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CITY OF WEST MONROE, LOUISIANA

*Financial Report
For the Year Ended June 30, 2005*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/25/06



CITY OF WEST MONROE, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2005

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CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place
West Monroe, Louisiana 71291

Mailing Address:
P. O. Box 2474
West Monroe, LA 71294-2474

Phone (818) 323-1717
Fax (818) 322-5121
E-Mail: chhcpas@bellsouth.net

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, 2005, which collectively comprise the basic primary government financial statements of the City's primary government as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The financial statements referred to above include only the primary government of the City, which consists of all funds, organizations, institutions, agencies, departments and offices that comprise the City's legal entity. The financial statements do not include financial data for the City's legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City as of June 30, 2005, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information for the primary government of the City as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Honorable Mayor and Board of Aldermen of the
City of West Monroe, Louisiana
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In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2005, on our consideration of the City of West Monroe's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 39 through 41, are not a required part of the basic primary government financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
October 7, 2005

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

CITY OF WEST MONROE, LOUISIANA

Management's Discussion and Analysis Year Ended June 30, 2005

As management of the City of West Monroe, we offer readers of the Financial Statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter and the accompanying basic financial statements. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

FINANCIAL HIGHLIGHTS

- The assets of the City of West Monroe, on a government-wide basis, exceeded its liabilities of the close of the fiscal year by \$46.2 million (net assets). Of this amount, \$5.5 million is unrestricted.
- The City's total net assets increased by \$736,000.00 for the current fiscal year. This increase is a result of a \$326,000.00 decrease in net assets of business-type activities and a \$1,062,000.00 increase in Governmental activities.
- At the end of the current fiscal year, the City of West Monroe's governmental funds reported combined ending fund balances of \$9.5 million.
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$4.8 million, or 33% of the total general fund expenditures.
- The general fund reported a surplus of \$844,000.00 before transfers, and a surplus of \$413,000.00 after transfers.
- The City's bonded debt had a net decrease of \$705,000.00. Total bonded debt at 6-30-05 was \$7,190,000.00.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

GOVERNMENT-WIDE STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

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

The City has three kinds of funds:

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's combined net assets for the 2004-2005 fiscal year increased by \$736,000.00. Table 1 shows the statement of net assets for the year ending 2004 and the year ending 2005. 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	
	2004	2005	2004	2005	2004	2005
ASSETS:						
Current and other assets	\$ 9.90	\$ 8.25	\$ 0.50	\$ 0.52	\$ 10.40	\$ 8.77
Capital Assets	41.40	44.00	5.47	5.15	46.87	49.15
Total Assets	\$ 51.30	\$ 52.25	\$ 5.97	\$ 5.67	\$ 57.27	\$ 57.92
LIABILITIES:						
Long-term debt outstanding	\$ 10.96	\$ 11.03	\$ 0.10	\$ 0.13	\$ 11.06	\$ 11.16
Other liabilities	0.64	0.44	0.12	0.12	0.76	0.56
Total Liabilities	\$ 11.60	\$ 11.47	\$ 0.22	\$ 0.25	\$ 11.82	\$ 11.72
NET ASSETS:						
Invested in Capital Assets						
Net of debt	\$ 33.50	\$ 35.86	\$ 5.47	\$ 5.15	\$ 38.97	\$ 41.01
Restricted	0.14	(.34)	-	-	0.14	(.34)
Unrestricted	6.06	5.26	0.27	0.27	6.33	5.53
Total Net Assets	\$ 39.70	\$ 40.78	\$ 5.74	\$ 5.42	\$ 45.44	\$ 46.20

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 \$46.20 million at the close of the fiscal year. The largest portion of the City's net assets (89%) reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure, less accumulated depreciation and less any related outstanding debt used to acquire those assets). The city uses these assets to provide services to its citizens and these assets are not available for spending. The resources needed to repay any debt related to these capital assets will be provided from other sources.

Less than one percent of the City's net assets are subject to restrictions. The remaining balance of unrestricted net assets \$5.53 million may be used to meet the City's ongoing obligations.

Governmental Activities

Net assets of the City's governmental activities increased from \$39.70 million to \$40.78 million. This increase is mainly due to an increase in Capital Assets of \$2.36 million from last year.

Business-type Activities

Net assets of the City's business-type activities decreased from \$5.74 million to \$5.42 million, primarily because of capital assets decreasing by \$320,000.00.

Statement of Activities

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

TABLE 2
CHANGES IN NET ASSETS
(in Millions)

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2004	2005	2004	2005	2004	2005
REVENUES:						
Program Revenues						
Charges for services	\$ 3.63	\$ 3.54	\$ 1.95	\$ 2.08	\$ 5.58	\$ 5.62
Operating grants and contributions	3.04	3.16			3.04	3.16
Capital grants and contributions	1.26	1.15			1.26	1.15
General Revenues						
Property Taxes	0.82	0.85			0.82	0.85
Other taxes	12.21	12.41			12.21	12.41
Intergovernmental	0.18	1.14			0.18	1.14
Franchise	0.89	0.79			0.89	0.79
Miscellaneous	0.45	0.27			0.45	0.27
Sale of Assets	0.16	1.10			0.16	1.10
Interest earned	0.08	0.16			0.08	0.16
Capital contributions	-	-	1.05	.10	1.05	.10
Total Revenues	\$ 22.72	\$ 24.57	\$ 3.00	\$ 2.18	\$ 25.72	\$ 26.75
EXPENSES:						
General government	\$ 5.02	\$ 5.36			\$ 5.02	\$ 5.36
Public safety	6.82	7.75			6.82	7.75
Public works	3.45	2.89			3.45	2.89
Culture and recreations	3.10	3.37			3.10	3.37
Urban Development	0.52	0.58			0.52	0.58
Health and welfare	2.89	2.99			2.89	2.99
Interest on long-term debt	0.31	0.38			0.31	0.38
Utilities	-	-	2.32	2.68	2.32	2.68
Total Expenses	\$ 22.11	\$ 23.32	\$ 2.32	\$ 2.68	\$ 24.43	\$ 26.00
Increase in net assets before						
transfers	\$ 0.61	\$ 1.25	\$.68	\$ (.50)	\$ 1.29	\$.75
Transfers	(0.02)	(0.17)	0.02	0.17	-	-
Increase/decrease in assets	\$ 0.59	\$ 1.08	\$ 0.70	\$ (.33)	\$ 1.29	\$.75

Governmental Activities

The City's total revenues from governmental activities increased from \$22.72 million (year end 2004) to \$24.57 million (year end 2005). This \$1.85 million increase is mainly due from a \$1.0

million increase in sale of assets for the 2005 year. West Monroe's largest source of general revenue (\$13.26 million) is taxes, composed of property tax, sales tax, insurance premium taxes, and beer tax. Fifty-four percent of the City's revenue from governmental activities comes from these taxes. Charges for services (\$3.54 million) were the second largest revenue source for governmental activities.

The City's expenses for the fiscal year end June 30, 2005 were \$23.32 million, an increase of \$1.21 million from year end 2004. These expenses cover a wide range of services with the largest being public safety \$7.75 million or 33%, general government \$5.36 million or 23% and public works \$3.45 million or 12%.

Business-Type Activities

The total revenues from business-type activities were \$2.18 million for the fiscal year ended June 30, 2005. This is an \$.82 million decrease from last year. This decrease is a result of a \$950,000.00 decrease in capital contributions. Expenses for the City's business-type activities were \$2.68 million. The business-type activities had a net loss of \$330,00.00 for the fiscal year ended June 30, 2005.

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 \$8.4 million. Approximately \$8.4 million constitutes unreserved fund balance, which is available for spending at the governments discretion.

The general fund is the chief operating fund of the City. At the end of the fiscal year, unreserved fund balance of the general fund was \$4.8 million, an increase of \$300,000 from year end June 30, 2004. As a measure of the general fund liquidity, it may be useful to compare unreserved fund balance to total expenditures. Unreserved fund balance represents 33% of the total general fund expenditures. Due to the uncertain economic conditions, expenditures were closely monitored and correlated to revenues received.

