



2305 North 7th Street  
West Monroe, Louisiana 71291

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*Financial Report*  
*For The Year Ended June 30, 2012*

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CITY OF WEST MONROE, LOUISIANA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2012

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AND CIRCULAR A-133

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic primary government financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of West Monroe, Louisiana (which is "the City" as well as "the primary government"), as of and for the year ended June 30, 2012, which collectively comprise the City's 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. Because 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 would have changed 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, 2012, 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 of the City as of June 30, 2012, and the 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.

Further, in our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund for the primary government of the City as of June 30, 2012, 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 November 9, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 12 and 52 through 54, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the primary government financial statements that collectively comprise the City's basic primary government financial statements as a whole. 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 financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic primary government financial statements. The combining





Honorable Mayor and Board of Aldermen of the  
City of West Monroe, Louisiana  
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and individual nonmajor fund financial statements and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
November 9, 2012



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



# **CITY OF WEST MONROE, LOUISIANA**

## **Management's Discussion and Analysis Year Ended June 30, 2012**

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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, 2012. 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 \$68.8 million (net assets). Of this amount, \$12.1 million is unrestricted.
- The City's total net assets increased by \$11.5 million 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 \$12.7 million.
- At the end of the current fiscal year, the fund balance for the general fund was \$6.4 million, or 37% of the total general fund expenditures.
- The general fund reported a surplus of \$1,275,000 before transfers, and a surplus of \$423,300 after transfers.
- The City's bonded debt had a net decrease of \$1,897,772. Total bonded debt at 6-30-12 was \$13,673,000.

### **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 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 2011-2012 fiscal year increased by \$11.5 million. Table 1 shows the statement of net assets for the year ending 2011 and the year ending 2012. The table also shows the net assets for governmental activities, business type activities and combines them into the total primary government.

### Statement of Net Assets

The following table reflects the condensed statement of net assets:

TABLE 1  
NET ASSETS OF GOVERNMENTAL AND BUSINESS TYPE ACTIVITIES

	(in Millions)					
	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2011	2012	2011	2012	2011	2012
<b>ASSETS:</b>						
Current and other assets	\$ 9.89	\$ 14.26	\$ 1.15	\$ .51	\$ 11.04	\$ 14.77
Capital Assets	42.18	44.91	23.59	26.45	65.77	71.36
Total Assets	\$ 52.07	\$ 59.17	\$ 24.74	\$ 26.96	\$ 76.81	\$ 86.13
<b>LIABILITIES:</b>						
Long-term debt outstanding	\$ 18.13	\$ 14.82	\$ 0.15	\$ 0.13	\$ 18.28	\$ 14.95
Other liabilities	0.49	1.00	0.13	1.33	0.62	2.33
Total Liabilities	\$ 18.62	\$ 15.82	\$ 0.28	\$ 1.46	\$ 18.90	\$ 17.28
<b>NET ASSETS:</b>						
Invested in Capital Assets						
Net of debt	\$ 25.65	\$ 31.63	\$ 23.59	\$ 25.26	\$ 49.24	\$ 56.89
Restricted	-	-	-	-	-	-
Unrestricted	7.80	11.72	0.27	0.24	8.07	11.96
Total Net Assets	\$ 33.45	\$ 43.35	\$ 23.86	\$ 25.50	\$ 57.31	\$ 68.85

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 \$68.85 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 \$11.96 million may be used to meet the City's ongoing obligations.



### **Governmental Activities**

Net assets of the City's governmental activities increased from \$33.45 million to \$43.35 million. This increase is mainly due to a reduction of long-term debt that includes forgiveness of debt in the amount of \$4.75 million (See Note 14).

### **Business-type Activities**

Net assets of the City's business-type activities increased from \$23.86 million to \$25.50 million. This increase is associated with the additions to fixed assets 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	
	2011	2012	2011	2012	2011	2012
REVENUES:						
Program Revenues						
Charges for services	\$ 4.50	\$ 4.37	\$ 3.06	\$ 3.07	\$ 7.56	\$ 7.44
Operating grants and contributions	2.58	2.15			2.58	2.15
Capital grants and contributions	10.65	5.92			10.65	5.92
General Revenues						
Property Taxes	1.18	1.15			1.18	1.15
Other taxes	17.08	17.47			17.08	17.47
Intergovernmental	0.34	0.42			0.34	0.42
Franchise	0.83	0.81			0.83	0.81
Forgiveness of Debt 2009	0.32	5.56			0.32	5.56
Sale of Assets	0.26	0.02			0.26	0.02
Interest earned	0.05	0.04			0.05	0.04
Capital contributions	-	-	10.10	3.73	10.10	3.73
Total Revenues	\$ 37.79	\$ 37.91	\$ 13.16	\$ 6.80	\$ 50.95	\$ 44.71
EXPENSES:						
General government	\$ 6.61	\$ 6.96			\$ 6.61	\$ 6.96
Public safety	10.94	10.55			10.94	10.55
Public works	13.11	3.68			13.11	3.68
Culture and recreations	4.33	3.75			4.33	3.75
Urban Development	0.86	0.79			0.86	0.79
Health and welfare	2.16	2.86			2.16	2.86
Interest on long-term debt	0.48	0.41			0.48	0.41
Utilities	-	-	3.49	3.98	3.49	3.98
Total Expenses	\$ 38.49	\$ 29.00	\$ 3.49	\$ 3.98	\$ 41.98	\$ 32.98
Increase in net assets before transfers	\$ (0.70)	\$ 8.91	\$ 9.67	\$ 2.82	\$ 8.97	\$ 11.73
Transfers	(0.07)	(0.19)	(0.16)	.05	(0.23)	(0.14)
Increase/decrease in assets	\$ (0.77)	\$ 8.72	\$ 9.51	\$ 2.87	\$ 8.74	\$ 11.59



### **Governmental Activities**

The City's total revenues from governmental activities increased from \$37.79 million (year end 2011) to \$37.91 million (year end 2012). West Monroe's largest source of general revenue (\$18.62 million) is taxes, composed of property tax, sales tax, insurance premium taxes, and beer tax.

Fifty percent of the City's revenue from governmental activities comes from these taxes. Capital grants and contributions (\$8.07 million) were the second largest revenue source for governmental activities.

The City's expenses for the fiscal year ended June 30, 2012 were \$29 million, a decrease of \$9.49 million from year end 2011. These expenses cover a wide range of services with the largest being public safety \$10.55 million or 36%, and general government \$6.96 million or 24%.

### **Business-Type Activities**

The total revenues from business-type activities were \$6.80 million for the fiscal year ended June 30, 2012. Charges for services increased by approximately \$10,000. Expenses for the City's business-type activities were \$3.98 million. The business-type activities had a net gain of approximately \$2.87 million for the fiscal year ended June 30, 2012.

## **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 \$12.7 million. Of this amount, \$5 million 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, fund balance of the general fund was \$6.4 million, an increase of \$423,000 from year end June 30, 2011. As a measure of the general fund liquidity, it may be useful to compare unreserved fund balance to total expenditures. Unassigned fund balance represents 31% 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 \$6.6 million out of the 86 Sales Tax Capital Fund to fund major capital projects and purchases. This amount decreased by \$.50 million from last year. The fund transferred out \$1.82 million to pay for debt service.





### **Proprietary Funds**

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

Net assets of the Utilities Enterprise Fund at the end of the year were \$25.5 million. The fund had an operating profit for the year of \$2.87 million after depreciation and transfers.

Net assets of the Internal Service fund (Employees Health Insurance Fund) at the end of the year were \$555,822.

### **General Fund Budgetary Highlights**

Over the course of the year, the City Council revised the City budget twice. The difference between the original expenditure budget and the actual amount of expenditures was a decrease of \$648,668. Actual total revenues were over the original budget by \$864,954.

## **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	
	2011	2012	2011	2012	2011	2012
Land	\$ 6.12	\$ 5.87	\$ 0.06	\$ 0.06	\$ 6.18	\$ 5.93
Construction in progress	0.25	1.01	15.50	-	15.81	1.01
Buildings	14.99	18.41	-	-	14.99	18.41
Improvements	1.97	1.96	-	-	1.97	1.96
Equipment	0.63	0.43	0.46	0.36	0.63	0.79
Vehicles	0.82	0.66	-	-	0.82	0.66
Infrastructure	17.39	16.57	-	-	17.39	16.57
Water Plant			4.15	3.91	4.15	3.91
Treatment Plant			3.42	22.12	3.42	22.12
Total	\$ 42.17	\$ 44.91	\$ 23.59	\$ 26.45	\$ 65.76	\$ 71.36

The City of West Monroe's investment in Capital assets for its governmental and business-type activities as of June 30, 2012, amounts to \$71.36 million (net of depreciation). This is up \$5.6 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 6/30/11	YR END 6/30/12
Bond Payable Series 2003	\$ 2,670,000	\$ 1,815,000
Bond Payable Series 2005	\$ 135,000	\$ 105,000
Bond Payable Series 2006	\$ 395,000	\$ 325,000
Bond Payable Series 2007	\$ 4,050,000	\$ 3,885,000
Bond Payable Series 2009	\$ 2,635,000	\$ 2,350,000
Bond Payable Series 2009	\$ 4,450,082	\$ 0
Bond Payable Series 2010	\$ 1,235,690	\$ 1,193,000
Bond Payable Series 2011	\$ 0	\$ 4,000,000
Community Dev. Block Grant for Economic Development	\$ 378,637	\$ 353,641
Firefighters Retirement System	\$ 580,362	\$ 449,647
Heart and Lung Disability	\$ 668,154	\$ 636,857
Vacation, Sick and Comp. Time	\$ 954,126	\$ 906,726
Total	\$ 18,152,051	\$ 16,019,871

At the end of the fiscal year, the City of West Monroe had total bonded debt outstanding of \$13.67 million. This is a decrease of \$1.9 million in total bond debt. In 2011-2012 the City had \$4.0 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 was forgiven by DEQ (see Note 14 in the Notes to the Financial Statements). 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 except the \$1.193 million being paid back from the Utility Fund.

The City of West Monroe's total long-term debt obligations at year end were \$16.01 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 2012-2013 budget. The major factor in preparing the budget is to determine the revenue that will be generated from sales tax. Sales tax accounts for 46% of the total Governmental Activities revenue. With current economic conditions, sales tax revenue is projected to remain level for the 2012-2013 fiscal year. All other General Fund revenues should remain fairly consistent with prior year collections. The total General Fund revenue budget for the 2012-2013 fiscal year is \$18.52 million compared to \$17.74 million last year.

During the 2012-2013 fiscal year, the City will continue to develop the 60 acres along I-20 into a retail center.



The budgeted expenses for the 2012-2013 fiscal year are \$18.12 million, a increase of \$792,000 over the prior year. The City gave all employees a 2% pay raise for the 2012-2013 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 for the 2012-2013 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, 2013 is \$6.76 million.

