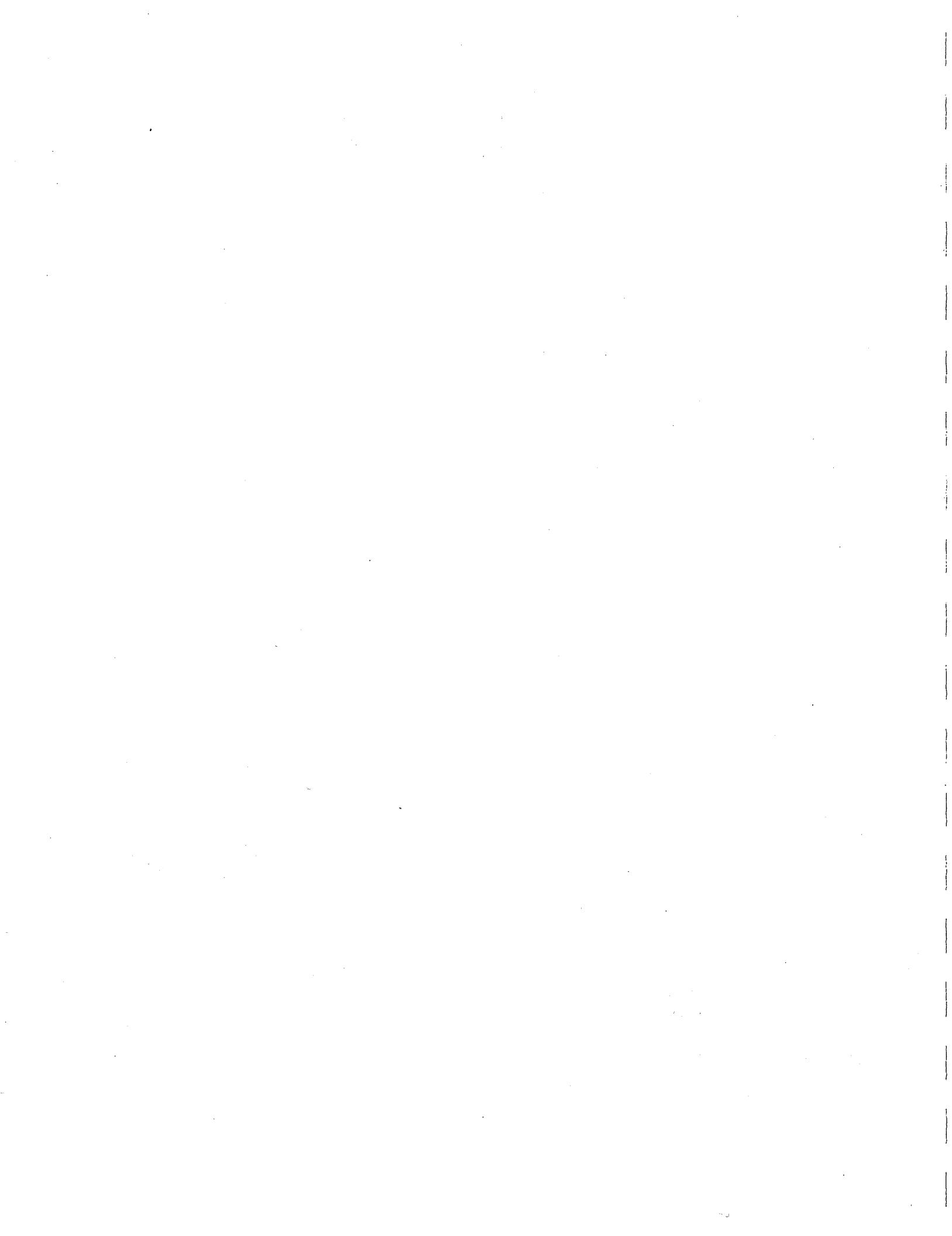
CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUND
WEST OUACHITA SENIOR CENTER
BALANCE SHEETS