The City spent a total of \$3.0 million out of the 86 Sales Tax Capital Fund to fund major capital projects and purchases. This amount is virtually unchanged from last year. The fund transferred out \$600,000.00 to pay for debt service. The capital fund ended the year with a \$544,000.00 unreserved fund balance up almost \$77,000.00.

Proprietary Funds

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

Net assets of the Utilities Enterprise Fund at the end of the year were \$5.4 million. The fund had an operating loss for the year of \$325,800.00 after depreciation and transfers.

Net assets of the Internal Service Fund (Employees Health Insurance Fund) ended the fiscal year with a negative \$540,800.00. The year ended June 30, 2005 had a \$418,200.00 operating loss.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget twice. Differences between the original expenditure budget and the fund actual amounts were relatively minor and represent an increase of \$84,389.00 or less than 1%. Actual total revenues exceed the original budget by \$219,017.00 or 1.4%.

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	
	2004	2005	2004	2005	2004	2005
Land	\$ 5.92	\$ 5.42	\$ 0.04	\$ 0.04	\$ 5.96	\$ 5.46
Construction in progress	0.81	0.88	-	-	0.810	0.88
Buildings	18.80	18.67	0.001	0.001	18.80	18.67
Improvements	0.67	0.66	-	-	.670	0.66
Equipment	0.68	0.93	0.440	0.45	1.120	1.38
Vehicles	0.62	1.32	-	-	0.620	1.32
Infrastructure	13.90	16.10	-	-	13.90	16.10
Water Plant			1.240	1.16	1.240	1.16
Treatment Plant			3.750	3.49	3.750	3.49
Total	\$ 41.40	\$ 43.98	\$ 5.471	\$ 5.14	\$ 46.870	\$ 49.12

The City of West Monroe's investment in Capital assets for its governmental and business-type activities as of June 30, 2005, amounts to \$49.12 million (net of depreciation). This is up \$2.25 million from last year. This investment includes land, construction in progress, buildings and improvements, equipment, vehicles, infrastructure, water and sewer treatment plant.

The City has a major capital project planned for the fiscal year 2005 and the year 2006. The construction of the westbound exit of the I-20 Downing Pines Interchange will begin. The total cost of the construction will be approximately \$3.4 million. This will bring the total cost of the Interchange Project to \$8.0 million

Long-term Debt

The following table shows the City's outstanding debt:

TABLE 4
OUTSTANDING DEBT AT YEAR END

	YR END 6/30/04	YR END 6/30/05
Capital Lease Obligations	\$ 0	\$ 935,330
Bond Payable Series 2003	7,895,000	7,190,000
Firefighters Retirement System	1,284,820	1,203,418
Heart and Lung Disability	1,074,897	996,538
Vacation, Sick and Comp. Time	702,292	699,226
Total	\$ 10,957,009	\$ 11,024,512

At the end of the fiscal year, the City of West Monroe had total bonded debt outstanding of \$7.19 million. This is down from \$7.9 million from the last fiscal year. All of this amount is backed by the full faith and credit of the City and is being repaid from the Sales Tax Capital Fund. During the current fiscal year, the city added \$935,330.00 in new debt. This was a capital lease for police cars for the City.

The City of West Monroe's total long-term debt obligations at year end were \$11.02 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 managements and elected officials considered many factors when preparing the 2005-2006 budget. The major factor in preparing the budget is to determine the revenue that will be generated from sales tax. Sales tax accounts for 55% of the total General Fund revenue. With current economic conditions, sales tax revenue is projected to increase slightly for the 2005-2006 fiscal year. All other General Fund revenues should remain fairly consistent with prior year collections. The total General Fund revenue budget for the 2005-2006 fiscal year is \$14.0 million compared to \$13.7 million last year.

Beginning in early 2006, the construction of Trenton Meadows Retail Development should start. This development should substantially increase the City's sales tax base. These extra sales tax revenues should be sufficient to cover the City's expenditures for many years into the future.

The budgeted expenses for the 2005-2006 fiscal year were \$15.1 million, an increase of \$798,000.00 over the prior year. This increase is mainly due to a 5% pay raise given to all City employees effective July 1, 2005. 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 years budget.

Most of the City's expenses have remained fairly constant over the last year and should continue to do so. The City's matching contributions to the pension funds have decreased slightly for the 2005-2006 fiscal year. The City's administration will closely monitor all revenues and expenses

to ensure the City maintains a positive fund balance. The projected General Fund balance for the year ending June 1, 2006 is \$4.3 million.

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 financial Director, City of West Monroe, 2305 North 7th Street, West Monroe, Louisiana 71291.

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2005

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 7,033,761	\$ 118,749	\$ 7,152,510
Investments	388,544	-	388,544
Accounts Receivable	628,958	320,565	949,523
Due From Other Governments	247,788	-	247,788
Internal Balances	(78,605)	78,605	-
Inventories	29,389	-	29,389
Capital Assets:			
Non-Depreciable	6,301,295	37,750	6,339,045
Depreciable	37,669,829	5,109,820	42,779,649
<u>TOTAL ASSETS</u>	\$ 52,220,959	\$ 5,665,489	\$ 57,886,448
<u>LIABILITIES</u>			
Bank Overdraft	\$ 74,798	\$ -	\$ 74,798
Accounts Payable	316,172	1,724	317,896
Deposits Payable	45,205	118,749	163,954
Non-Current Liabilities			
Due Within One Year			
Bonds Payable	685,000	-	685,000
Notes Payable	87,100	-	87,100
Obligations Under Capital Leases	384,250	-	384,250
Compensated Absences	761,823	126,470	888,293
Due in More Than One Year			
Bonds Payable	6,505,000	-	6,505,000
Notes Payable	1,116,318	-	1,116,318
Obligations Under Capital Leases	551,080	-	551,080
Compensated Absences	933,941	-	933,941
<u>TOTAL LIABILITIES</u>	11,460,687	246,943	11,707,630
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	35,845,794	5,147,570	40,993,364
Restricted For:			
Capital Projects (Deficit)	(324,250)	-	(324,250)
Debt Service	(20,041)	-	(20,041)
Unrestricted	5,258,769	270,976	5,529,745
Total Net Assets	40,760,272	5,418,546	46,178,818
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 52,220,959	\$ 5,665,489	\$ 57,886,448

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, 2005

Function/Program Activities	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Government Activities:				
General Government	\$ 5,358,613	\$ 1,282,706	\$ 31,033	\$ 1,148,207
Public Safety	7,752,884	349,172	326,267	-
Public Works	2,891,120	916,629	-	-
Culture and Recreation	3,366,747	978,265	270,332	-
Urban Redevelopment	580,768	12,675	41,608	-
Health and Welfare	2,990,586	3,739	2,493,109	-
Interest on Long-Term Debt	381,936	-	-	-
Total Governmental Activities	23,322,654	3,543,186	3,162,349	1,148,207
 Business-Type Activities:				
Utilities	2,676,493	2,076,436	-	-
Total Primary Government	\$ 25,999,147	\$ 5,619,622	\$ 3,162,349	\$ 1,148,207

General Revenues:

Taxes:

Property Taxes Levied for General Purposes
Property Taxes Levied for Street Maintenance
Sales Taxes

Insurance Premium Taxes

Intergovernmental Revenues

Insurance Proceeds

Franchise Revenue

Miscellaneous

Special Item - Sale of Assets

Interest Earned

Capital Contributions

Transfers

Total General Revenues, Special Items and Transfers

Changes in Net Assets

Net Assets - Beginning

Net Assets - Ending

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

Governmental Activities	Business-Type Activities	Total
\$ (2,896,667)	\$ -	\$ (2,896,667)
(7,077,445)	-	(7,077,445)
(1,974,491)	-	(1,974,491)
(2,118,150)	-	(2,118,150)
(526,485)	-	(526,485)
(493,738)	-	(493,738)
(381,936)	-	(381,936)
<u>(15,468,912)</u>	<u>-</u>	<u>(15,468,912)</u>
-	(600,057)	(600,057)
<u>\$ (15,468,912)</u>	<u>\$ (600,057)</u>	<u>\$ (16,068,969)</u>
686,911	-	686,911
162,910	-	162,910
11,975,286	-	11,975,286
431,244	-	431,244
1,137,025	-	1,137,025
121,659	-	121,659
788,116	-	788,116
145,929	-	145,929
1,095,392	-	1,095,392
160,128	-	160,128
-	100,311	100,311
(173,889)	173,889	-
<u>16,530,711</u>	<u>274,200</u>	<u>16,804,911</u>
1,061,799	(325,857)	735,942
<u>39,698,473</u>	<u>5,744,403</u>	<u>45,442,876</u>
<u>\$ 40,760,272</u>	<u>\$ 5,418,546</u>	<u>\$ 46,178,818</u>