#### OTHER POST-EMPLOYMENT BENEFITS

In the year ended June 30, 2012, 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 are presented in more detail in the Notes to the Financial Statements.

#### REQUEST FOR INFORMATION

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



PRIMARY GOVERNMENT FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS





CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 9,469,255	\$ 176,301	\$ 9,645,556
Cash with Fiscal Agent	16,800	-	16,800
Accounts Receivable	671,386	599,021	1,270,407
Minimum Lease Payments Receivable (Net)	815,654	-	815,654
Due From Other Governments	3,005,849	-	3,005,849
Internal Balances	251,663	(267,872)	(16,209)
Inventories	34,835	-	34,835
Capital Assets:			
Non-Depreciable	6,881,682	57,750	6,939,432
Depreciable	38,027,582	26,394,359	64,421,941
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 59,174,706</u></b>	<b><u>\$ 26,959,559</u></b>	<b><u>\$ 86,134,265</u></b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 932,039	\$ 210	\$ 932,249
Deposits Payable	63,832	130,049	193,881
Non-Current Liabilities			
Due Within One Year			
Bonds Payable	1,820,000	58,000	1,878,000
Notes Payable	164,864	-	164,864
Compensated Absences	818,982	135,965	954,947
Due in More Than One Year			
Bonds Payable	10,660,000	1,135,000	11,795,000
Notes Payable	638,424	-	638,424
Compensated Absences	588,636	-	588,636
Unfunded Postretirement Benefits	139,045	-	139,045
<b><u>TOTAL LIABILITIES</u></b>	<b><u>15,825,822</u></b>	<b><u>1,459,224</u></b>	<b><u>17,285,046</u></b>
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets, Net of Related Debt	31,625,976	25,259,109	56,885,085
Unrestricted, Capital Projects	6,289	-	6,289
Unrestricted, Debt Service	(162,863)	-	(162,863)
Unrestricted, Unreserved	11,879,482	241,226	12,120,708
<b><u>TOTAL NET ASSETS</u></b>	<b><u>\$ 43,348,884</u></b>	<b><u>\$ 25,500,335</u></b>	<b><u>\$ 68,849,219</u></b>

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



CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Government Activities:</b>				
General Government	\$ 6,959,894	\$ 1,583,861	\$ -	\$ 2,735,512
Public Safety	10,545,370	280,821	171,981	-
Public Works	3,675,645	952,740	-	3,187,898
Culture and Recreation	3,752,037	1,506,818	231,804	-
Urban Redevelopment	786,024	-	-	-
Health and Welfare	2,873,307	46,420	1,751,924	-
Interest on Long-Term Debt	407,396	-	-	-
<b>Total Governmental Activities</b>	<b>28,999,673</b>	<b>4,370,660</b>	<b>2,155,709</b>	<b>5,923,410</b>
<b>Business-Type Activities:</b>				
Utilities	3,982,917	3,073,349	-	-
<b>Total Primary Government</b>	<b>\$ 32,982,590</b>	<b>\$ 7,444,009</b>	<b>\$ 2,155,709</b>	<b>\$ 5,923,410</b>

**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

Forgiveness of Debt - 2009 Bonds

Interest Earned

Capital Contributions

Transfers

Total General Revenues, Special Items and Transfers

**Changes in Net Assets**

**Net Assets - Beginning (Restated)**

**Net Assets - Ending**



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

Governmental Activities	Business-Type Activities	Total
\$ (2,640,521)	\$ -	\$ (2,640,521)
(10,092,568)	-	(10,092,568)
464,993	-	464,993
(2,013,415)	-	(2,013,415)
(786,024)	-	(786,024)
(1,074,963)	-	(1,074,963)
(407,396)	-	(407,396)
(16,549,894)	-	(16,549,894)
-	(909,568)	(909,568)
\$ (16,549,894)	\$ (909,568)	\$ (17,459,462)
934,311	-	934,311
220,074	-	220,074
17,461,209	-	17,461,209
423,426	-	423,426
223,437	-	223,437
812,019	-	812,019
582,104	-	582,104
23,115	-	23,115
4,750,000	-	4,750,000
41,498	-	41,498
-	3,731,151	3,731,151
(192,320)	52,705	(139,615)
25,278,873	3,783,856	29,062,729
8,728,979	2,874,288	11,603,267
34,619,905	22,626,047	57,245,952
\$ 43,348,884	\$ 25,500,335	\$ 68,849,219

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, 2012

	<u>General Fund</u>	<u>86 Sales Tax 75% Capital Fund</u>	<u>2007 Debt Capital Fund</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 2,933,433	\$ 1,043,662	\$ 1,382,433
Cash with Fiscal Agent	16,800	-	-
Accounts Receivable	664,733	-	-
Minimum Lease Payment Receivable	877,612	-	-
Due From Other Governments	1,091,490	1,345,595	430,759
Due From Other Funds	1,398,817	167,977	-
Inventories	34,835	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 7,017,720</u></b>	<b><u>\$ 2,557,234</u></b>	<b><u>\$ 1,813,192</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>Liabilities</b>			
Accounts Payable	\$ 390,782	\$ 242,856	\$ 6,164
Payable to State Retirement	-	-	-
Due To Other Funds	135,541	1,939,900	51,401
Unearned Income	61,958	-	-
Deposits Payable	63,832	-	-
<b>Total Liabilities</b>	<b>652,113</b>	<b>2,182,756</b>	<b>57,565</b>
<b>Fund Balances:</b>			
Nonspendable	912,447	-	-
Restricted	-	374,478	1,755,627
Committed	-	-	-
Assigned	-	-	-
Unassigned	5,453,160	-	-
<b>Total Fund Balances</b>	<b>6,365,607</b>	<b>374,478</b>	<b>1,755,627</b>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 7,017,720</u></b>	<b><u>\$ 2,557,234</u></b>	<b><u>\$ 1,813,192</u></b>

2011 Debt Capital Fund	Firemen's Pension Merger Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,609,377	\$ -	\$ 500,350	\$ 9,469,255
-	-	-	16,800
-	-	-	664,733
-	-	-	877,612
-	14,300	123,705	3,005,849
-	141,420	768,235	2,476,449
-	-	-	34,835
<u>\$ 3,609,377</u>	<u>\$ 155,720</u>	<u>\$ 1,392,290</u>	<u>\$ 16,545,533</u>
\$ -	\$ -	\$ 120,897	\$ 760,699
-	171,340	-	171,340
-	-	647,113	2,773,955
-	-	-	61,958
-	-	-	63,832
-	171,340	768,010	3,831,784
-	-	-	912,447
3,609,377	-	581,012	6,320,494
-	-	-	-
-	-	476,310	476,310
-	(15,620)	(433,042)	5,004,498
<u>3,609,377</u>	<u>(15,620)</u>	<u>624,280</u>	<u>12,713,749</u>
<u>\$ 3,609,377</u>	<u>\$ 155,720</u>	<u>\$ 1,392,290</u>	<u>\$ 16,545,533</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, 2012

Total Governmental Fund Balances	\$ 12,713,749
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*Amounts reported for governmental  
activities in the statement of net  
assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	44,909,264
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Unfunded postretirement benefit plan obligations are not financial resources and therefore are not reported in the funds	(139,045)
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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.	(14,690,906)
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The internal service fund is used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	<u>555,822</u>
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Net Assets of Governmental Activities	<u><u>\$ 43,348,884</u></u>
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The accompanying notes are an integral part of this financial statement.



CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	86 Sales Tax 75% Capital Fund	2007 Debt Capital Fund
<b><u>Revenues</u></b>			
Taxes	\$ 13,206,964	\$ 5,229,696	\$ -
Intergovernmental	278,494	2,735,512	3,187,898
Licenses and Permits	920,211	-	-
Charges for Services	2,552,603	-	-
Fines and Forfeitures	663,650	-	-
Interest Earned	31,931	110	1,019
Franchise Revenue	812,019	-	-
Sale of Assets	23,115	-	-
Other	112,559	51,558	406,600
<b>Total Revenues</b>	<b>18,601,546</b>	<b>8,016,876</b>	<b>3,595,517</b>
<b><u>Expenditures</u></b>			
General Government	3,919,864	-	-
Public Safety	7,918,897	-	-
Public Works	2,520,129	-	-
Culture and Recreation	2,431,635	-	-
Urban Redevelopment	536,215	-	-
Health and Welfare	-	-	-
Capital Improvements	-	6,637,049	4,023,810
Claims Paid	-	-	-
Debt Service:			
Principal Payments	-	-	-
Interest and Other	-	-	-
<b>Total Expenditures</b>	<b>17,326,740</b>	<b>6,637,049</b>	<b>4,023,810</b>
<b><u>Excess (Deficiency) of Revenues</u></b>			
<b><u>Over Expenditures</u></b>	<b>1,274,806</b>	<b>1,379,827</b>	<b>(428,293)</b>
<b><u>Other Financing Sources and (Uses)</u></b>			
Proceeds From General Obligation Bonds	-	-	299,918
Transfers In	17,250	-	-
Transfers Out	(868,727)	(1,839,550)	-
<b>Total Other Financing</b>			
<b>Sources and Uses</b>	<b>(851,477)</b>	<b>(1,839,550)</b>	<b>299,918</b>
<b><u>Net Change in Fund Balance</u></b>	<b>423,329</b>	<b>(459,723)</b>	<b>(128,375)</b>
<b><u>Fund Balances - Beginning (Restated)</u></b>	<b>5,942,278</b>	<b>834,201</b>	<b>1,884,002</b>
<b><u>FUND BALANCES - ENDING</u></b>	<b>\$ 6,365,607</b>	<b>\$ 374,478</b>	<b>\$ 1,755,627</b>





2011 Debt Capital Fund	Firemen's Pension Merger Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 171,600	\$ 437,174	\$ 19,045,434
-	-	2,041,447	8,243,351
-	-	-	920,211
-	-	-	2,552,603
-	-	-	663,650
1,718	-	306	35,084
-	-	-	812,019
-	-	-	23,115
-	-	304,889	875,606
<u>1,718</u>	<u>171,600</u>	<u>2,783,816</u>	<u>33,171,073</u>
-	-	-	3,919,864
-	-	320,197	8,239,094
-	-	310,334	2,830,463
-	-	218,451	2,650,086
-	-	-	536,215
-	-	2,307,643	2,307,643
392,341	-	-	11,053,200
-	-	-	-
-	130,715	1,429,996	1,560,711
-	40,624	366,772	407,396
<u>392,341</u>	<u>171,339</u>	<u>4,953,393</u>	<u>33,504,672</u>
(390,623)	261	(2,169,577)	(333,599)
4,000,000	-	-	4,299,918
-	-	2,498,707	2,515,957
-	-	-	(2,708,277)
<u>4,000,000</u>	<u>-</u>	<u>2,498,707</u>	<u>4,107,598</u>
3,609,377	261	329,130	3,773,999
-	(15,881)	295,150	8,939,750
<u>\$ 3,609,377</u>	<u>\$ (15,620)</u>	<u>\$ 624,280</u>	<u>\$ 12,713,749</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, 2012

Net Change in Fund Balances - Total	\$ 3,773,999
Governmental Funds	

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

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

Capital asset purchases capitalized	5,491,579
Depreciation expense	(2,760,057)
	2,731,522

Postretirement benefit plan expenditures	(33,898)
--	----------

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.