	June 30,	
	2010	2009
<u>Assets</u>		
Due From Other Governments:		
Louisiana Office of Elderly Affairs	\$ 22,053	\$ -
Department of Transportation	10,842	14,636
Total Assets	\$ 32,895	\$ 14,636
<u>Liabilities and Fund Balance</u>		
<u>Liabilities</u>		
Accounts Payable	\$ 1,125	\$ 595
Due To Other Funds	31,770	14,041
Total Liabilities	32,895	14,636
<u>Fund Balance</u>		
Unreserved	-	-
Total Liabilities and Fund Balance	\$ 32,895	\$ 14,636



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,	
	2010	2009
Revenues		
Department of Transportation	\$ 63,050	\$ 58,027
Ouachita Council on Aging		
Senior Center Funds	62,412	62,412
Supplemental Senior Center Funds	6,624	6,619
Louisiana Office of Elderly Affairs	65,456	75,000
United Way	83,855	94,565
Transportation Fees	6,121	7,425
Miscellaneous Revenues (Ceramics, Greenhouse, etc.)	65,464	56,478
Total Revenues	352,982	360,526
Expenditures		
Salaries and Related Expenditures	361,845	356,502
Professional Services	6,466	2,650
Repairs and Maintenance	8,832	10,918
Communications	2,392	4,581
Postage	2,140	1,080
Newsletter	8,151	8,046
Advertising	2,330	979
Travel	5,434	909
Supplies	33,486	53,151
Utilities	22,265	27,796
Fuel	32,920	36,000
Miscellaneous	21,362	5,567
Total Expenditures	507,623	508,179
Deficiency of Revenues Over Expenditures	(154,641)	(147,653)
Other Financing Sources		
City of West Monroe Support	154,641	147,653
Net Change in Fund Balance	-	-
Fund Balance - Beginning	-	-
FUND BALANCE - ENDING	\$ -	\$ -



CITY OF WEST MONROE, LOUISIANA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010

	Firemen's Pension Merger Fund	2007 Debt Service Fund	2003 Debt Service Fund	Total Nonmajor Debt Service Funds
<u>ASSETS</u>				
Cash in Bank	\$ 140,899	\$ 103,466	\$ -	\$ 244,365
Accounts Receivable - Sales Tax Due From Other Funds	14,300	29,000	-	43,300
	<hr/>	<hr/>	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<u>\$ 140,899</u>	<u>\$ 103,466</u>	<u>\$ 82,250</u>	<u>\$ 369,915</u>
<u>LIABILITIES</u>				
Payable to State Retirement Due To Other Funds	\$ 171,340	\$ -	\$ -	\$ 171,340
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	171,340	-	476,698	648,038
<u>FUND BALANCES</u>				
Reserved For Debt Service	<u>(16,141)</u>	<u>132,466</u>	<u>(394,448)</u>	<u>(278,123)</u>
	<hr/>	<hr/>	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 155,199</u>	<u>\$ 132,466</u>	<u>\$ 82,250</u>	<u>\$ 369,915</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, 2010

	Firemen's Pension Merger Fund	2007 Debt Service Fund	2003 Debt Service Fund	Total Nonmajor Debt Service Funds
Revenues				
Taxes	\$ 171,600	\$ 348,000	\$ -	\$ 519,600
Sales of Assets	-	-	-	-
Total Revenues	171,600	348,000	-	519,600
Expenditures				
Principal Retirement	114,171	150,000	1,002,105	1,266,276
Other Debt Service Costs	-	401	474	875
Interest	57,169	183,063	288,847	529,079
Total Expenditures	171,340	333,464	1,291,426	1,796,230
Excess ((Deficiency) of Revenues Over Expenditures	260	14,536	(1,291,426)	(1,276,630)
Other Financing Sources				
Operating Transfers - In	-	-	987,000	987,000
Net Change in Fund Balance	260	14,536	(304,426)	(289,630)
Fund Balance - Beginning	(16,401)	117,930	(90,022)	11,507
FUND BALANCE - ENDING	\$ (16,141)	\$ 132,466	\$ (394,448)	\$ (278,123)