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

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

CITY OF WEST MONROE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005

<u>ASSETS</u>	<u>General Fund</u>	<u>86 Sales Tax 75% Capital Fund</u>	<u>I-20/Downing Pines Interchange Project</u>
Cash and Cash Equivalents	\$ 4,550,895	\$ -	\$ 1,987,509
Investments	-	-	-
Accounts Receivable	369,017	255,012	-
Due From Other Governments	60,090	-	-
Due From Other Funds	6,857	421,689	-
Inventories	29,389	-	-
<u>TOTAL ASSETS</u>	<u>\$ 5,016,248</u>	<u>\$ 676,701</u>	<u>\$ 1,987,509</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts Payable	\$ 74,322	\$ 57,883	\$ 121,502
Bank Overdraft	-	74,798	-
Due To Other Funds	-	-	-
Deposits Payable	45,205	-	-
Total Liabilities	119,527	132,681	121,502
 Fund Balances:			
Reserved for:			
Inventories	29,389	-	-
Debt Service	-	-	-
Unreserved, Reported In:			
General Fund	4,867,332	-	-
Special Revenue Funds	-	544,020	-
Expendable Trust Funds	-	-	-
Capital Project Funds	-	-	1,866,007
Total Fund Balances	4,896,721	544,020	1,866,007
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 <u>\$ 5,016,248</u>	 <u>\$ 676,701</u>	 <u>\$ 1,987,509</u>

Total Nonmajor Governmental Funds	Total Governmental Funds
\$ 495,357	\$ 7,033,761
388,544	388,544
-	624,029
187,698	247,788
722,318	1,150,864
-	29,389
<u>\$ 1,793,917</u>	<u>\$ 9,474,375</u>
\$ 62,465	\$ 316,172
-	74,798
683,723	683,723
-	45,205
<u>746,188</u>	<u>1,119,898</u>
-	29,389
(20,041)	(20,041)
-	4,867,332
254,843	798,863
1,137,177	1,137,177
(324,250)	1,541,757
<u>1,047,729</u>	<u>8,354,477</u>
<u>\$ 1,793,917</u>	<u>\$ 9,474,375</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, 2005

Total Governmental Fund Balances	\$ 8,354,477
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	43,971,124
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.	(11,024,512)
The internal service fund is used for the financing of services provided by one fund to other funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets	<u>(540,817)</u>
Net Assets of Governmental Activities	<u>\$ 40,760,272</u>

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	<u>General Fund</u>	<u>86 Sales Tax 75% Capital Fund</u>	<u>I-20/Downing Pines Interchange Project</u>
<u>Revenues</u>			
Taxes	\$ 9,425,031	\$ 3,628,874	\$ -
Intergovernmental	170,040	173,250	-
Licenses and Permits	758,739	-	-
Charges for Services	1,919,314	-	-
Fines and Forfeitures	513,483	-	-
Interest Earned	125,344	3,336	-
Franchise Revenue	788,116	-	-
Other	1,686,992	334,951	235,170
Total Revenues	<u>15,387,059</u>	<u>4,140,411</u>	<u>235,170</u>
<u>Expenditures</u>			
General Government	3,398,883	-	-
Public Safety	6,268,716	-	-
Public Works	2,240,054	-	-
Culture and Recreation	2,149,552	-	-
Urban Redevelopment	485,614	-	-
Health and Welfare	-	-	-
Capital Improvements	-	3,036,892	2,510,288
Claims Paid	-	-	-
Debt Service:			
Principal Payments	-	-	-
Interest and Other	-	-	-
Total Expenditures	<u>14,542,819</u>	<u>3,036,892</u>	<u>2,510,288</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	<u>844,240</u>	<u>1,103,519</u>	<u>(2,275,118)</u>
<u>Other Financing Sources and (Uses)</u>			
Public Trust Authority	-	-	1,000,000
Transfers In	318,486	5,812	-
Transfers Out	(749,926)	(1,032,491)	-
Total Other Financing Sources and Uses	<u>(431,440)</u>	<u>(1,026,679)</u>	<u>1,000,000</u>
<u>Net Change in Fund Balance</u>	<u>412,800</u>	<u>76,840</u>	<u>(1,275,118)</u>
<u>Fund Balances - Beginning</u>	<u>4,483,921</u>	<u>467,180</u>	<u>3,141,125</u>
<u>FUND BALANCES - ENDING</u>	<u>\$ 4,896,721</u>	<u>\$ 544,020</u>	<u>\$ 1,866,007</u>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 270,910	\$ 13,324,815
3,616,239	3,959,529
-	758,739
-	1,919,314
-	513,483
15,348	144,028
-	788,116
450,316	2,707,429
<u>4,352,813</u>	<u>24,115,453</u>
-	3,398,883
459,304	6,728,020
111,260	2,351,314
383,669	2,533,221
-	485,614
2,647,655	2,647,655
764,630	6,311,810
346,665	346,665
786,402	786,402
373,904	373,904
<u>5,873,489</u>	<u>25,963,488</u>
(1,520,676)	(1,848,035)
-	1,000,000
1,293,528	1,617,826
(9,298)	(1,791,715)
<u>1,284,230</u>	<u>826,111</u>
(236,446)	(1,021,924)
<u>1,284,175</u>	<u>9,376,401</u>
<u>\$ 1,047,729</u>	<u>\$ 8,354,477</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, 2005

Net Change in Fund Balances - Total Governmental Funds	\$ (1,021,924)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital asset purchases capitalized	4,910,533
Depreciation expense	(2,341,071)
	2,569,462

The issuance of long-term debt (e.g., capital leases) provides current financial resources to governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	(1,093,244)
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Repayment of debt principal, including capital leases, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,025,741
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The internal service fund is used for the financing of services provided by one fund to other funds. The net revenue of the internal service fund is reported with governmental activities.	(418,236)
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Change in Net Assets in Governmental Activities	\$ <u>1,061,799</u>
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The accompanying notes are an integral part of this financial statement.

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005

	<u>Business-Type Activities Utility Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Accounts Receivable, Net of Allowance	\$ 320,565	\$ 4,929
Due From Other Funds	78,605	-
Total Current Assets	399,170	4,929
<u>Non-Current Assets</u>		
Restricted:		
Cash - Customer Deposits	118,749	-
Capital Assets:		
Land	37,750	-
Buildings	76,436	-
Water Plant	3,769,347	-
Wastewater Treatment Plant	9,803,349	-
Machinery, Equipment & Other	1,180,120	-
Less: Accumulated Depreciation	(9,719,432)	-
Total Non-Current Assets	5,147,570	-
<u>TOTAL ASSETS</u>	\$ 5,665,489	\$ 4,929
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 1,724	\$ -
Customer Deposits	118,749	-
Accrued Vacation and Sick Pay	126,470	-
Due to Other Funds	-	545,746
Total Current Liabilities	246,943	545,746
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	5,147,570	-
Unrestricted	270,976	(540,817)
Total Net Assets	5,418,546	(540,817)
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 5,665,489	\$ 4,929

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, 2005

	<u>Business-Type Activities Utility Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<u>Operating Revenues</u>		
User Charges	\$ 1,166,160	\$ 1,120,351
Treatment Plant Fees	542,430	-
Water Penalties and Turn-on Fees	112,336	-
Sewer District 5 Contributions	255,510	-
Total Operating Revenues	2,076,436	1,120,351
<u>Operating Expenses</u>		
Waterworks	538,812	-
Sewerage	289,565	-
Water Treatment Plant	233,160	-
Sewer Treatment Plant	535,086	-
Public Works Construction	330,829	-
Public Works Administrative	212,997	-
Other Administrative	109,877	174,474
Claims Paid	-	1,364,113
Depreciation	426,167	-
Total Non-Current Assets	2,676,493	1,538,587
<u>Operating Loss</u>	(600,057)	(418,236)
Contributed Capital	100,311	-
Transfers In	173,889	-
Total	274,200	-
<u>Changes in Net Assets</u>	(325,857)	(418,236)
<u>Net Assets - Beginning</u>	5,744,403	(122,581)
<u>NET ASSETS - ENDING</u>	\$ 5,418,546	\$ (540,817)