(4,299,918)

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.

6,394,315

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.

162,959

Change in Net Assets in Governmental Activities	
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\$ 8,728,979

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



CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2012

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Accounts Receivable, Net of Allowance	\$ 599,021	\$ 6,653
Due From Other Funds	-	549,169
<b>Total Current Assets</b>	<u>599,021</u>	<u>555,822</u>
<b><u>Non-Current Assets</u></b>		
Restricted:		
Cash - Customer Deposits	130,049	-
Cash - Sinking Fund	11,556	-
Cash - Reserve Fund	34,696	-
<b>Total Restricted Cash</b>	<u>176,301</u>	<u>-</u>
Capital Assets:		
Land	57,750	-
Sparta Reuse Plant	19,233,249	-
Buildings	73,436	-
Water Plant	4,228,292	-
Wastewater Treatment Plant	14,688,740	-
Machinery, Equipment & Other	1,693,281	-
Less: Accumulated Depreciation	(13,522,639)	-
<b>Total Capital Assets</b>	<u>26,452,109</u>	<u>-</u>
<b><u>TOTAL ASSETS</u></b>	<u><u>\$ 27,227,431</u></u>	<u><u>\$ 555,822</u></u>
<b><u>LIABILITIES</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	\$ 210	\$ -
Customer Deposits	130,049	-
Accrued Vacation and Sick Pay	135,965	-
Sewer Bonds Payable	58,000	-
Due to Other Funds	267,872	-
<b>Total Current Liabilities</b>	<u>592,096</u>	<u>-</u>
<b><u>Long Term Liabilities</u></b>		
Sewer Bonds Payable - Long-Term	<u>1,135,000</u>	<u>-</u>
<b>Total Liabilities</b>	<u>1,727,096</u>	<u>-</u>
<b><u>NET ASSETS</u></b>		
Invested in Capital Assets, Net of Related Debt	25,259,109	-
Reserved for Debt Retirement	46,252	-
Unrestricted	<u>194,974</u>	<u>555,822</u>
<b><u>TOTAL NET ASSETS</u></b>	<u><u>\$ 25,500,335</u></u>	<u><u>\$ 555,822</u></u>

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



CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
<b><u>Operating Revenues</u></b>		
User Charges	\$ 1,649,445	\$ 2,112,163
Treatment Plant Fees	826,866	-
Water Penalties and Turn-on Fees	64,028	-
Sewer District 5 Contributions	533,010	-
<b>Total Operating Revenues</b>	<u>3,073,349</u>	<u>2,112,163</u>
<b><u>Operating Expenses</u></b>		
Waterworks	672,605	-
Sewerage	423,617	-
Water Treatment Plant	465,311	-
Sewer Treatment Plant	1,067,286	-
Public Works Construction	91,034	-
Public Works Administrative	262,023	-
Other Administrative	128,462	309,452
Claims Paid	-	1,639,752
Interest Expense	2,783	-
Depreciation	869,796	-
<b>Total Operating Expenses</b>	<u>3,982,917</u>	<u>1,949,204</u>
<b><u>Operating Income (Loss)</u></b>	(909,568)	162,959
Contributed Capital	3,731,151	-
Transfers In (Out)	52,705	-
<b>Total</b>	<u>3,783,856</u>	<u>-</u>
<b><u>Changes in Net Assets</u></b>	2,874,288	162,959
<b><u>Net Assets - Beginning (Restated)</u></b>	<u>22,626,047</u>	<u>392,863</u>
<b><u>NET ASSETS - ENDING</u></b>	<u>\$ 25,500,335</u>	<u>\$ 555,822</u>

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, 2012

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
<b>Cash Flows From Operations</b>		
Receipts From Customers	\$ 3,065,639	\$ -
Receipts From Group Contributions	-	1,949,204
Payments to Provide Services	(2,921,867)	(1,639,752)
Payments for General and Administrative	(123,555)	(309,452)
<b>Net Cash Provided by Operating Activities</b>	<u>20,217</u>	<u>-</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
Decrease in Customer Deposits	(33)	-
Operating Transfers In (Out)	52,705	-
<b>Net Cash Flows From Noncapital         Financing Activities</b>	<u>52,672</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Acquisitions of Capital Assets	(3,731,151)	-
Capital Contribution From Other Funds	3,731,151	-
Bond Proceeds	14,310	-
Principal Paid on Bonds	(57,000)	-
<b>Net Cash Flows From Capital and Related         Financing Activities</b>	<u>(42,690)</u>	<u>-</u>
<b>Net Increase in Cash and Cash Equivalents</b>	30,199	-
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>146,102</u>	<u>-</u>
<b><u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u></b>	<u><u>\$ 176,301</u></u>	<u><u>\$ -</u></u>
<b>Classified As:</b>		
Cash in Bank	\$ -	\$ -
Restricted Assets	<u>176,301</u>	<u>-</u>
<b><u>TOTAL CASH AND CASH EQUIVALENTS</u></b>	<u><u>\$ 176,301</u></u>	<u><u>\$ -</u></u>



CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
<b><u>Reconciliation of Operating Loss to Net Cash</u></b>		
<b><u>Provided by Operating Activities:</u></b>		
Changes in Net Assets	\$ (909,568)	\$ 162,959
Adjustments to Reconcile Net Loss to Net		
Cash Used by Operating Activities		
Depreciation	869,796	-
(Increase) Decrease in Accounts Receivable	(7,710)	1,418
Decrease in Accounts Payable	(23,200)	-
Increase in Due From Other Funds	-	(164,377)
Increase in Due to Other Funds	85,992	-
Increase in Accrued Vacation and Sick Pay	4,907	-
Total Adjustments	<u>929,785</u>	<u>(162,959)</u>
<b><u>Net Cash Provided by Operating Activities</u></b>	<u><u>\$ 20,217</u></u>	<u><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, 2012

	Employees' Workmen's Compensation Reserve Fund	General Insurance Fund	Hasley Cemetery Fund	Total Nonmajor Expendable Trust Funds
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 528,442	\$ -	\$ 641,482	\$ 1,169,924
Investments	6,048	-	12,117	18,165
Accounts Receivable	-	2,000	-	2,000
Due From Other Funds	-	16,209	-	16,209
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 534,490</u></b>	<b><u>\$ 18,209</u></b>	<b><u>\$ 653,599</u></b>	<b><u>\$ 1,206,298</u></b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ -	\$ 18,209	\$ -	\$ 18,209
<b><u>NET ASSETS</u></b>				
Reserved:				
Workmen's Compensation Claims	534,490	-	-	534,490
Cemetery Maintenance	-	-	653,599	653,599
Insurance Claims	-	-	-	-
<b>Total Net Assets</b>	<hr/> <b>534,490</b>	<hr/> <b>-</b>	<hr/> <b>653,599</b>	<hr/> <b>1,188,089</b>
<b><u>TOTAL LIABILITIES AND</u></b>				
<b><u>NET ASSETS</u></b>	<b><u>\$ 534,490</u></b>	<b><u>\$ 18,209</u></b>	<b><u>\$ 653,599</u></b>	<b><u>\$ 1,206,298</u></b>

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



CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF CHANGES IN  
FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Employees' Workmen's Compensation Reserve Fund	General Insurance Fund	Hasley Cemetery Fund	Total Nonmajor Expendable Trust Funds
<b><u>Revenues</u></b>				
Sales Tax	\$ -	\$ 24,000	\$ -	\$ 24,000
Lot Sales	-	-	9,900	9,900
Insurance Proceeds	-	10,560	-	10,560
Interest	19	-	38	57
<b>Total Revenues</b>	<u>19</u>	<u>34,560</u>	<u>9,938</u>	<u>44,517</u>
<b><u>Expenditures</u></b>				
Hasley Cemetery	-	-	-	-
Claims Paid	-	174,175	-	174,175
<b>Total Expenditures</b>	<u>-</u>	<u>174,175</u>	<u>-</u>	<u>174,175</u>
<b><u>Excess (Deficiency) of Revenues</u></b>				
<b><u>Over Expenditures</u></b>	19	(139,615)	9,938	(129,658)
<b><u>Other Financing Sources (Uses)</u></b>				
Operating Transfers - In (Out)	-	139,615	-	139,615
<b><u>Change in Net Assets</u></b>	19	-	9,938	9,957
<b><u>Net Assets - Beginning</u></b>	<u>534,471</u>	<u>-</u>	<u>643,661</u>	<u>1,178,132</u>
<b><u>NET ASSETS - ENDING</u></b>	<u>\$ 534,490</u>	<u>\$ -</u>	<u>\$ 653,599</u>	<u>\$ 1,188,089</u>

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





CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

## 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, 2012

**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.

**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.

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, 2012

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

**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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgment, are recorded when payment is due.

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

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

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

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

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, 2012

**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.

**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.

***2011 Debt Capital Fund*** – These funds are predominately used for capital expenditures. The income is provided by proceeds from general obligation bonds for that purpose.

***Firemen's Pension Merger Fund*** – These funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. Income is derived from sales tax collections.

**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.





CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

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

**D. Fund Accounting (continued)**

**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.

*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.



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

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

**G. Noncurrent Receivables**

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

**H. 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.



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

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

**K. Capital Assets (continued)**

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

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

Capital assets of the 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.



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

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

**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.

**P. Dedicated Revenues**

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

**Q. Fund Equity**

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

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

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

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

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

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





CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

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

**Q. Fund Equity (continued)**

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

**R. Accounting Estimates**

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

**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, 2012.

At June 30, 2012, the City has cash and cash equivalents (book balances net of overdrafts) in the amount of \$10,815,480.

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, 2012, are secured as follows:

Bank Balances	<u>\$ 11,460,712</u>
Federal Deposits Insurance	\$ 250,000
Pledged Securities (Uncollateralized)	<u>12,426,530</u>
<b>TOTAL</b>	<u><b>\$ 12,676,530</b></u>



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

**Note 2- Cash and Cash Equivalents (continued)**

Governmental Funds Cash	\$ 9,469,255
Enterprise Funds Cash	176,301
Fiduciary Funds Cash	<u>1,169,924</u>
 <u>TOTAL BOOK BALANCES BY FUND TYPE</u>	 <u>\$ 10,815,480</u>

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

**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, 2012.

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, 2012, the City had the following investments stated at cost, which approximates market:

Louisiana Asset Management Pool	<u>\$ 18,165</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.