CITY OF WEST MONROE, LOUISIANA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010

	I-20 Ramp Project	CDBG - Street Paving Project	Detention Basin Grant Project
<u>ASSETS</u>			
Cash in Bank	\$ -	\$ 6,278	\$ -
Due From Other Governments	-	-	-
Due From Other Funds	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ -</u>	<u>\$ 6,278</u>	<u>\$ -</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ -	\$ -	\$ -
Due To Other Funds	-	-	349,899
Total Liabilitites	-	-	349,899
<u>FUND BALANCES (DEFICITS)</u>			
Unreserved:			
Designated for Future Expenditures	-	6,278	(349,899)
<u>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</u>	<u>\$ -</u>	<u>\$ 6,278</u>	<u>\$ -</u>

CDBG - Send Technologies Project	CDBG - 2008 LCDBG Sewer Project	Total Nonmajor Capital Project Funds
\$ 7	\$ 4	\$ 6,289
-	-	-
<hr/>	<hr/>	<hr/>
\$ 7	\$ 4	\$ 6,289
<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -
-	-	349,899
<hr/>	<hr/>	<hr/>
7	4	(343,610)
<hr/>	<hr/>	<hr/>
\$ 7	\$ 4	\$ 6,289
<hr/>	<hr/>	<hr/>

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, 2010

	I-20 Ramp Project	CDBG - Street Paving Project	Detention Basin Grant Project
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Sale of Assets	- -	- -	- -
Total Revenues	<hr/> - -	<hr/> - -	<hr/> - -
Expenditures			
Capital Projects	- -	- -	4,628
Excess (Deficiency) of Revenues Over Expenditures			(4,628)
Other Financing Sources (Uses)			
Operating Transfers - In	- -	- -	- -
Operating Transfers - Out	(149,461)	- -	- -
Total Other Financing Sources (Uses)	<hr/> (149,461)	<hr/> - -	<hr/> - -
Net Change in Fund Balance	(149,461)	- -	(4,628)
Fund Balances - Beginning	149,461	6,278	(345,271)
FUND BALANCES - ENDING	\$ -	\$ 6,278	\$ (349,899)

CDBG - Send Technologies Project	CDBG - 2008 LCDBG Sewer Project	Total Nonmajor Capital Project Funds
\$ -	\$ 297,631	\$ 297,631
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>297,631</u>	<u>297,631</u>
 <u>(4)</u>	 <u>(4)</u>	 <u>4,620</u>
 4	 297,635	 293,011
 <u>-</u>	 <u>(297,631)</u>	 <u>(447,092)</u>
 <u>-</u>	 <u>(297,631)</u>	 <u>(447,092)</u>
 4	 4	 (154,081)
 <u>3</u>	 <u>-</u>	 <u>(189,529)</u>
 <u>\$ 7</u>	 <u>\$ 4</u>	 <u>\$ (343,610)</u>



OTHER SUPPLEMENTAL INFORMATION



CITY OF WEST MONROE, LOUISIANA
ALL FUNDS
SCHEDULE OF ASSESSED VALUATION AND AD VALOREM
PROPERTY TAX LEVY FOR 2009

<u>Original Assessed Valuation</u>	\$ 135,266,971
<u>Tax Rate Per Thousand Dollars (Mills)</u>	8.62
<u>Gross Tax Levy</u>	<u>\$ 1,166,001</u>
Less: Adjustments	<u>(1,412)</u>
<u>Adjusted Gross Tax Levy</u>	<u><u>\$ 1,164,589</u></u>
 <u>Tax Collected</u>	
2009 Assessments	<u><u>\$ 1,164,589</u></u>
	 <u>2009 Tax</u>
	<u>Rate Mills</u>
<u>Allocation of Tax Collected</u>	
General Fund	6.97
Street Maintenance	<u>1.65</u>
Total	<u><u>8.62</u></u>
	<u><u>\$ 1,164,589</u></u>