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, 2005

	<u>Business-Type Activities Utility Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
Cash Flows From Operations		
Receipts From Customers	\$ 2,057,202	\$ -
Receipts From Group Contributions	-	1,115,422
Payments to Provide Services	(2,142,479)	(940,948)
Payments for General and Administrative	(88,612)	(174,474)
Net Cash Used by Operating Activities	<u>(173,889)</u>	<u>-</u>
Cash Flows From Noncapital Financing Activities		
Increase in Customer Deposits	1,735	-
Operating Transfers In	173,889	-
Net Cash Flows From Noncapital Financing Activities	<u>175,624</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities		
Acquisitions of Capital Assets	(100,310)	-
Capital Contribution From Other Funds	100,310	-
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	<u>-</u>
Net Decrease in Cash and Cash Equivalents	1,735	-
Cash and Cash Equivalents at Beginning of Year	<u>117,014</u>	<u>-</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 118,749</u>	<u>\$ -</u>
Classified As:		
Cash in Bank	\$ -	\$ -
Restricted Assets	118,749	-
<u>TOTAL CASH AND CASH EQUIVALENTS</u>	<u>\$ 118,749</u>	<u>\$ -</u>

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Business-Type Activities Utility Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<u>Reconciliation of Operating Loss to Net Cash</u>		
<u>Used by Operating Activities:</u>		
Changes in Net Assets	\$ (600,057)	\$ (418,236)
Adjustments to Reconcile Net Loss to Net		
Cash Used by Operating Activities		
Depreciation	426,167	-
Increase in Accounts Receivable	(68,039)	(2,721)
Increase (Decrease) in Accounts Payable	(2,030)	(6,793)
Decrease in Due From Other Funds	48,805	
Decrease in Due to Other Funds	-	427,750
Increase in Accrued Vacation and Sick Pay	21,265	-
Total Adjustments	<u>426,168</u>	<u>418,236</u>
<u>Net Cash Used by Operating Activities</u>	<u>\$ (173,889)</u>	<u>\$ -</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, 2005

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 sewage services.

Note 1 – Summary of Significant Accounting Policies

The accompanying financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999, the GASB issued *Statement 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and *Statement 35 Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. These Statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that government should have presented in the past. Comparability with reports issued in years prior to 2003 is affected.

Other GASB Statements are required to be implemented in conjunction with GASB Statements 34 and 35. Therefore, the City has implemented the following GASB Statements: *Statement 33 – Accounting and Financial Reporting for Nonexchange Transactions*, *Statement 36 – Recipient Reporting for Certain Shared Nonexchange Revenues*, *Statement 37 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, and *Statement 38 – Certain Financial Statements Note Disclosures*.

The accompanying financial statements present the financial position of the City and the various funds and fund types, the results of operations of the City and the various funds and fund types, and the cash flows of the proprietary funds.

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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 1 – Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

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

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

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

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

B. Government-Wide and Fund Financial Statements

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 1 – Summary of Significant Account Policies (continued)

B. Government-Wide Fund Financial Statements (continued)

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

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

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

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

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

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 1 – Summary of Significant Account Policies (continued)

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

Governmental Fund Financial Statements (continued) – Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at June 30, 2005 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

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

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

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

D. Fund Accounting

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

1. Major Governmental Funds

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 1 – Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

1. Major Governmental Funds (continued)

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

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

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

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

4. Proprietary Funds

Utilities Enterprises 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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 1 -- Summary of Significant Accounting Policies (continued)

F. Investments

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's investment guidelines authorize investments in various investment products, including United States Treasury bills or notes, Federal Home Loan Bank notes, Federal National Mortgage Association notes and other investments as approved by LAMP's board of directors. The investments are stated at fair value based on quoted market values.

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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 1 – Summary of Significant Account Policies (continued)

K. Capital Assets

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

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

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

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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 1 – Summary of Significant Account Policies (continued)

N. Compensated Absences (continued)

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

O. Long-Term Liabilities

Bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source 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. Restricted Net Assets

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

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

Q. Dedicated Revenues

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

R. Fund Equity

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

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 2- Cash and Cash Equivalents

At June 30, 2005, the City has cash and cash equivalents (book balances net of overdrafts) as follows:

Demand Deposits	\$ 6,084,181
Certificates of Deposit	<u>993,531</u>
Total Cash and Cash Equivalents	<u>\$ 7,077,712</u>

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, 2005, are secured as follows:

Bank Balances	<u>\$ 7,116,073</u>
Federal Deposits Insurance	\$ 300,000
Pledged Securities (Uncollateralized)	<u>7,553,837</u>
<u>TOTAL</u>	<u>\$ 7,853,837</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the City, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, 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.

Note 3 – Investments

Investments held at June 30, 2005 consist of \$388,545 in the Louisiana Asset Management pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2005 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 3 – Investments (continued)

Effective August 1, 2001, LAMP’s investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in “Investment grade (A-1/P-1) commercial paper of domestic United States Corporations”. Effective October 1, 2001, LAMP’s Investment Guidelines were amended to allow the limited investments in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and to board of directors. LAMP is not registered with the SEC as an investment company.

Note 4 – Fund Deficit

At June 30, 2005, the Detention Basin, Capital Projects Debt Service, Litter Abatement, Juvenile Justice Grant, Self Insurance, Brownfields, Keep West Monroe Beautiful, 21st Century Department of Education Grant and Section 8 funds had fund deficits totaling \$968,395.

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, 2004
Levy Date	September 1, 2004
Tax Bills Mailed	December 1, 2004
Total Taxes Are Due	January 31, 2005
Penalties and Interest are Added	February 1, 2005
Tax Sales – 2004 Delinquent Property	June 15, 2005

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	6.90
Street Maintenance	<u>1.63</u>
<u>TOTAL</u>	<u>8.53</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 6 – Accounts Receivable

Accounts receivable at June 30, 2005, consisted of the following:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Accounts Receivable	\$ 357,054	\$ 320,565	\$ 677,619
Other Receivables	<u>266,975</u>	<u>4,929</u>	<u>271,904</u>
<u>TOTAL</u>	<u>\$ 624,029</u>	<u>\$ 325,494</u>	<u>\$ 949,523</u>

Note 7 – Due From Other Governments

The amounts due from other governments at June 30, 2005 are as follows:

Louisiana Department of Transportation and Development	\$ 47,988
Department of Education	74,050
Louisiana Firefighters Retirement System	16,675
Louisiana Department of Revenue	6,938
Ouachita Parish School Board	1,050
Ouachita Parish Police Jury	2,486
Louisiana Community Development Block Grant	9,135
Louisiana Governor's Office of Elderly Affairs	7,461
Louisiana Commission on Law Enforcement	20,886
Corporation for National and Community Service	4,309
Department of Social Services	30,669
Department of Public Safety and Corrections	4,776
Environmental Protection Agency	<u>21,365</u>
<u>TOTAL</u>	<u>\$ 247,788</u>

Note 8 – Capital Assets

Capital asset activity for the year ended June 30, 2005 is as follows:

	<u>Primary Government</u>			
	<u>June 30, 2004 Balance</u>	<u>Additions</u>	<u>Deletions</u>	
Government Activities:				
Non-Depreciable Assets:				
Land	\$ 5,918,089	\$ 62,000	\$(557,111)	\$ 5,422,978
Construction In Progress	<u>810,677</u>	<u>608,753</u>	<u>(541,113)</u>	<u>878,317</u>
Total	6,728,766	670,753	(1,098,224)	6,301,295
Depreciable Assets:				
Buildings	24,859,569	603,122	(144,482)	25,318,209
Improvements	798,450	21,877	-	820,327
Equipment	3,602,395	540,340	-	4,142,735
Vehicles	4,012,092	1,055,348	-	5,067,440
Infrastructure	<u>46,473,208</u>	<u>3,232,903</u>	<u>-</u>	<u>49,706,111</u>
Total at Historical Cost	\$ 79,745,714	\$ 5,453,590	\$(144,482)	\$ 85,054,822