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

**Note 3 – Investments (continued)**

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, 2012:

Firemens Pension Merger Fund	\$ 15,620
Non-Major Funds	
Special Revenue Funds	
Officer Witness Court	\$ 3,856
Miscellaneous Projects	
And Grants Fund	\$ 9,991
Debt Service Funds	
2003 Debt Service Fund	\$ 419,195

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

**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, 2011
Levy Date	August 9, 2011
Tax Bills Mailed	November 21, 2011
Total Taxes Are Due	December 31, 2011
Penalties and Interest are Added	January 1, 2012
Tax Sales – 2011 Delinquent Property	June 5-7, 2012

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>



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

**Note 6 – Accounts Receivable**

Accounts receivable at June 30, 2012, consisted of the following:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Accounts Receivable	\$ 664,733	\$ 605,674	\$ 1,270,407

**Note 7 – Due From Other Governments**

The amounts due from other governments at June 30, 2012 are as follows:

Louisiana Highway Safety Commission	\$ 23,773
City of Monroe, Louisiana Sales Tax	1,494,300
Louisiana Department of Revenue	5,629
High Intensity Drug Trafficking Area Grant	20,195
LA Department of Transportation and Development	529,593
Corporation for National and Community Service	70,256
Department of Justice	4,293
Department of Housing & Urban Development	5,005
Louisiana Homeland Security and Emergency Preparedness	265,115
Ouachita Parish	631
Facility Planning and Control	567,243
Louisiana Department on Public Safety and Corrections	8,124
Louisiana Commission on Law Enforcement	<u>11,692</u>
<u>TOTAL</u>	<u>\$ 3,005,849</u>

**Note 8 – Capital Assets**

Capital asset activity for the year ended June 30, 2012 is as follows:

	<u>June 30, 2011 Balance</u>	<u>Primary Government</u>		<u>June 30, 2012 Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Government Activities:				
Non-Depreciable Assets:				
Land	\$ 6,124,735	\$ 32,250	\$ ( 290,167)	\$ 5,866,818
Construction In Progress	<u>251,314</u>	<u>1,014,864</u>	<u>( 251,314)</u>	<u>1,014,864</u>
Total	6,376,049	1,047,114	( 541,481)	6,881,682
Depreciable Assets:				
Buildings	25,436,109	4,060,234	-	29,496,343
Improvements	2,447,388	67,340	-	2,514,728
Equipment	5,284,619	-	( 28,227)	5,256,392
Vehicles	6,010,825	86,935	( 434,247)	5,663,513
Infrastructure	<u>59,829,407</u>	<u>771,437</u>	<u>-</u>	<u>60,600,844</u>
Total at Historical Cost	\$ 99,008,348	\$ 4,985,946	\$ ( 462,474)	\$ 103,531,820





CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

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

	Primary Government			
	June 30, 2011			June 30, 2012
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Less Accumulated				
Depreciation for:				
Buildings	\$( 10,449,128)	\$( 634,520)	\$ -	\$( 11,083,648)
Improvements	( 476,285)	( 77,765)	-	( 554,050)
Equipment	( 4,657,774)	( 196,734)	28,227	( 4,826,281)
Vehicles	( 5,187,888)	( 248,492)	434,247	( 5,002,133)
Infrastructure	( 42,435,580)	( 1,602,546)	-	( 44,038,126)
Total Accumulated				
Depreciation	( 63,206,655)	( 2,760,057)	462,474	( 65,504,238)
<u>Government Activities Capital</u>				
<u>Assets, Net</u>	<u>\$ 42,177,742</u>	<u>\$ 3,273,003</u>	<u>\$ (541,481)</u>	<u>\$ 44,909,264</u>
<u>Business-Type Activities:</u>				
Non-Depreciable Assets:				
Land	\$ 57,750	\$ -	\$ -	\$ 57,750
Construction in Progress	15,502,098	-	(15,502,098)	-
Total	15,559,848	-	(15,502,098)	57,750
Depreciable Assets:				
Buildings	73,436	-	-	73,436
Sparta Reuse Plant	-	19,233,250	-	19,233,250
Water Plant	8,093,068	-	-	8,093,068
Treatment Plant	10,823,964	-	-	10,823,964
Equipment	1,693,281	-	-	1,693,281
Totals at Historical Cost	20,683,749	19,233,250	-	39,916,999
Less Accumulated				
Depreciation for:				
Buildings	( 73,405)	( 15)	-	( 73,420)
Sparta Reuse Plant	-	( 240,716)	-	( 240,716)
Water Plant	( 3,938,744)	( 242,383)	-	( 4,181,127)
Treatment Plant	( 7,402,732)	( 295,906)	-	( 7,698,638)
Equipment	( 1,237,963)	( 90,776)	-	( 1,328,739)
Total Accumulated				
Depreciation	( 12,652,844)	( 869,796)	-	( 13,522,640)
<u>Business-Type Activities</u>				
<u>Capital Assets, Net</u>	<u>\$23,590,753</u>	<u>\$18,363,454</u>	<u>\$(15,502,098)</u>	<u>\$26,452,109</u>



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

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

Depreciation expense for the year ended June 30, 2012 was charged to functions of the primary government as follows:

Government Activities:	
General Government	\$ 1,856,414
Public Safety	249,319
Public Works	125,246
Culture and Recreation	36,927
Community Development	95,638
Ike Hamilton Expo Center	380,792
Convention Center	15,721
Health and Welfare	<u>-</u>
Total Depreciation Expense -	
Governmental Activities	<u>\$ 2,760,057</u>
Business-Type Activities:	
Utilities	<u>\$ 869,796</u>

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

At June 30, 2012, all restricted assets were in the form of demand deposits. These assets represent amounts held for utility customer deposits and cash for reserve and sinking fund requirements.

**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 \$449,647 at June 30, 2012 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 \$171,339 during fiscal year 2012 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.



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

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

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

Funding Policy – State statute requires covered employees to contribute 9.25 percent of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The current actuarially determined rate is 16.75 percent of annual covered payroll. The City's contributions to the System under Plan A for the years ending June 30, 2012, 2011 and 2010 were \$881,968, \$825,078 and \$754,559, 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.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

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

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

Funding Policy - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The City is required to contribute 26.5 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the System for the years ending June 30, 2012, 2011 and 2010 were \$778,605, \$817,528 and \$325,077, 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.



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

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

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.

Funding Policy - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The City is required to contribute 23.25 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contribution to the System for the years ending June 30, 2012, 2011 and 2010 were \$319,424, \$324,548, and \$196,490, 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 31.80 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, 2012, 2011 and 2010 were \$13,434, \$9,307 and \$7,787, respectively, equal to the required contributions for the year.





CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the 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.

**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. 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). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

In fiscal year ending June 30, 2012, the City of West Monroe's portion of health care funding cost for retired employees totaled \$45,288. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the following table.

**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, 2011 is \$81,061, as set forth below:

	Medical
Normal Cost	\$ 41,074
30-year UAL amortization amount	39,987
	<hr/>
Annual required contribution (ARC)	\$ 81,061

**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, 2012:



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

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

	Medical
Beginning Net OPEB Obligation (Asset) 7/1/2011	\$ 105,147
Annual required contribution	+ 81,061
Interest on Net OPEB Obligation (Asset)	+4,206
ARC Adjustment	-6,081
OPEB Cost	79,186
Contribution	0
Current year retiree premium	- 45,288
Change in Net OPEB Obligation	+ 33,898
Ending Net OPEB Obligation (Asset) 6/30/2012	\$ 139,045

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, 2012	\$79,186	57.19%	\$139,045

**Funded Status and Funding Progress.** In the fiscal year ending June 30, 2012, 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 June 30, 2012, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$719,181, 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 2012 or 2011, the entire actuarial accrued liability of \$719,181 was unfunded.

	Medical
Actuarial Accrued Liability (AAL)	\$ 719,181
Actuarial Value of Plan Assets	0
Unfunded Act. Accrued Liability (UAAL)	\$ 719,181
Funded Ratio (Act. Val. Assets/AAL)	0%
Covered Payroll (active plan members)	\$11,412,471
UAAL as a percentage of covered payroll	6.3%



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

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

**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.

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

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

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

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

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



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

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

**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.

**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. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

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

**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 a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

**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.





CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

**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	\$ 2,670,000	\$ -	\$ 855,000	\$ 1,815,000	\$ 890,000
Series 2005	135,000	-	30,000	105,000	35,000
Series 2006	395,000	-	70,000	325,000	75,000
Series 2007	4,050,000	-	165,000	3,885,000	170,000
Series 2009	2,635,000	-	285,000	2,350,000	300,000
Series 2009 (Note 14)	4,450,082	299,918	4,750,000	-	-
Series 2011	-	4,000,000	-	4,000,000	350,000
Community Development					
Block Grant for					
Economic Development	378,637	-	24,996	353,641	25,000
State Firefighters'					
Retirement System	<u>580,362</u>	<u>-</u>	<u>130,715</u>	<u>449,647</u>	<u>139,864</u>
<u>Total Governmental Bonds</u>					
<u>And Notes Payable</u>	15,294,081	4,299,918	6,310,711	13,283,288	1,984,864
Other Liabilities:					
Accrued Heart and					
Lung Disability	668,154	-	31,297	636,857	48,221
Accrued Vacation, Sick					
And Compensatory Time	<u>823,068</u>	<u>-</u>	<u>52,307</u>	<u>770,761</u>	<u>770,761</u>
Total Other Liabilities	<u>1,491,222</u>	<u>-</u>	<u>83,604</u>	<u>1,407,618</u>	<u>818,982</u>
<u>Total Governmental Activities</u>					
<u>Long-Term Debt</u>	<u>\$16,785,303</u>	<u>\$4,299,918</u>	<u>\$ 6,394,315</u>	<u>\$14,690,906</u>	<u>\$2,803,846</u>
Business-Type Activities:					
Bonds and Notes Payable:					
Certificates of Indebtedness,					
Sewer Bonds 2010	\$ 1,235,690	\$ 14,310	\$ 57,000	\$ 1,193,000	\$ 58,000
Other Liabilities:					
Accrued Vacation, Sick					
And Compensatory Time					
Business-Type Activities	<u>131,058</u>	<u>4,907</u>	<u>-</u>	<u>135,965</u>	<u>135,965</u>
<u>Total Business-Type Activities</u>					
<u>Long-Term Debt</u>	<u>\$1,366,748</u>	<u>\$ 19,217</u>	<u>\$ 57,000</u>	<u>\$ 1,328,965</u>	<u>\$ 193,965</u>

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



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

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

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	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 75,000	\$ 17,969	\$ 35,000	\$ 4,594	\$ 890,000	\$ 51,923
2014	80,000	13,125	35,000	2,756	925,000	17,529
2015	80,000	8,125	35,000	919	-	-
2016	90,000	2,812	-	-	-	-
2017	-	-	-	-	-	-
<u>Total</u>	<u>\$ 325,000</u>	<u>\$ 42,031</u>	<u>\$ 105,000</u>	<u>\$ 8,269</u>	<u>\$ 1,815,000</u>	<u>\$ 69,452</u>