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF REVENUES AND EXPENDITURES - CONVENTION CENTER
FOR THE YEAR ENDED JUNE 30, 2010

	Events	Concession	Catering	Total
<u>Revenues</u>	\$ 8,809	\$ 4,626	\$ 682,387	\$ 695,822
<u>Cost of Operations</u>				
Operating Expenditures	4,748	-	470,026	474,774
Personnel	2,556	-	253,091	255,647
Total	<u>7,304</u>	<u>-</u>	<u>723,117</u>	<u>730,421</u>
<u>Gross Profit</u>	<u>\$ 1,505</u>	<u>\$ 4,626</u>	<u>\$ (40,730)</u>	<u>(34,599)</u>
<u>Administrative Expenditures</u>				
Director's Salary				53,158
Operations Salaries				45,091
Employee Benefits				28,567
Vehicle Maintenance				1,215
Materials, Repairs & Supplies				45,100
Postage & Freight				-
Travel, Car & Meetings				1,870
Cell Phones and Pagers				960
Advertising				203
Office Supplies				3,387
Utilities				<u>60,652</u>
Total Administrative Expenditures				<u>240,203</u>
<u>Deficiency of Revenues Under Expenditures</u>				<u>\$ (274,802)</u>

<u>Budget</u>	Variance -
	Favorable
	(Unfavorable)
\$ 63,680	\$ (98,279)
53,160	2
50,000	4,909
31,700	3,133
1,500	285
41,150	(3,950)
1,500	(370)
1,080	120
1,000	797
2,500	(887)
<u>31,000</u>	<u>(29,652)</u>
<u>214,590</u>	<u>(25,613)</u>
<u>\$ (150,910)</u>	<u>\$ (123,892)</u>

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF REVENUES AND EXPENDITURES - IKE HAMILTON EXPO CENTER
FOR THE YEAR ENDED JUNE 30, 2010

	Equine Events	Concession	Stall Rentals & Shavings	Total
<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>	Variance - Favorable (Unfavorable)
\$ 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><u>\$ (590,500)</u></u>	<u><u>\$ 85,726</u></u>



CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO COUNCIL MEMBERS
FOR THE YEAR ENDED JUNE 30, 2010

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



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

Phone (318) 323-1717
Fax (318) 322-5121

Mailing Address:

P. O. Box 2474
West Monroe, LA 71294-2474

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

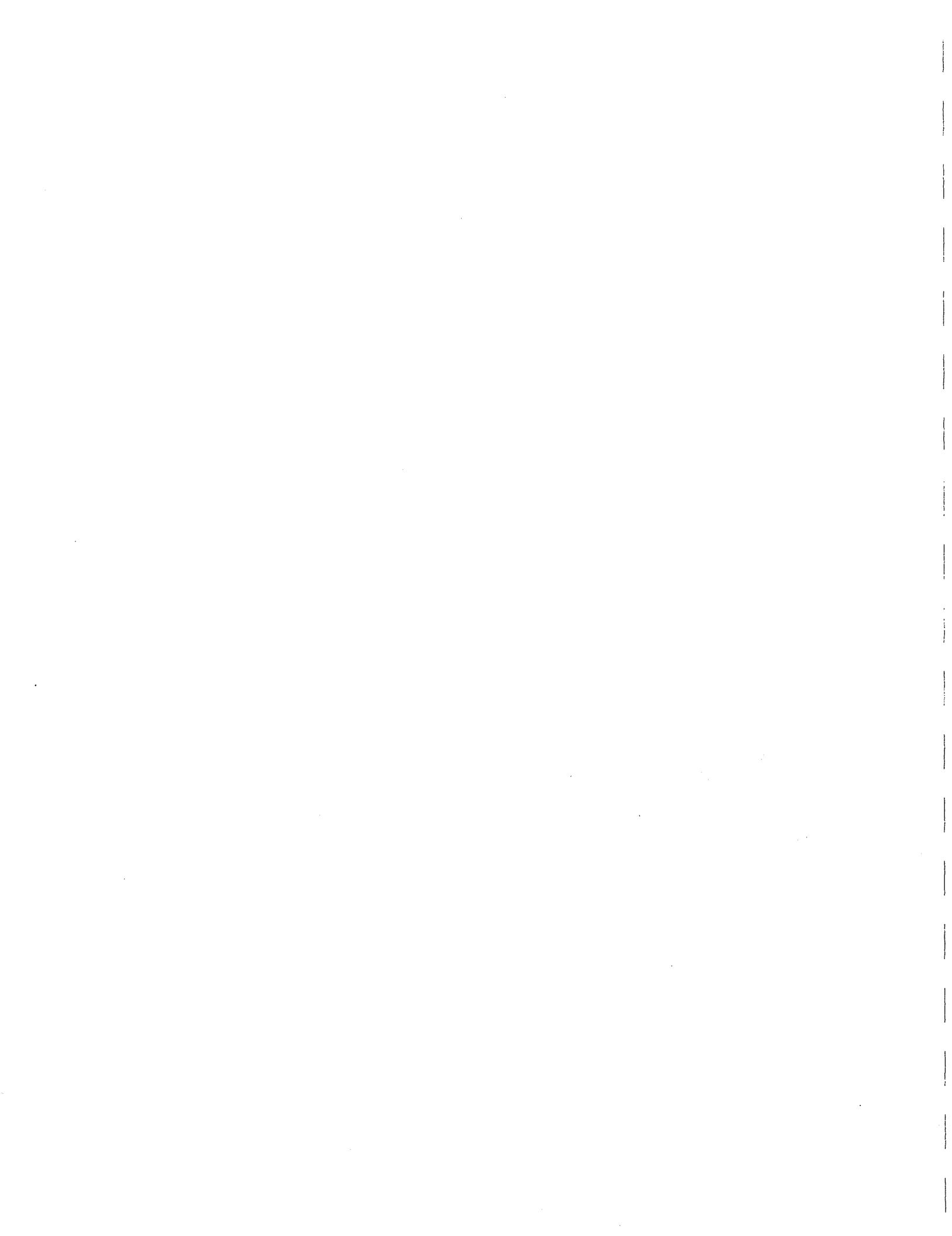
We have audited the primary government financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Monroe, Louisiana (the City) as of and for the year ended June 30, 2010, which collectively comprise the City's basic primary government financial statements and have issued our report thereon dated October 29, 2010. 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.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting as items 10-1 through 10-4. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free 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*.

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

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 29, 2010



CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

Certified Public Accountants

Mailing Address:

P. O. Box 2474
West Monroe, LA 71294-2474

104 Regency Place
West Monroe, Louisiana 71291

Phone (318) 323-1717
Fax (318) 322-5121

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH 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, 2010. 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, 2010.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.



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

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected 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 was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 29, 2010



CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

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. Four significant deficiencies disclosed during the audit of the financial statements are reported in the Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards* and the Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133. None of the significant deficiencies are deemed to be material weaknesses.
3. No instances of noncompliance material to the financial statements of the City of West Monroe, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award programs are reported in the Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the City of West Monroe, Louisiana expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Sections 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs included the Department of Housing and Urban Development Voucher Program, CFDA No. 14.871 and the Environmental Protection Agency, CFDA No. 66.458.
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, 2010 (continued)**

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no findings relating to this category.

FINDINGS – FINANCIAL STATEMENT AUDIT

10-1 Delinquent Utility Customer Accounts

Condition:

Although during the audit we noted significant improvement in cutting off delinquent accounts from 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 continue to work with the Utility Department to make sure the cutoff policies will be enforced. All delinquent accounts will be cutoff timely.

10-2 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, 2010 (continued)

FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

10-2 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.

10-3 Missing Daily Bank Deposit

Condition:

The City determined a money deposit containing \$32,945 was missing. The offices located inside city hall were under reconstruction and were in total disarray. There were also numerous contractors, laborers and inmates walking in and out of the offices. The employee that prepared the deposit and the employee that takes the actual deposit to the bank were both interviewed by police detectives. The bank showed no record of the deposit ever being made. Due to no video security of city hall and no other leads, the case was determined inactive by the detectives.