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 8 – Capital Assets (continued)

Less Accumulated				
Depreciation for:				
Buildings	\$(6,062,027)	\$(616,494)	\$ 28,896	\$(6,649,625)
Improvements	(124,354)	(20,508)	-	(144,862)
Equipment	(2,924,810)	(288,019)	-	(3,212,829)
Vehicles	(3,390,042)	(362,382)	-	(3,752,424)
Infrastructure	(32,571,585)	(1,053,668)	-	(33,625,253)
Total Accumulated				
Depreciation	<u>(45,072,818)</u>	<u>(2,341,071)</u>	<u>28,896</u>	<u>(47,384,993)</u>
Government Activities Capital				
Assets, Net	<u>\$ 41,401,662</u>	<u>\$ 3,783,272</u>	<u>\$(1,213,810)</u>	<u>\$ 43,971,124</u>
Business-Type Activities:				
Non-Depreciable Assets:				
Land	\$ 37,750	\$ -	\$ -	\$ 37,750
Depreciable Assets:				
Buildings	74,786	-	(1,350)	73,436
Water Plant	4,307,604	-	(2,600)	4,305,004
Treatment Plant	9,288,391	-	(21,000)	9,267,391
Equipment	<u>1,174,920</u>	<u>100,310</u>	<u>(95,110)</u>	<u>1,180,120</u>
Totals at Historical Cost	14,845,701	100,310	(120,060)	14,825,951
Less Accumulated				
Depreciation for:				
Buildings	(73,186)	(1,480)	1,350	(73,316)
Water Plant	(3,061,380)	(82,830)	2,600	(3,141,610)
Treatment Plant	(5,539,154)	(255,790)	21,000	(5,773,944)
Equipment	<u>(736,304)</u>	<u>(86,067)</u>	<u>95,110</u>	<u>(727,261)</u>
Total Accumulated				
Depreciation	<u>(9,410,024)</u>	<u>(426,167)</u>	<u>120,060</u>	<u>(9,716,131)</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 5,473,427</u>	<u>\$(325,857)</u>	<u>\$ -</u>	<u>\$ 5,147,570</u>

Depreciation expense for the year ended June 30, 2005 was charged to functions of the primary government as follows:

Government Activities:	
General Government	\$ 1,278,523
Public Safety	197,113
Public Works	254,796
Culture and Recreation	37,576
Community Development	82,607
Ike Hamilton Expo Center	445,498
Convention Center	43,950
Health and Welfare	<u>1,008</u>
Total Depreciation Expense -	
Governmental Activities	<u>\$ 2,341,071</u>
Business-Type Activities:	
Utilities	<u>\$ 426,167</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 9 - Restricted Assets and Related Resources

At June 30, 2005 and 2004, all restricted assets were in the form of demand deposits. These assets represent amounts held for utility customer deposits.

Note 10 - Pension and Retirement Plans

CITY OF WEST MONROE-SPONSORED PENSION PLANS

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

Effective January 1, 1986, the City-Sponsored West Monroe Firemen's Pension and Relief System merged with the State Firefighters' Retirement System. As a result of that merger, the City of West Monroe was indebted to the State Firefighters' Retirement System for \$1,203,418 at June 30, 2005 which represents the remaining principle balance of the accrued liability for those employees transferred to the Firefighters' Retirement System. This amount is being paid over 30 years at 7% interest. The City paid principal and interest payments of \$171,340 during fiscal year 2005 from sales tax revenues.

STATE RETIREMENT SYSTEMS

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

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

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

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

Funding Policy – State statute requires covered employees to contribute 9.25 percent of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The current actuarially determined rate is 15.0 percent of annual covered payroll. The City's contributions to the System under Plan A for the years ending June 30, 2005, 2004 and 2003 were \$694,298, \$489,242 and \$363,370, respectively, equal to the required contributions for each year.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 10 - Pension and Retirement Plans (continued)

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

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

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

Average final compensation is the average annual earned compensation of a member for any period of 36 successive or joined months of service that 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 7.50 percent of their salaries to the system. The City is required to contribute 21.5 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, 2005, 2004 and 2003 were \$495,210, \$332,760 and \$204,589, respectively, equal to the required contributions for the year.

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

FIREFIGHTERS' RETIREMENT SYSTEM

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

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 10 - Pension and Retirement Plans (continued)

Funding Policy - State statute requires covered employees to contribute 8.00 percent of their salaries to the system. The City is required to contribute 24.00 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contribution to the System for the years ending June 30, 2005, 2004 and 2003 were \$265,998, \$221,805, and \$126,830, 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 17.8 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, 2005, 2004 and 2003 were \$6,056, \$5,173 and \$4,411, respectively, equal to the required contributions for the year.

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

Note 11 - Postemployment Health Care Benefits

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

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	\$ 7,895,000	\$ -	\$ 705,000	\$ 7,190,000	\$ 685,000
State Firefighters' Retirement System	<u>1,284,820</u>	<u>-</u>	<u>81,402</u>	<u>1,203,418</u>	<u>87,100</u>
<u>Total Bonds and Notes Payable</u>	9,179,820	-	786,402	8,393,418	772,100
Other Liabilities:					
Accrued Heart and Lung Disability	\$ 1,074,897	\$ -	\$ 78,359	\$ 996,538	\$ 62,597
Capital Lease Obligations	-	1,093,244	157,914	935,330	384,250
Accrued Vacation, Sick And Compensatory Time	<u>702,292</u>	<u>-</u>	<u>3,066</u>	<u>699,226</u>	<u>699,226</u>
Total Other Liabilities	<u>1,777,189</u>	<u>1,093,244</u>	<u>239,339</u>	<u>2,631,094</u>	<u>1,146,073</u>
<u>Total Governmental Activities Long-Term Debt</u>	<u>\$10,957,009</u>	<u>\$1,093,244</u>	<u>\$1,025,741</u>	<u>\$11,024,512</u>	<u>\$1,918,173</u>

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

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

Year Ended <u>June 30,</u>	<u>Certificates of Indebtedness Series 2003</u>		<u>State Firefighters' Retirement System</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 685,000	\$ 259,520	\$ 87,100	\$ 84,239
2007	715,000	232,990	93,198	78,142
2008	735,000	205,513	99,721	71,618
2009	765,000	177,088	106,702	64,638
2010	795,000	147,526	114,171	57,169
2011-2015	<u>3,495,000</u>	<u>271,269</u>	<u>702,526</u>	<u>154,171</u>
<u>Total</u>	<u>\$7,190,000</u>	<u>\$1,293,906</u>	<u>\$1,203,418</u>	<u>\$ 509,977</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

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, 2005, the City is responsible for payment of lifetime benefits to five firemen. The actuarial estimate of the liability is \$996,538.

The annual payment requirements outstanding at June 30, 2005 are as follows:

2006	\$ 62,697
2007	62,697
2008	62,697
2009	62,697
2010	62,697
2011-2015	313,485
2016-2020	216,666
2021-2025	112,505
2026-2030	<u>40,397</u>
<u>TOTAL</u>	<u>\$ 996,538</u>

Note 14 - Capital Lease Obligations

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

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2006	\$ 384,250
2007	384,250
2008	<u>221,728</u>
Total	990,228
Less: Amount Representing Interest	<u>(54,898)</u>
 Present Value of Future Minimum Lease Payments	 <u>\$ 935,330</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 15 - Operating Lease

The City is obligated under a lease accounted for as an operating lease with IBM for one of its computer mainframes and other computer equipment. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2005:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2006	\$ 78,648
2007	65,540

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

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2006	\$ 12,000
2007	12,000
2008	12,000
2009	12,000
2010	12,000
2011-2015	60,000

Note 16 - Northeast Louisiana Arts Council

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

Note 17 - Litigation

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

Note 18 - Self-Insurance Program

During 1998, the City began a self-insurance program for hospitalization and medical coverage for its employees. The City limits its losses through the use of reinsurers. The City's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees. At June 30, 2005, the City's annual cost, excluding reinsurance premiums, is limited to approximately \$1,510,788.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 19 - Cooperative Endeavor Agreement

The Monroe-West Monroe Convention & Visitor's Bureau of Ouachita Parish (the Bureau) entered into a cooperative endeavor agreement with the City for the construction of an addition to the Livestock Pavilion. The agreement is for the Bureau to pay the City up to \$400,000 toward the cost of construction of the addition. As of June 30, 2005, the Bureau had paid \$248,922 of the total cost of \$489,292.