Year Ended June 30,	Certificates of Indebtedness					
	Series 2007		Series 2009		Series 2011	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 170,000	\$ 159,063	\$ 300,000	\$ 81,840	\$ 350,000	\$ 88,740
2014	180,000	151,213	310,000	70,494	360,000	80,504
2015	185,000	143,912	320,000	58,776	370,000	72,036
2016	195,000	136,313	335,000	46,593	380,000	63,336
2017	205,000	128,313	350,000	33,852	395,000	54,346
2018-2022	1,165,000	507,629	735,000	27,621	2,145,000	127,310
2023-2027	1,455,000	234,341	-	-	-	-
2028	330,000	7,219	-	-	-	-
<u>Total</u>	<u>\$ 3,885,000</u>	<u>\$ 1,468,003</u>	<u>\$ 2,350,000</u>	<u>\$ 319,176</u>	<u>\$ 4,000,000</u>	<u>\$ 486,272</u>

Year Ended June 30,	CDBG Division of Admn. Economic Development		Sewer Revenue Bonds Series 2010		State Firefighters' Retirement System	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 25,000	\$ -	\$ 58,000	\$ 5,369	\$ 139,864	\$ 31,475
2014	25,000	-	58,000	5,108	149,655	21,685
2015	25,000	-	59,000	4,847	160,128	11,029
2016	25,000	-	59,000	4,581	-	-
2017	25,000	-	60,000	4,316	-	-
2018-2022	125,000	-	308,000	17,487	-	-
2023-2027	103,641	-	322,000	10,431	-	-
2028-2032	-	-	269,000	3,042	-	-
<u>Total</u>	<u>\$ 353,641</u>	<u>\$ -</u>	<u>\$ 1,193,000</u>	<u>\$ 55,181</u>	<u>\$ 449,647</u>	<u>\$ 64,189</u>

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

The City of West Monroe is self-insured with respect to workers' compensation claims up to \$250,000 per occurrence. Consequently, the City is responsible for providing Louisiana State Workers Compensation benefits under the Heart and Lung Act. Under this act, special treatment has been accorded firemen who develop any disease or infirmity of the heart and lungs. Louisiana Revised Statute 33.2581 provides a presumption in favor of firemen that the disease is related to employment even if they are not on duty when stricken with the disease, if the disease manifests itself after the first five years of employment. At June 30, 2012, the City is responsible for payment of lifetime benefits to four firemen. The actuarial estimate of the liability is \$636,857.



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

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

The annual payment requirements outstanding at June 30, 2012 are as follows:

2013	\$ 48,221
2014	48,221
2015	48,221
2016	48,221
2017	48,221
2018-2022	201,195
2023-2027	137,871
2028-2032	<u>56,686</u>
<u>TOTAL</u>	<u>\$ 636,857</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, 2012, the City has received all \$4,750,000 and the full amount has been forgiven.

**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.

**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>
2013	\$ 12,000
2014	12,000
2015	12,000
2016	12,000
2017	12,000



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

**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, except as noted below.

The City is currently involved in a lawsuit with the local firefighters union over compensation for the employees of the West Monroe Fire Department. The City is currently appealing adverse rulings by the Fourth Judicial District Court and Second Circuit Court of Appeals to the Louisiana Supreme Court in an effort to overturn these rulings. The City believes the compensation in question was properly calculated and that they have no further obligation to these employees in regards to this lawsuit. Any potential liability cannot be estimated.

**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, 2012, the City's annual cost, excluding reinsurance premiums, is limited to approximately \$2,421,548 which was for active employees. Approximately 25 retirees receive benefits under this plan. These retirees reimbursed the City for \$128,732 during the year ended June 30, 2012 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 \$511,161 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, 2012

**Note 20 - Interfund Receivables and Payables**

Interfund balances at June 30, 2012, were as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Interfund Payables</u>
<b>Major Funds:</b>		
General Fund	\$ 1,398,817	\$ 135,541
'86 Sales Tax	167,977	1,939,900
2007 Debt Capital	-	51,401
Fireman's Pension Merger Fund	141,420	-
<b>Enterprise Fund</b>	-	267,872
<b>Non-Major Funds:</b>		
Special Revenue Funds	603,335	102,918
Capital Project Funds	-	-
Debt Service Funds	164,900	544,195
Fiduciary Funds	16,209	-
Internal Service Fund	<u>549,169</u>	<u>-</u>
<b><u>TOTAL</u></b>	<b><u>\$ 3,041,827</u></b>	<b><u>\$ 3,041,827</u></b>

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

**Note 21- Interfund Operating Transfers In and Out**

Interfund operating transfers in and out during the year ended June 30, 2012, were as follows:

<u>Fund</u>	<u>In</u>	<u>Operating Transfers Out</u>
<b>Major Funds:</b>		
General Fund	\$ 17,250	\$ 868,727
'86 Sales Tax Capital	-	1,839,550
<b>Enterprise Fund</b>	52,705	-
<b>Non-Major Funds:</b>		
Special Revenue Funds	317,798	-
Capital Project Funds	358,609	-
Expendable Trust Funds	139,615	-
Debt Service Funds	<u>1,822,300</u>	<u>-</u>
<b><u>TOTAL</u></b>	<b><u>\$ 2,708,277</u></b>	<b><u>\$ 2,708,277</u></b>

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



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

**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 \$607,155 and the related expenditures are as follows:

Marshal's Office	\$ 12,000
Police Department	323,770
Jail	42,000
Code Enforcement	6,000
Fire Department	<u>223,385</u>
Total	<u>\$ 607,155</u>

**Note 23- Minimum Lease Payments Receivable – Direct Financing Lease**

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

The following lists the components of the minimum lease payments to be received under the direct financing lease as of June 30, 2012:

Total minimum lease payments to be received	\$ 877,612
Less: Amounts representing estimated executory costs (such as taxes, maintenance, and insurance), including profit thereon, included in total minimum lease payments	<u>-</u>
Minimum lease payments receivable	877,612
Estimated residual values of leased property (unguaranteed)	<u>-</u>
Less: Unearned Income	( 61,958)
<b><u>NET MINIMUM LEASE PAYMENTS RECEIVABLE –</u></b> <b><u>DIRECT FINANCING LEASE</u></b>	<b><u>\$ 815,654</u></b>

Future minimum lease payments are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2013	\$ 147,000
2014	147,000
2015	147,000
2016	147,000
2017	55,515
2018-2022	125,100
2023-2027	<u>108,997</u>
Total	<u>\$ 877,612</u>



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

**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>June 30,</u>	<u>Amount</u>
2013	\$ 10,500
2014	10,500
2015	10,500
2016	10,500
2017	6,125
Total	<u>\$ 48,125</u>

**Note 25 - Fund Changes and Fund Balances**

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2012 are as follows:

<u>Classification/Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable:		
General Fund	Inventory	\$ 34,835
	Minimum Lease Payment Receivable	877,612
Restricted:		
86 Sales Tax Capital	Capital Projects	374,478
2007 Debt Capital	Capital Projects	1,755,627
2011 Debt Capital	Capital Projects	3,609,377
Emergency Shelter	FEMA Emergency Shelter Recipients	4,302
Rental Rehab	Public Housing	6,904
Metro LCLE	LCLE Multi Jurisdictional Taskforce	2,614
Section 8 Housing	Public Housing	239,492
Americorps	Americorps Projects	49,459
2007 Debt Service	Servicing 2007 Debt	33,639
2011 Debt Service	Servicing 2011 Debt	238,313
Nonmajor Cap. Projects	Various Cap. Projects	6,289
Committed:		
General Fund	Fund Balance for Next Year's Operations	-
Assigned:		
Street Maintenance	Maintenance of Streets and Roads	345,916
Law Enf. Training Ctr	Training Facility for Future Police Officers	11,206
Office of Motor Veh	DMV Operations	115,695
Ouachita Outreach		184
Keep WM Beautiful	Litter Prevention	3,309
Unassigned:		
General Fund		5,453,160
Firemen's Pension Merger Fund		( 15,620)
Misc Projects		( 9,991)
Officer Witness Court		( 3,856)
2003 Debt Service		<u>( 419,195)</u>
Total Fund Balances		<u>\$ 12,713,749</u>



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

**Note 26 - Excess Sales Tax Collections**

The City has become aware that a review is in process pertaining to possible overpayment of sales tax to the City over the last couple of years. The investigation stems from remittances made by a local industry. It is unknown at this point whether the City will need to repay any previously collected sales tax or if the City is properly entitled to the funds that have been collected and thus, no adjustment has been made.

**Note 27 – Prior Period Restatements**

A receivable was incorrectly recorded in the prior period for funds to be reimbursed from the Louisiana Office of Homeland Security and Emergency Preparedness for the replacement of the baffles at the treatment plant. The Grant provided for 80 percent of the cost of the job while the receivable was recorded for the full cost of the job. This resulted in an overstatement of revenue in the prior year of \$66,697 in the '86 Sales Tax Fund. Beginning fund balance has been reduced in that fund and to beginning net assets on the statement of activities to correct the error.

Also, the \$1,250,000 sewer revenue bonds have been recorded in the governmental activities section of the bonds payable in preceding years. These bonds should have been recorded in the proprietary fund. An adjustment of \$1,235,690 has been made to the beginning net assets on the statement of activities reducing that amount from business type activities and increasing the governmental activities..

Prior years are not presented on the statement of activities; therefore the adjustment for the cumulative effect of the prior period adjustments are presented as an adjustment to opening net assets on the statement of activities.