Recommendation:

The City should more closely monitor the safekeeping of the deposits and keep them in a location where it would not be easy for non approved persons to access them.

Response:

The deposit included \$23,859.80 worth of non-cash payments. These payments have been reversed in our system and the customers are providing replacement checks for these payments. We have instituted some additional controls in order to lessen the likelihood of this happening in the future. Because we are a very small staff, complete separation of duties is difficult; however we have made the following changes:

- Deposits are worked up by the Cash Receipts Clerk and placed in pre-numbered, tamper evident bags and sealed and verified by two employees by initialing the bag and deposit verification form and recording the bag number and amount in each bag.
- The verified deposit bag(s) are then secured in a locked cabinet in the vault.
- Access to the vault is restricted and access to the locked cabinet within the vault is done by two employees at a time.
- When ready for transport to the bank, the verified bags are removed from the locked cabinet by two employees and the bag numbers are recorded on the bank deposit verification form and initialed by the employees indicating the numbers on the bags taken to the bank and the time and date removed from the cabinet.
- The bags are taken to the bank and placed in the night drop box. The receipts are retrieved from the bank on the following bank run and returned to the Cash Receipts Clerk. The Clerk matches the receipts to the deposit slips to verify the deposits were recorded at the bank.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010 (continued)

FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

10-4 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.

Criteria:

Federal agencies require accountability for the funds given to recipients.

Effect:

Because of the numerous agencies paying the City electronically and not recording the amounts consistently in the general ledger, it is difficult to identify the total amount paid to the City for amounts being paid by the same agency for different grants.

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.

Response:

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
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass - Through Number</u>	<u>Expenditures</u>
Department of Housing & Urban Development			
Public and Indian Housing			
HAP - Vouchers	14.871	LA186VO	* \$ 1,660,861
Office of Community Planning & Development			
Community Development Block Grants	14.218	None	297,631
Department of Homeland Security			
EF&S National Board Program	97.024	36600-002	16,693
Environmental Protection Agency			
Office of Water			
ARRA - Capital Grant for CWSRF	66.458	W04-2-001	3,452,572
ARRA - Capital Grant for CWSRF	66.458	W05-2-001	295,373
		*	3,747,945
Department of Justice			
Office of Juvenile Justice and Delinquency Prevention			
Juvenile Justice Grant	16.548	W05-2-001	1,076
Juvenile Justice Grant	16.540	J08-2-002	2,535
			3,611
Safestreets Violent Crime Initiative	None	166E-NO-64194	14,234
Office on Violence Against Women			
Domestic Violence Resp. Unit	16.588	2007-WE-AX-0037	62,503
ARRA Stop Violence Against Women	16.588	M82-8-036	7,042
			69,545
Bureau of Justice Assistance			
Bullet Proof Vest Grant	16.607	None	5,271
Department of Transportation			
Federal Transit Administration			
Section 5311 - Operating Assistance	20.509	741-37-0122	63,050
Highway Safety Commission			
PD Year Long Overtime	20.600	PT2010510000	25,920
PD Year Long Overtime	20.600	K8HV2010270000	28,080
			54,000
Corporation for National and Community Service			
AmeriCorps	94.006	03ACHLA0010005	16,593
AmeriCorps	94.006	03AFHLA0010005	59,376
			75,969

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grants/Pass Through Grantor/Program Title	CFDA Number	Agency or Pass - Through Number	Expenditures
Office of Elementary & Secondary Education			
Department of Education			
Twenty-First Century Community Riverbend 21st Century	None	661028	288,519
Executive Office of the President			
HIDTA Overtime Reimbursement	None	G09GC0001A	22,766
HIDTA Overtime Reimbursement	None	G10GC0001A	22,766
			<u>45,532</u>
			<u>\$ 6,342,861</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, 2010

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, 2010

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

09-1 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 10-1.

09-2 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 10-2.

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.