Note 20 - Deferred Compensation Plan

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

The deferred compensation plan is administered by Nationwide Retirement Solutions, Inc. and AIG VALIC. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the Plans until paid or made available to the employees or beneficiaries, are the property of the City of West Monroe, Louisiana subject only to the claims of the City's general creditors. Due to the fact that the City does not administer the plan, the plan is not included in the City's financial statements.

Note 21 - Interfund Receivables and Payables

Interfund balances at June 30, 2005, were as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Interfund</u>	<u>Payables</u>
Major Funds:			
General Fund	\$ 6,857		\$ -
'86 Sales Tax	421,689		-
Enterprise Fund	78,605		-
Non-Major Funds:			
Governmental Funds	722,318		683,723
Internal Service Fund	-		545,746
<u>TOTAL</u>	<u>\$ 1,229,469</u>		<u>\$ 1,229,469</u>

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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 22 - Interfund Operating Transfers In and Out

Interfund operating transfers in and out during the year ended June 30, 2005, were as follows:

<u>Fund</u>	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
Major Funds:		
General Fund	\$ 318,486	\$ 749,926
'86 Sales Tax Capital	5,812	1,032,492
Enterprise Fund	173,889	-
Non-Major Funds:		
Special Revenue Funds	198,019	9,297
Capital Project Funds	117,492	-
Expendable Trust Funds	378,017	-
Debt Service Funds	<u>600,000</u>	<u>-</u>
<u>TOTAL</u>	<u>\$ 1,791,715</u>	<u>\$ 1,791,715</u>

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.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 10,012,200	\$ 9,423,900	\$ 9,425,031	\$ 1,131
Intergovernmental	137,522	172,522	170,040	(2,482)
Licenses and Permits	752,300	758,000	758,739	739
Charges for Services	1,411,320	1,944,620	1,919,314	(25,306)
Fines and Forfeitures	463,500	508,200	513,483	5,283
Interest Earned	98,200	123,200	125,344	2,144
Franchise Revenue	749,000	789,000	788,116	(884)
Other	1,544,000	1,674,300	1,686,992	12,692
Total Revenues	15,168,042	15,393,742	15,387,059	(6,683)
<u>Expenditures</u>				
General Government:				
Elected Council	77,220	77,220	75,984	1,236
City Court	328,840	310,000	310,732	(732)
Marshal	216,314	190,000	188,941	1,059
Mayor's Office	158,549	158,549	158,438	111
City Clerk's Office	686,047	673,000	673,645	(645)
City Hall Maintenance	417,900	417,900	420,288	(2,388)
General and Administrative	1,398,966	1,570,000	1,570,855	(855)
Public Safety:				
Legal	289,598	289,598	289,095	503
Fire	1,657,338	1,657,338	1,665,784	(8,446)
Police	3,609,505	3,609,505	3,638,017	(28,512)
Prison	545,925	585,925	587,072	(1,147)
Police Shop	87,684	87,684	88,748	(1,064)
Public Works:				
Garbage	614,000	614,000	616,989	(2,989)
Trash	531,460	531,460	539,999	(8,539)
Streets	805,396	620,000	620,970	(970)
Cemetery	41,295	41,295	37,660	3,635
Planning and Zoning	176,711	176,711	176,484	227
City Maintenance Shop	246,930	246,930	247,952	(1,022)

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Culture and Recreation:				
Recreation and Parks	\$ 209,790	\$ 227,000	\$ 227,613	\$ (613)
Kiroli Park	331,225	347,000	346,143	857
Lazarre Park	7,650	9,000	10,577	(1,577)
Farmer's Market	15,900	19,000	19,209	(209)
Tanner Building & Business Center	178,452	178,452	167,331	11,121
Community Development	264,715	264,715	264,541	174
Ike Hamilton Expo Center	850,377	850,377	847,218	3,159
Convention Center	656,775	691,275	698,792	(7,517)
Economic Development	53,868	53,868	53,742	126
Total Expenditures	<u>14,458,430</u>	<u>14,497,802</u>	<u>14,542,819</u>	<u>(45,017)</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	709,612	895,940	844,240	(51,700)
<u>Other Financing Sources and (Uses)</u>				
Transfers In	375,000	325,000	318,486	(6,514)
Transfers Out	(457,000)	(700,000)	(749,926)	(49,926)
Total Other Financing Sources and Uses	(82,000)	(375,000)	(431,440)	(56,440)
<u>Net Change in Fund Balance</u>	627,612	520,940	412,800	(108,140)
<u>Fund Balance at Beginning of Year</u>	4,483,921	4,483,921	4,483,921	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 5,111,533</u>	<u>\$ 5,004,861</u>	<u>\$ 4,896,721</u>	<u>\$ (108,140)</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, 2005

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		(Under)
<u>Revenues</u>				
Sales Tax	\$ 3,480,000	\$ 3,576,000	\$ 3,628,874	\$ 52,874
Non-City Revenue	700,000	570,000	508,201	(61,799)
Interest Income	2,000	2,000	3,336	1,336
Total Revenues	4,182,000	4,148,000	4,140,411	(7,589)
<u>Expenditures</u>				
Computer Equipment and Software	300,000	416,000	417,611	(1,611)
Street Projects	220,000	220,000	171,162	48,838
Drainage Projects	50,000	72,000	71,834	166
Furniture and Fixtures	40,000	62,000	62,313	(313)
Vehicles	650,000	205,000	204,260	740
Machinery and Equipment	400,000	935,000	935,853	(853)
Consultants	85,000	134,500	129,269	5,231
Engineering	200,000	195,000	195,894	(894)
Construction/Buildings/Facilities	200,000	560,000	559,276	724
Water Projects	100,000	1,500	3,268	(1,768)
Sewer Projects	100,000	8,000	7,346	654
Treatment Plant Projects	800,000	28,000	-	28,000
Land Purchases	-	5,700	5,721	(21)
Maintenance	98,000	262,000	273,085	(11,085)
Total Expenditures	3,243,000	3,104,700	3,036,892	67,808
<u>Deficiency of Revenues Over Expenditures</u>				
	939,000	1,043,300	1,103,519	60,219
<u>Other Financing Sources and (Uses)</u>				
Transfers In	-	-	5,812	5,812
Transfers Out	(1,385,000)	(970,000)	(1,032,491)	(62,491)
Total Other Financing Sources and Uses	(1,385,000)	(970,000)	(1,026,679)	(56,679)
<u>Net Change in Fund Balance</u>	(446,000)	73,300	76,840	3,540
<u>Fund Balance at Beginning of Year</u>	556,180	467,180	467,180	-
<u>FUND BALANCE AT END OF YEAR</u>	\$ 110,180	\$ 540,480	\$ 544,020	\$ 3,540

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, 2005

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, 2005

	<u>Street Maintenance Fund</u>	<u>West Ouachita Senior Center Fund</u>	<u>Emergency Shelter Program Fund</u>	<u>Officer Witness Court Fund</u>
<u>ASSETS</u>				
Cash in Bank	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due From Other Governments	-	57,690	-	1,050
Due From Other Funds	106,831	-	7,668	15,206
<u>TOTAL ASSETS</u>	<u>\$ 106,831</u>	<u>\$ 57,690</u>	<u>\$ 7,668</u>	<u>\$ 16,256</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 3,236	\$ -	\$ -
Due To Other Funds	-	54,454	-	-
Total Liabilities	-	57,690	-	-
<u>FUND BALANCES</u>				
Unreserved	106,831	-	7,668	16,256
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 106,831</u>	<u>\$ 57,690</u>	<u>\$ 7,668</u>	<u>\$ 16,256</u>