**Note 28 - Subsequent Events**

Subsequent events have been evaluated through November 9, 2012, 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, 2012

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
<b><u>Revenues</u></b>				
Taxes	\$ 12,094,500	\$ 13,207,000	\$ 13,206,964	\$ (36)
Intergovernmental	482,492	278,500	278,494	(6)
Licenses and Permits	880,300	920,200	920,211	11
Charges for Services	2,598,500	2,552,400	2,552,603	203
Fines and Forfeitures	675,600	663,700	663,650	(50)
Interest Earned	8,000	3,000	31,931	28,931
Franchise Revenue	895,000	820,300	812,019	(8,281)
Sale of Assets	15,000	35,000	23,115	(11,885)
Other	87,200	121,300	112,559	(8,741)
<b>Total Revenues</b>	<b>17,736,592</b>	<b>18,601,400</b>	<b>18,601,546</b>	<b>146</b>
<b><u>Expenditures</u></b>				
General Government:				
Elected Council	88,550	87,690	87,427	263
City Court	401,742	412,500	412,565	(65)
Marshal	290,665	239,700	239,643	57
Mayor's Office	181,390	178,100	178,114	(14)
City Clerk's Office	1,013,652	982,700	982,690	10
City Hall Maintenance	433,198	424,300	424,227	73
General and Administrative	1,536,788	1,595,200	1,595,198	2
Public Safety:				
Legal	436,760	432,500	432,491	9
Fire	2,258,547	2,177,200	2,177,160	40
Police	4,634,548	4,550,900	4,550,861	39
Prison	746,618	655,200	655,190	10
Police Shop	54,140	103,200	103,195	5
Public Works:				
Garbage	750,236	621,600	621,613	(13)
Trash	586,560	576,200	576,187	13
Streets	800,920	775,350	775,359	(9)
Cemetery	41,580	22,850	22,815	35
Planning and Zoning	114,060	76,700	76,679	21
Inspection	116,705	113,900	113,880	20
City Maintenance Shop	308,460	333,600	333,596	4



CITY OF WEST MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
Culture and Recreation:				
Recreation and Parks	\$ 294,755	\$ 248,700	\$ 248,751	\$ (51)
Kiroli Park	340,913	385,550	381,627	3,923
Lazarre Park	7,400	7,000	6,509	491
Restoration Park	2,600	2,700	7,080	(4,380)
Farmer's Market	42,815	42,328	42,088	240
Ike Hamilton Expo Center	919,595	928,300	928,269	31
Convention Center	924,720	817,300	817,311	(11)
Community Development & Center	450,565	352,200	352,373	(173)
Tanner Building & Business Center	127,980	115,800	115,732	68
Economic Development	68,946	68,346	68,110	236
<b>Total Expenditures</b>	<u>17,975,408</u>	<u>17,327,614</u>	<u>17,326,740</u>	<u>874</u>
<b><u>Excess of Revenues Over (Under)</u></b>				
<b><u>Expenditures</u></b>	(238,816)	1,273,786	1,274,806	1,020
<b><u>Other Financing Sources and (Uses)</u></b>				
Transfers In	365,300	17,250	17,250	-
Transfers Out	(201,000)	(870,000)	(868,727)	1,273
<b>Total Other Financing Sources and Uses</b>	<u>164,300</u>	<u>(852,750)</u>	<u>(851,477)</u>	<u>1,273</u>
<b><u>Net Change in Fund Balance</u></b>	(74,516)	421,036	423,329	2,293
<b><u>Fund Balance at Beginning of Year</u></b>	<u>5,942,278</u>	<u>5,942,278</u>	<u>5,942,278</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 5,867,762</u>	<u>\$ 6,363,314</u>	<u>\$ 6,365,607</u>	<u>\$ 2,293</u>

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



CITY OF WEST MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - '86 SALES TAX 75% CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
<b><u>Revenues</u></b>				
Sales Tax	\$ 4,750,000	\$ 5,230,000	\$ 5,229,696	\$ (304)
Intergovernmental	2,255,000	2,734,800	2,735,512	712
Charges for Services	-	-	-	-
Other	-	51,550	51,558	8
Interest Income	2,000	-	110	110
<b>Total Revenues</b>	<b>7,007,000</b>	<b>8,016,350</b>	<b>8,016,876</b>	<b>526</b>
<b><u>Expenditures</u></b>				
Computer Equipment and Software	500,000	391,700	392,108	(408)
Street Projects	100,000	4,200	4,156	44
Drainage Projects	100,000	88,675	88,673	2
Furniture and Fixtures	20,000	8,350	8,350	-
Vehicles	350,000	118,375	118,376	(1)
Machinery and Equipment	300,000	738,000	738,083	(83)
Consultants	139,000	118,875	118,793	82
Engineering	250,000	271,775	271,771	4
Construction/Buildings/Facilities	2,800,000	3,385,500	3,385,463	37
Water Projects	125,000	421,200	421,158	42
Sewer Projects	125,000	76,550	76,539	11
Treatment Plant Projects	200,000	120,900	120,904	(4)
Land Purchases	-	51,100	51,132	(32)
Major Repairs	-	74,600	74,615	(15)
Miscellaneous	200,000	289,775	289,819	(44)
Maintenance	420,000	477,050	477,109	(59)
<b>Total Expenditures</b>	<b>5,629,000</b>	<b>6,636,625</b>	<b>6,637,049</b>	<b>(424)</b>
<b><u>Excess of Revenues Over</u></b>				
<b><u>Expenditures</u></b>	<b>1,378,000</b>	<b>1,379,725</b>	<b>1,379,827</b>	<b>102</b>
<b><u>Other Financing Sources and (Uses)</u></b>				
Transfers In	-	-	-	-
Transfers Out	(1,705,000)	(1,839,550)	(1,839,550)	-
<b>Total Other Financing Sources</b>				
<b>and Uses</b>	<b>(1,705,000)</b>	<b>(1,839,550)</b>	<b>(1,839,550)</b>	<b>-</b>
<b><u>Net Change in Fund Balance</u></b>	<b>(327,000)</b>	<b>(459,825)</b>	<b>(459,723)</b>	<b>102</b>
<b><u>Fund Balance at Beginning of Year (Restated)</u></b>	<b>834,201</b>	<b>834,201</b>	<b>834,201</b>	<b>-</b>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<b>\$ 507,201</b>	<b>\$ 374,376</b>	<b>\$ 374,478</b>	<b>\$ 102</b>

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





CITY OF WEST MONROE, LOUISIANA  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2012

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, 2012

	Street Maintenance Fund	West Ouachita Senior Center Fund	Emergency Shelter Program Fund	Officer Witness Court Fund
<b><u>ASSETS</u></b>				
Cash in Bank	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due From Other Governments	-	10,897	-	631
Due From Other Funds	345,916	-	4,302	-
	<u>345,916</u>	<u>-</u>	<u>4,302</u>	<u>-</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 345,916</u></b>	<b><u>\$ 10,897</u></b>	<b><u>\$ 4,302</u></b>	<b><u>\$ 631</u></b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ -	\$ 3,973	\$ -	\$ -
Due To Other Funds	-	6,924	-	4,487
<b>Total Liabilities</b>	<u>-</u>	<u>10,897</u>	<u>-</u>	<u>4,487</u>
<b><u>FUND BALANCES</u></b>				
Restricted	-	-	4,302	-
Assigned	345,916	-	-	-
Unassigned	-	-	-	(3,856)
<b>Total Fund Balances</b>	<u>345,916</u>	<u>-</u>	<u>4,302</u>	<u>(3,856)</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 345,916</u></b>	<b><u>\$ 10,897</u></b>	<b><u>\$ 4,302</u></b>	<b><u>\$ 631</u></b>



Rental Rehabilitation Fund	Metro LCLE Grant Fund	North Delta Law Enforcement Training Center Fund	Office of Motor Vehicles	
\$ 6,904	\$ -	\$ -	\$ -	
-	-	-	-	
-	11,692	-	8,124	C
-	107,846	11,206	107,571	O
<u>\$ 6,904</u>	<u>\$ 119,538</u>	<u>\$ 11,206</u>	<u>\$ 115,695</u>	N
				T
\$ -	\$ 116,924	\$ -	\$ -	I
-	-	-	-	
<u>-</u>	<u>116,924</u>	<u>-</u>	<u>-</u>	N
				U
6,904	2,614	-	-	E
-	-	11,206	115,695	
-	-	-	-	D
<u>6,904</u>	<u>2,614</u>	<u>11,206</u>	<u>115,695</u>	
<u>\$ 6,904</u>	<u>\$ 119,538</u>	<u>\$ 11,206</u>	<u>\$ 115,695</u>	





CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	Section 8 Housing Fund	Southern Fried Festival Fund	Americorps Grant Fund	Ouachita Outreach
<b><u>ASSETS</u></b>				
Cash in Bank	\$ 272,205	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due From Other Governments	5,005	-	70,256	-
Due From Other Funds	-	-	-	184
	<u>-</u>	<u>-</u>	<u>-</u>	<u>184</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 277,210</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 70,256</u></b>	<b><u>\$ 184</u></b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	37,718	-	20,797	-
<b>Total Liabilities</b>	<u>37,718</u>	<u>-</u>	<u>20,797</u>	<u>-</u>
<b><u>FUND BALANCES</u></b>				
Restricted	239,492	-	49,459	-
Assigned	-	-	-	184
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<u>239,492</u>	<u>-</u>	<u>49,459</u>	<u>184</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 277,210</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 70,256</u></b>	<b><u>\$ 184</u></b>



Miscellaneous Projects and Grant Funds	Keep West Monroe Beautiful Grant Program	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 279,109
-	-	-
-	-	106,605
23,001	3,309	603,335
<u>\$ 23,001</u>	<u>\$ 3,309</u>	<u>\$ 989,049</u>
\$ -	\$ -	\$ 120,897
32,992	-	102,918
<u>32,992</u>	<u>-</u>	<u>223,815</u>
-	-	302,771
-	3,309	476,310
(9,991)	-	(13,847)
<u>(9,991)</u>	<u>3,309</u>	<u>765,234</u>
<u>\$ 23,001</u>	<u>\$ 3,309</u>	<u>\$ 989,049</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, 2012

	Street Maintenance Fund	West Ouachita Senior Center Fund	Emergency Shelter Program Fund	Officer Witness Court Fund
<b><u>Revenues</u></b>				
Taxes	\$ 220,074	\$ -	\$ -	\$ -
Intergovernmental	-	135,042	21,747	-
Interest	-	-	-	-
Other	-	171,825	10,874	77,689
<b>Total Revenues</b>	<u>220,074</u>	<u>306,867</u>	<u>32,621</u>	<u>77,689</u>
<b><u>Expenditures</u></b>				
Public Safety	-	-	-	88,900
Public Works	310,334	-	-	-
Health and Welfare	-	584,993	31,968	-
Culture and Recreation	-	-	-	-
Capital Expenditures & Major Repairs	-	-	-	-
<b>Total Expenditures</b>	<u>310,334</u>	<u>584,993</u>	<u>31,968</u>	<u>88,900</u>
<b><u>Excess (Deficiency) of</u></b>				
<b><u>Revenues Over Expenditures</u></b>	(90,260)	(278,126)	653	(11,211)
<b><u>Other Financing Sources</u></b>				
Operating Transfers - In (Out)	-	278,126	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>278,126</u>	<u>-</u>	<u>-</u>
<b><u>Net Change in Fund Balance</u></b>	(90,260)	-	653	(11,211)
<b><u>Fund Balances - Beginning</u></b>	<u>436,176</u>	<u>-</u>	<u>3,649</u>	<u>7,355</u>
<b><u>FUND BALANCES - ENDING</u></b>	<u>\$ 345,916</u>	<u>\$ -</u>	<u>\$ 4,302</u>	<u>\$ (3,856)</u>



Rental Rehabilitation Fund	Metro LCLE Grant Fund	North Delta Law Enforcement Training Center Fund	Office of Motor Vehicles	
\$ -	\$ -	\$ -	\$ -	
-	116,924	-	93,588	
-	-	-	-	
-	-	23,716	-	
-	116,924	23,716	93,588	
-	116,924	59,573	54,800	C
-	-	-	-	O
-	-	-	-	N
-	-	-	-	T
-	116,924	59,573	54,800	I
-	-	(35,857)	38,788	N
-	-	-	-	U
-	-	-	-	E
-	-	-	-	D
-	-	(35,857)	38,788	
6,904	2,614	47,063	76,907	
\$ 6,904	\$ 2,614	\$ 11,206	\$ 115,695	





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, 2012

	Section 8 Housing Fund	Southern Fried Festival Fund	Americorps Grant Fund	Ouachita Outreach
<b><u>Revenues</u></b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,458,856	-	214,790	-
Interest	306	-	-	-
Other	566	14,375	-	2,139
<b>Total Revenues</b>	<u>1,459,728</u>	<u>14,375</u>	<u>214,790</u>	<u>2,139</u>
<b><u>Expenditures</u></b>				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health and Welfare	1,690,682	-	-	-
Culture and Recreation	-	2,864	210,198	1,955
Capital Expenditures & Major Repairs	-	-	-	-
<b>Total Expenditures</b>	<u>1,690,682</u>	<u>2,864</u>	<u>210,198</u>	<u>1,955</u>
<b><u>Excess (Deficiency) of</u></b>				
<b><u>Revenues Over Expenditures</u></b>	(230,954)	11,511	4,592	184
<b><u>Other Financing Sources (Uses)</u></b>				
Operating Transfers - In (Out)	51,183	(11,511)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>51,183</u>	<u>(11,511)</u>	<u>-</u>	<u>-</u>
<b><u>Net Change in Fund Balance</u></b>	(179,771)	-	4,592	184
<b><u>Fund Balances - Beginning</u></b>	<u>419,263</u>	<u>-</u>	<u>44,867</u>	<u>-</u>
<b><u>FUND BALANCES - ENDING</u></b>	<u>\$ 239,492</u>	<u>\$ -</u>	<u>\$ 49,459</u>	<u>\$ 184</u>



Miscellaneous Projects and Grant Funds	Keep West Monroe Beautiful Grant Program	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 220,074
-	500	2,041,447
-	-	306
3,705	-	304,889
<u>3,705</u>	<u>500</u>	<u>2,566,716</u>
-	-	320,197
-	-	310,334
-	-	2,307,643
3,434	-	218,451
-	-	-
<u>3,434</u>	<u>-</u>	<u>3,156,625</u>
271	500	(589,909)
-	-	317,798
<u>-</u>	<u>-</u>	<u>317,798</u>
271	500	(272,111)
<u>(10,262)</u>	<u>2,809</u>	<u>1,037,345</u>
<u>\$ (9,991)</u>	<u>\$ 3,309</u>	<u>\$ 765,234</u>



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

	June 30,	
	2012	2011
<b><u>Assets</u></b>		
Due From Other Governments:		
Louisiana Office of Elderly Affairs	\$ -	\$ 770
Department of Transportation	10,897	10,897
<b><u>Total Assets</u></b>	<b><u>\$ 10,897</u></b>	<b><u>\$ 11,667</u></b>
 <b><u>Liabilities and Fund Balance</u></b>		
 <b><u>Liabilities</u></b>		
Accounts Payable	\$ 3,973	\$ -
Due To Other Funds	6,924	11,667
<b>Total Liabilities</b>	<b>10,897</b>	<b>11,667</b>
 <b><u>Fund Balance</u></b>		
Unassigned	-	-
<b><u>Total Liabilities and Fund Balance</u></b>	<b><u>\$ 10,897</u></b>	<b><u>\$ 11,667</u></b>



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

	For the Years Ended June 30,	
	2012	2011
<b><u>Revenues</u></b>		
Department of Transportation	\$ 62,385	\$ 65,665
Ouachita Council on Aging		
Senior Center Funds	60,717	62,410
Supplemental Senior Center Funds	6,621	6,621
Louisiana Office of Elderly Affairs	-	50,000
United Way	102,224	94,493
Transportation Fees	5,319	8,418
Miscellaneous Revenues (Ceramics, Greenhouse, etc.)	69,601	77,412
Total Revenues	<u>306,867</u>	<u>365,019</u>
<b><u>Expenditures</u></b>		
Salaries and Related Expenditures	379,821	381,138
Professional Services	6,490	4,385
Repairs and Maintenance	11,407	13,432
Communications	1,870	2,233
Postage	343	2,676
Newsletter	15,885	14,558
Advertising	4,978	13,393
Travel	5,649	2,440
Supplies	53,100	31,367
Utilities	41,406	23,877
Fuel	53,812	40,167
Miscellaneous	10,232	13,945
Total Expenditures	<u>584,993</u>	<u>543,611</u>
<b><u>Deficiency of Revenues Over Expenditures</u></b>	(278,126)	(178,592)
<b><u>Other Financing Sources</u></b>		
City of West Monroe Support	<u>278,126</u>	<u>178,592</u>
<b><u>Net Change in Fund Balance</u></b>	-	-
<b><u>Fund Balance - Beginning</u></b>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCE - ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>





CITY OF WEST MONROE, LOUISIANA  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	2007 Debt Service Fund	2003 Debt Service Fund	2011 Debt Service Fund	Total Nonmajor Debt Service Funds
<b><u>ASSETS</u></b>				
Cash in Bank	\$ 16,539	\$ -	\$ 198,413	\$ 214,952
Accounts Receivable	-	-	-	-
Due from Other Governments	17,100	-	-	17,100
Due From Other Funds	-	125,000	39,900	164,900
	<u>-</u>	<u>125,000</u>	<u>39,900</u>	<u>164,900</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 33,639</u></b>	<b><u>\$ 125,000</u></b>	<b><u>\$ 238,313</u></b>	<b><u>\$ 396,952</u></b>
<b><u>LIABILITIES</u></b>				
Payable to State Retirement	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	-	544,195	-	544,195
	<u>-</u>	<u>544,195</u>	<u>-</u>	<u>544,195</u>
Total Liabilities	-	544,195	-	544,195
<b><u>FUND BALANCES</u></b>				
Assigned	33,639	-	238,313	271,952
Unassigned	-	(419,195)	-	(419,195)
Total Fund Balances	<u>33,639</u>	<u>(419,195)</u>	<u>238,313</u>	<u>(147,243)</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 33,639</u></b>	<b><u>\$ 125,000</u></b>	<b><u>\$ 238,313</u></b>	<b><u>\$ 396,952</u></b>



CITY OF WEST MONROE, LOUISIANA  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012

	2007 Debt Service Fund	2003 Debt Service Fund	2011 Debt Service Fund	Total Nonmajor Debt Service Funds
<b><u>Revenues</u></b>				
Taxes	\$ 217,100	\$ -	\$ -	\$ 217,100
Sales of Assets	-	-	-	-
Total Revenues	217,100	-	-	217,100
<b><u>Expenditures</u></b>				
Principal Retirement	165,000	1,264,996	-	1,429,996
Other Debt Service Costs	400	500	-	900
Interest	167,438	157,447	40,987	365,872
Total Expenditures	332,838	1,422,943	40,987	1,796,768
<b><u>Excess (Deficiency) of Revenues Over Expenditures</u></b>	(115,738)	(1,422,943)	(40,987)	(1,579,668)
<b><u>Other Financing Sources</u></b>				
Operating Transfers - In	-	1,543,000	279,300	1,822,300
<b><u>Net Change in Fund Balance</u></b>	(115,738)	120,057	238,313	242,632
<b><u>Fund Balance - Beginning</u></b>	149,377	(539,252)	-	(389,875)
<b><u>FUND BALANCE - ENDING</u></b>	\$ 33,639	\$ (419,195)	\$ 238,313	\$ (147,243)



CITY OF WEST MONROE, LOUISIANA  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	<u>CDBG - Street Paving Project</u>	<u>Detention Basin Grant Project</u>	<u>CDBG - Send Technologies Project</u>	<u>CDBG - 2008 LCDBG Sewer Project</u>	<u>Total Nonmajor Capital Project Funds</u>
<b><u>ASSETS</u></b>					
Cash in Bank	\$ 6,278	\$ -	\$ 7	\$ 4	\$ 6,289
Due From Other Governments	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 6,278</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7</u></b>	<b><u>\$ 4</u></b>	<b><u>\$ 6,289</u></b>
<b><u>LIABILITIES</u></b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>FUND BALANCES (DEFICITS)</u></b>					
Restricted	6,278	-	7	4	6,289
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b><u>6,278</u></b>	<b><u>-</u></b>	<b><u>7</u></b>	<b><u>4</u></b>	<b><u>6,289</u></b>
<b><u>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</u></b>	<b><u>\$ 6,278</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7</u></b>	<b><u>\$ 4</u></b>	<b><u>\$ 6,289</u></b>



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, 2012

	CDBG - Street Paving Project	Detention Basin Grant Project	CDBG - Send Technologies Project	CDBG - 2008 LCDBG Sewer Project	Total Nonmajor Capital Project Funds
<b><u>Revenues</u></b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of Assets	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-
<b><u>Expenditures</u></b>					
Capital Projects	-	-	-	-	-
<b><u>Excess (Deficiency) of</u></b>					
<b><u>Revenues Over Expenditures</u></b>	-	-	-	-	-
<b><u>Other Financing Sources (Uses)</u></b>					
Operating Transfers - In	-	358,609	-	-	358,609
Operating Transfers - Out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	358,609	-	-	358,609
<b><u>Net Change in Fund Balance</u></b>	-	358,609	-	-	358,609
<b><u>Fund Balances - Beginning</u></b>	6,278	(358,609)	7	4	(352,320)
<b><u>FUND BALANCES - ENDING</u></b>	<u>\$ 6,278</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 4</u>	<u>\$ 6,289</u>





## OTHER SUPPLEMENTAL INFORMATION



CITY OF WEST MONROE, LOUISIANA  
ALL FUNDS  
SCHEDULE OF ASSESSED VALUATION AND AD VALOREM  
PROPERTY TAX LEVY FOR 2011

<u>Original Assessed Valuation</u>		\$ 135,765,388
<u>Tax Rate Per Thousand Dollars (Mills)</u>		8.62
<u>Gross Tax Levy</u>		\$ 1,170,298
Less: Adjustments		<u>(11,648)</u>
<u>Adjusted Gross Tax Levy</u>		<u>\$ 1,158,650</u>
<u>Tax Collected</u>		
2011 Assessments		<u>\$ 1,154,385</u>
	<u>2011 Tax</u>	
	<u>Rate Mills</u>	
<u>Allocation of Tax Collected</u>		
General Fund	6.97	\$ 934,311
Street Maintenance	<u>1.65</u>	<u>220,074</u>
Total	<u>8.62</u>	<u>\$ 1,154,385</u>