<u>Rental Rehabilitation Fund</u>	<u>Metro LCLE Grant Fund</u>	<u>Juvenile Justice Grant Fund</u>	<u>North Delta Law Enforcement Training Center Fund</u>	<u>Office of Motor Vehicles</u>	
\$ 6,904	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	
-	19,158	1,728	-	4,776	C
-	19,814	-	37,965	81,562	O
<u>\$ 6,904</u>	<u>\$ 38,972</u>	<u>\$ 1,728</u>	<u>\$ 37,965</u>	<u>\$ 86,338</u>	N
					T
\$ -	\$ 36,358	\$ -	\$ 259	\$ -	I
-	-	1,780	-	-	
-	36,358	1,780	259	-	N
					U
<u>6,904</u>	<u>2,614</u>	<u>(52)</u>	<u>37,706</u>	<u>86,338</u>	E
<u>\$ 6,904</u>	<u>\$ 38,972</u>	<u>\$ 1,728</u>	<u>\$ 37,965</u>	<u>\$ 86,338</u>	D

CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2005

	Section 8 Housing Fund	Brownfields Pilot Grant	LA Commission on Law Enforcement Block Grant	Americorps Grant Fund
<u>ASSETS</u>				
Cash in Bank	\$ 81,350	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due From Other Governments	-	15,250	-	4,309
Due From Other Funds	-	-	-	9,139
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL ASSETS</u>	<u>\$ 81,350</u>	<u>\$ 15,250</u>	<u>\$ -</u>	<u>\$ 13,448</u>
 <u>LIABILITIES</u>				
Accounts Payable	\$ 10,686	\$ -	\$ -	\$ -
Due To Other Funds	126,100	21,200	-	-
Total Liabilities	<u>136,786</u>	<u>21,200</u>	<u>-</u>	<u>-</u>
 <u>FUND BALANCES</u>				
Unreserved	<u>(55,436)</u>	<u>(5,950)</u>	<u>-</u>	<u>13,448</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 81,350</u>	<u>\$ 15,250</u>	<u>\$ -</u>	<u>\$ 13,448</u>

Childrens' Trust Fund	Litter Abatement Grant	Community Center Donations Fund	Credit Union Fund	Workforce Investment Board Grant	
\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	
3,572	-	-	-	-	C
-	-	32,106	-	1,972	O
<u>\$ 3,572</u>	<u>\$ -</u>	<u>\$ 32,106</u>	<u>\$ -</u>	<u>\$ 1,972</u>	N
\$ 65	\$ -	\$ 55	\$ -	\$ -	T
3,507	-	-	-	-	I
<u>3,572</u>	-	55	-	-	N
-	-	32,051	-	1,972	U
<u>\$ 3,572</u>	<u>\$ -</u>	<u>\$ 32,106</u>	<u>\$ -</u>	<u>\$ 1,972</u>	E
					D

CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2005

	<u>Mid-South IDA Initiative Grant</u>	<u>Fire Act Grant</u>	<u>Boys and Girls Club Grant</u>
<u>ASSETS</u>			
Cash in Bank	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-
Due From Other Governments	-	-	-
Due From Other Funds	<u>3,228</u>	<u>-</u>	<u>3,524</u>
<u>TOTAL ASSETS</u>	<u>\$ 3,228</u>	<u>\$ -</u>	<u>\$ 3,524</u>
 <u>LIABILITIES</u>			
Accounts Payable	\$ -	\$ -	\$ -
Due To Other Funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	-	-	-
 <u>FUND BALANCES</u>			
Unreserved	<u>3,228</u>	<u>-</u>	<u>3,524</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 3,228</u>	<u>\$ -</u>	<u>\$ 3,524</u>

<u>Keep West Monroe Beautiful Grant</u>	<u>21st Century Ouachita Parish School Board Grant</u>	<u>21st Century Department of Education Grant</u>	<u>Bulletproof Vest Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 88,254
-	-	-	-	-
6,115	-	74,050	-	187,698
-	-	-	-	319,015
<u>\$ 6,115</u>	<u>\$ -</u>	<u>\$ 74,050</u>	<u>\$ -</u>	<u>\$ 594,967</u>
\$ -	\$ -	\$ 11,806	\$ -	\$ 62,465
6,641	-	63,977	-	277,659
<u>6,641</u>	<u>-</u>	<u>75,783</u>	<u>-</u>	<u>340,124</u>
(526)	-	(1,733)	-	254,843
<u>\$ 6,115</u>	<u>\$ -</u>	<u>\$ 74,050</u>	<u>\$ -</u>	<u>\$ 594,967</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, 2005

	<u>Street Maintenance Fund</u>	<u>West Ouachita Senior Center Fund</u>	<u>Emergency Shelter Program Fund</u>	<u>Officer Witness Court Fund</u>
<u>Revenues</u>				
Taxes	\$ 162,910	\$ -	\$ -	\$ -
Intergovernmental	-	324,528	-	-
Interest	-	17	-	-
Other	-	147,472	16,758	53,504
Total Revenues	<u>162,910</u>	<u>472,017</u>	<u>16,758</u>	<u>53,504</u>
<u>Expenditures</u>				
Public Safety	-	-	-	33,824
Public Works	111,260	-	-	-
Health and Welfare	-	622,586	18,858	-
Culture and Recreation	-	-	-	-
Capital Expenditures & Major Repairs	-	-	-	-
Total Expenditures	<u>111,260</u>	<u>622,586</u>	<u>18,858</u>	<u>33,824</u>
<u>Excess (Deficiency) of</u>				
Revenues Over Expenditures	51,650	(150,569)	(2,100)	19,680
<u>Other Financing Sources</u>				
Operating Transfers - In (Out)	-	150,569	-	-
Total Other Financing Sources	<u>-</u>	<u>150,569</u>	<u>-</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	51,650	-	(2,100)	19,680
<u>Fund Balances - Beginning</u>	<u>55,181</u>	<u>-</u>	<u>9,768</u>	<u>(3,424)</u>
<u>FUND BALANCES - ENDING</u>	<u>\$ 106,831</u>	<u>\$ -</u>	<u>\$ 7,668</u>	<u>\$ 16,256</u>

Rental Rehabilitation Fund	Metro LCLE Grant Fund	Juvenile Justice Grant Fund	North Delta Law Enforcement Training Center Fund	Office of Motor Vehicles
\$ -	\$ -	\$ -	\$ -	\$ -
-	282,172	11,080	-	56,179
-	-	-	-	-
-	-	-	56,705	-
-	282,172	11,080	56,705	56,179
-	282,172	15,096	85,945	42,267
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	282,172	15,096	85,945	42,267
-	-	(4,016)	(29,240)	13,912
-	-	4,016	-	-
-	-	4,016	-	-
-	-	-	(29,240)	13,912
6,904	2,614	(52)	66,946	72,426
\$ 6,904	\$ 2,614	\$ (52)	\$ 37,706	\$ 86,338

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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, 2005

	Section 8 Housing Fund	Brownfields Pilot Grant	LA Commission on Law Enforcement Block Grant	Americorps Grant Fund
<u>Revenues</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,005,309	41,608	-	94,560
Interest	5,190	-	-	-
Other	2,781	-	-	-
Total Revenues	2,013,280	41,608	-	94,560
<u>Expenditures</u>				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health and Welfare	2,006,211	-	-	-
Culture and Recreation	-	47,158	-	101,009
Capital Expenditures & Major Repairs	-	-	-	-
Total Expenditures	2,006,211	47,158	-	101,009
<u>Excess (Deficiency) of</u>				
Revenues Over Expenditures	7,069	(5,550)	-	(6,449)
<u>Other Financing Sources (Uses)</u>				
Operating Transfers - In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
<u>Net Change in Fund Balance</u>	7,069	(5,550)	-	(6,449)
<u>Fund Balances - Beginning</u>	(62,505)	(400)	-	19,897
<u>FUND BALANCES - ENDING</u>	\$ (55,436)	\$ (5,950)	\$ -	\$ 13,448