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF REVENUES AND EXPENDITURES - CONVENTION CENTER  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Events</u>	<u>Concession</u>	<u>Catering</u>	<u>Total</u>
<u>Revenues</u>	\$ 6,261	\$ 7,089	\$ 703,794	\$ 717,144
<u>Cost of Operations</u>				
Operating Expenditures	3,322	-	328,836	332,158
Personnel	2,857	-	282,886	285,743
Total	<u>6,179</u>	<u>-</u>	<u>611,722</u>	<u>617,901</u>
<u>Gross Profit</u>	<u>\$ 82</u>	<u>\$ 7,089</u>	<u>\$ 92,072</u>	99,243
<u>Administrative Expenditures</u>				
Director's Salary				54,579
Operations Salaries				53,857
Employee Benefits				36,090
Vehicle Maintenance				1,111
Materials, Repairs & Supplies				110
Operating Supplies				34,788
Travel, Car & Meetings				1,318
Cell Phones and Pagers				1,080
Fuel				1,747
Advertising				-
Office Supplies				1,294
Utilities				<u>13,436</u>
Total Administrative Expenditures				<u>199,410</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (100,167)</u>



<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 100,125	\$ (882)
54,255	(324)
54,000	143
36,728	638
1,300	189
2,000	1,890
39,000	4,212
1,200	(118)
1,080	-
3,000	1,253
1,000	1,000
3,000	1,706
<u>14,125</u>	<u>689</u>
<u>210,688</u>	<u>11,278</u>
<u><u>\$ (110,563)</u></u>	<u><u>\$ 10,396</u></u>





CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF REVENUES AND EXPENDITURES - IKE HAMILTON EXPO CENTER  
FOR THE YEAR ENDED JUNE 30, 2012

	Equine Events	Concession	Stall Rentals & Shavings	Total
<u>Revenues</u>	\$ 201,324	\$ 21,192	\$ 307,285	\$ 529,801
<u>Cost of Operations</u>				
Operating Expenditures	69,883	7,356	106,664	183,903
Personnel	49,597	5,221	75,702	130,520
Total	<u>119,480</u>	<u>12,577</u>	<u>182,366</u>	<u>314,423</u>
<u>Gross Profit</u>	<u>\$ 81,844</u>	<u>\$ 8,615</u>	<u>\$ 124,919</u>	215,378
<u>Administrative Expenditures</u>				
Director's Salary				78,770
Operations Salaries				118,488
Employee Benefits				56,862
Vehicle Maintenance				4,746
Materials, Repairs & Supplies				33,519
Gas and Oil				6,939
Office				28
Cell Phones and Pagers				1,440
Other Miscellaneous Purchases				2,873
Advertising				3,411
Utilities				<u>306,770</u>
Total Administrative Expenditures				<u>613,846</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (398,468)</u>



<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 142,190	\$ 73,188
78,785	15
118,850	362
57,855	993
5,000	254
29,000	(4,519)
6,000	(939)
150	122
1,440	-
3,000	127
3,500	89
<u>319,500</u>	<u>12,730</u>
<u>623,080</u>	<u>9,234</u>
<u><u>\$ (480,890)</u></u>	<u><u>\$ 82,422</u></u>



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO COUNCIL MEMBERS  
FOR THE YEAR ENDED JUNE 30, 2012

James Bennett	\$	10,800
James Brian		10,800
Alice Pearson		10,800
Fred Ragland		10,800
Sam Yeager		900
Staci Albritton		9,660
	\$	<u>53,760</u>



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





# CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

*Certified Public Accountants*

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

Honorable Mayor and Board of Aldermen of  
West Monroe, Louisiana

We have audited the primary government financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Monroe, Louisiana (the City) as of and for the year ended June 30, 2012, which collectively comprise the City's basic primary government financial statements and have issued our report thereon dated November 9, 2012. The report on the City's legally separate component units was qualified due to its omission from the City's financial statements. 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**

Management of the City of West Monroe, Louisiana, is responsible for establishing and maintaining effective 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 12-1 through 12-2. 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.



### **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 is 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 & Company (APAC)*

West Monroe, Louisiana  
November 9, 2012



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## **INDEPENDENT AUDITORS' 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 could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2012. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

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

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 & Company (APAC)*

West Monroe, Louisiana  
November 9, 2012





CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012

**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. Two 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, the Environmental Protection Agency, CFDA No. 66.458 and the Department of Transportation, CFDA No. 20.509.
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, 2012 (continued)

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

There were no findings relating to this category.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**12-1 Accounts Receivable Subsidiary Ledgers**

Condition:

During the audit of accounts receivable, it was noted that the subsidiary ledgers were not reconciled to the general ledger and that the subsidiary ledgers were not maintained in a manner to determine the actual receivable amount at any point in time.

Criteria:

These subsidiary ledgers should be maintained in a manner which appropriately reflect the current balance owed and should agree to the corresponding general ledger account. These amounts should be reconciled periodically.

Recommendation:

The City should correct their subsidiary ledgers to tie into their respective general ledger accounts and provide an accurate detail of what is owed the City at any point in time.

Response:

The City will correct their subsidiary ledgers to agree with the general ledger and to reflect amounts actually owed.

**12-2 Theft of Scrap Metal at Public Works Facility**

Condition:

The Ouachita Parish Sheriff Office notified the City of possible theft at the Public Works Facility. The theft involved three employees of the City stealing scrap metal from the City scrap yard at the public works complex and selling it at local scrap yards. Amounts determined to be stolen were estimated at \$16,776.

Criteria:

The City's policy is that all property, including scrap metal, cannot be sold without an formal ordinance declaring it surplus. Also, all assets should be maintain in such a way to limit the possibility of theft.

Recommendation:

The City should add security measures to limit unauthorized assess to these and other assets.

Response:

We have instituted additional controls, along with those already in place, in order to lessen the likelihood of this happening in the future.

- All local scrap yards have been contacted and informed by the City not to pay for any scrap from a City employee without written authorization from the City.
- The scrap yard at City's public works complex have added additional security measures by securing the scrap behind lock fencing.



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass - Through Number</u>	<u>Expenditures</u>
<b>Department of Housing &amp; Urban Development</b>			
Public and Indian Housing			
HAP - Vouchers	14.871	LA186VO	* \$ 1,266,920
<b>Department of Homeland Security</b>			
EF&S National Board Program	97.024	36600-002	32,621
Hazard Mitigation	97.039	HMGP 1607-073-002	38,731
<b>Environmental Protection Agency</b>			
Office of Water			
ARRA - Capital Grant for CWSRF	66.458	W04-2-001	299,918
ARRA - Capital Grant for CWSRF	66.458	W05-2-001	14,310
			* 314,228
<b>Department of Justice</b>			
Bureau of Justice Assistance			
Bullet Proof Vest Grant	16.607	None	2,729
Edward Byrne Mem Justice Assistance Grant			
Multi-Jurisdictional Task Force	16.738	B11-2-006	116,924
Safestreeets Violent Crime Initiative	16.738	166E-NO-64194	16,932
			133,856
<b>Department of Transportation</b>			
Federal Transit Administration			
ARRA - Section 5311 - Oper. Assistance - Veh. Garage	20.509	LA-86-X001	973,058
ARRA - Section 5311 - Operating Assistance	20.509	LA-86-X001	62,385
			* 1,035,443
Highway Safety Commission			
PD Year Long Overtime	20.600	PT2010510000	101,323
<b>Corporation for National and Community Service</b>			
AmeriCorps	94.006	11PTHLA001	149,623
AmeriCorps	94.006	06AFHLA001	65,072
			214,695
<b>Executive Office of the President</b>			
HIDTA Overtime Reimbursement	95.001	G10GC0001A	35,284
			\$ 3,175,830

\*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, 2012

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, 2012

**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**

11-1 Late Filing of Payroll Tax Reports

Condition:

During the audit of the City of West Monroe's payroll, we noted that the first and second quarter 941 payroll tax forms were not filled out and filed until August 2011.

Recommendation:

The City should fill out and file all payroll tax reports by the due date.

Current Status:

The City has filed all required payroll tax reports timely during audit year.

11-2 Payroll Forms Prepared Incorrectly

Condition:

During the audit of the City of West Monroe's payroll, we also noted that the 941 payroll tax forms were prepared incorrectly by including the pretax amounts in total wages, such as pension contributions and health insurance payments. The amount withheld and reported from employees was correct, but the amount paid in for the employer portion for social security and medicare tax was underreported by a small amount.

Recommendation:

The City's payroll department should amend the 2010 and 2011 quarterly 941 payroll tax forms.

Current Status:

The City's payroll department has amended the 941 payroll tax forms for all four quarters of 2010 and the first two quarters of 2011. The payroll department has adjusted the information form which the 941 payroll tax form information is taken from in order to fill out the forms correctly going forward.

11-3 Lack of Inventory Control Over Food at Convention Center

Condition:

During the audit of the City's convention center operations, it was noted through observations and interviews with the director that no inventory is maintained on food that is stored on site for upcoming events. Substantial amounts of food items are kept in freezers and refrigerators at the convention center but no records are kept to determine what is there, the cost of these items or when they were received.



CITY OF WEST MONROE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

11-3 Lack of Inventory Control Over Food at Convention Center (continued)

Recommendation:

Management at the convention center should implement a system of inventory control over the food that is ordered and maintained at the convention center to safeguard controls and to track of costs of food per event.

Current Status:

The City has implemented a food inventory and purchasing system at the Convention Center and closely monitors activity.

11-4 Theft of Deposits at Kiroli Park

Condition:

The City determined that two employees at the City's Kiroli Park were cashing checks that were written for lodge rental and other deposits, and issuing fake receipts for these deposits. This had been ongoing for period of time longer than the fiscal year ending June 30, 2011.

Recommendation:

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

Current Status:

The City has instituted additional controls in order to lessen the likelihood of this happening in the future.

11-5 Cash Controls at Locations Outside of City Hall

Condition:

During the audit, it was noted that cash is received from customers in locations other than City Hall such as the recreation center, convention center, Kiroli Park and the Ike Hamilton Horse Pavilion. Although it is not feasible for all funds to be collected at City Hall, a good system of controls should be in place at these remote locations to ensure that all funds collected are deposited in the city's bank accounts.

Recommendation:

The City's management should review its controls that are in place for cash collections at its sites outside of city hall.

Current Status:

The City has instituted additional controls over cash transactions at remote sites.



CITY OF WEST MONROE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

11-6 Incomplete Budgets

Condition:

During the 2010 Louisiana Legislative regular session, requirements were added to the state budget law effective January 1, 2011, that required a budget message and a side-by-side detailed comparison of information for the current year, year-to-date actual receipts and revenues received and estimates of all receipts and revenues to be received the remainder of the year; estimated and actual revenues itemized by source; year-to-date actual expenditures and estimates of all expenditures to be made the remainder of the year itemized by agency, department, function, and character; and the percentage change for each item of information. These items were not in the 2011-2012 proposed budget as required.

Recommendation:

We recommend that when the City adopts its next year's budget that these items also be included with the budget report.

Current Status:

The City included these items in the 2012-2013 budgets that were adopted this past May.