Childrens' Trust Fund	Litter Abatement Grant	Community Center Donations Fund	Credit Union Fund	Workforce Investment Board Grant	
\$ -	\$ -	\$ -	\$ -	\$ -	
14,325	-	-	-	-	
-	-	-	-	-	
-	-	15,118	31,033	-	
<u>14,325</u>	<u>-</u>	<u>15,118</u>	<u>31,033</u>	<u>-</u>	
-	-	-	-	-	C
-	-	-	-	-	O
-	-	-	-	-	
15,616	16,956	13,951	31,033	-	N
-	-	-	-	-	T
<u>15,616</u>	<u>16,956</u>	<u>13,951</u>	<u>31,033</u>	<u>-</u>	I
(1,291)	(16,956)	1,167	-	-	N
-	43,435	-	-	-	U
<u>-</u>	<u>43,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	E
(1,291)	26,479	1,167	-	-	D
<u>1,291</u>	<u>(26,479)</u>	<u>30,884</u>	<u>-</u>	<u>1,972</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,051</u>	<u>\$ -</u>	<u>\$ 1,972</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, 2005

	<u>Mid-South IDA Initiative Grant</u>	<u>Fire Act Grant</u>	<u>Boys and Girls Club Grant</u>
<u>Revenues</u>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	-	-	-
Other	-	-	3,086
Total Revenues	<u>-</u>	<u>-</u>	<u>3,086</u>
<u>Expenditures</u>			
Public Safety	-	-	-
Public Works	-	-	-
Health and Welfare	-	-	-
Culture and Recreation	-	-	11,164
Capital Expenditures & Major Repairs	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>11,164</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	-	-	(8,078)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In (Out)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	-	-	(8,078)
<u>Fund Balances - Beginning</u>	<u>3,228</u>	<u>-</u>	<u>11,602</u>
<u>FUND BALANCES - ENDING</u>	<u>\$ 3,228</u>	<u>\$ -</u>	<u>\$ 3,524</u>

<u>Keep West Monroe Beautiful Grant</u>	<u>21st Century Ouachita Parish School Board Grant</u>	<u>21st Century Department of Education Grant</u>	<u>Bulletproof Vest Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 162,910
7,795	15,399	120,049	-	2,973,004
-	-	-	-	5,207
-	-	-	-	326,457
<u>7,795</u>	<u>15,399</u>	<u>120,049</u>	<u>-</u>	<u>3,467,578</u>
-	-	-	-	459,304
-	-	-	-	111,260
-	-	-	-	2,647,655
8,321	16,679	121,782	-	383,669
-	-	-	-	-
<u>8,321</u>	<u>16,679</u>	<u>121,782</u>	<u>-</u>	<u>3,601,888</u>
(526)	(1,280)	(1,733)	-	(134,310)
-	(3,486)	-	(5,812)	188,722
<u>-</u>	<u>(3,486)</u>	<u>-</u>	<u>(5,812)</u>	<u>188,722</u>
(526)	(4,766)	(1,733)	(5,812)	54,412
-	4,766	-	5,812	200,431
<u>\$ (526)</u>	<u>\$ -</u>	<u>\$ (1,733)</u>	<u>\$ -</u>	<u>\$ 254,843</u>

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

	June 30,	
	2005	2004
<u>Assets</u>		
Due From Other Governments:		
Department of Transportation	\$ 23,122	\$ 19,383
Office of Family Support	27,107	39,493
Ouachita Council on Aging	7,461	8,021
<u>Total Assets</u>	\$ 57,690	\$ 66,897
<u>Liabilities and Fund Balance</u>		
<u>Liabilities</u>		
Accounts Payable	\$ 3,236	\$ 12,115
Due To Other Funds	54,454	54,782
Total Liabilities	57,690	66,897
<u>Fund Balance</u>		
Unreserved	-	-
<u>Total Liabilities and Fund Balance</u>	\$ 57,690	\$ 66,897

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,	
	2005	2004
<u>Revenues</u>		
Department of Transportation	\$ 76,125	\$ 59,565
Ouachita Council on Aging		
Senior Center Funds	41,868	39,069
Supplemental Senior Center Funds	41,985	11,985
JARC	160,718	200,688
United Way	110,407	114,056
Transportation Fees	3,739	14,789
Miscellaneous Revenues (Ceramics, Greenhouse, etc.)	37,158	51,605
Interest	17	56
Total Revenues	472,017	491,813
<u>Expenditures</u>		
Salaries and Related Expenditures	456,148	424,942
Professional Services	115	2,657
Repairs and Maintenance	7,630	9,108
Communications	5,712	3,271
Postage	5,047	7,901
Newsletter	2,951	4,960
Advertising	3,282	2,582
Travel	438	906
Supplies	48,727	56,947
Utilities	79,297	59,546
Contracted Services - JARC	10,151	33,800
Miscellaneous	3,088	411
Total Expenditures	622,586	607,031
<u>Deficiency of Revenues Over Expenditures</u>	(150,569)	(115,218)
<u>Other Financing Sources</u>		
Transfers In From City General Fund	150,569	115,218
<u>Net Change in Fund Balance</u>	-	-
<u>Fund Balance - Beginning</u>	-	-
<u>FUND BALANCE - ENDING</u>	\$ -	\$ -

CITY OF WEST MONROE, LOUISIANA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2005

	<u>Firemen's Pension Merger Fund</u>	<u>Capital Projects Debt Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
<u>ASSETS</u>			
Cash in Bank	\$ 16,909	\$ -	\$ 16,909
<u>LIABILITIES</u>			
Due To Other Funds	\$ -	\$ 36,950	\$ 36,950
<u>FUND BALANCES</u>			
Reserved For Debt Service	<u>16,909</u>	<u>(36,950)</u>	<u>(20,041)</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 16,909</u>	<u>\$ -</u>	<u>\$ 16,909</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Firemen's Pension Merger Fund</u>	<u>Capital Projects Debt Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
<u>Revenues</u>			
Taxes	\$ 84,000	\$ -	\$ 84,000
<u>Expenditures</u>			
Principal Retirement	81,402	705,000	786,402
Interest	89,938	283,966	373,904
Total Expenditures	<u>171,340</u>	<u>988,966</u>	<u>1,160,306</u>
<u>Excess ((Deficiency) of Revenues Over Expenditures</u>	(87,340)	(988,966)	(1,076,306)
<u>Other Financing Sources</u>			
Operating Transfers - In	<u>-</u>	<u>600,000</u>	<u>600,000</u>
<u>Net Change in Fund Balance</u>	(87,340)	(388,966)	(476,306)
<u>Fund Balance - Beginning</u>	<u>104,249</u>	<u>352,016</u>	<u>456,265</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 16,909</u>	<u>\$ (36,950)</u>	<u>\$ (20,041)</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2005

	Detention Basin Grant Project	CDBG - Bancroft Bag Project	CDBG - Pine Valley Foods Project
<u>ASSETS</u>			
Cash in Bank	\$ -	\$ -	\$ 3
Due From Other Governments	-	-	-
Due From Other Funds	-	2,672	-
	\$ -	\$ 2,672	\$ 3
<u>TOTAL ASSETS</u>	\$ -	\$ 2,672	\$ 3
 <u>LIABILITIES</u>			
Accounts Payable	\$ -	\$ -	\$ -
Due To Other Funds	326,931	-	-
Total Liabilities	326,931	-	-
 <u>FUND BALANCES (DEFICITS)</u>			
Unreserved:			
Designated for Future Expenditures	(326,931)	2,672	3
<u>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</u>	\$ -	\$ 2,672	\$ 3

<u>CDBG - Send Technologies Project</u>	<u>CDBG - Street Paving Project</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ 6	\$ 42,183	\$ 42,192
-	-	-
<u>-</u>	<u>-</u>	<u>2,672</u>
<u>\$ 6</u>	<u>\$ 42,183</u>	<u>\$ 44,864</u>
\$ -	\$ -	\$ -
-	42,183	369,114
<u>-</u>	<u>42,183</u>	<u>369,114</u>
<u>6</u>	<u>-</u>	<u>(324,250)</u>
<u>\$ 6</u>	<u>\$ 42,183</u>	<u>\$ 44,864</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Detention Basin Grant Project</u>	<u>CDBG - Bancroft Bag Project</u>	<u>CDBG - Pine Valley Foods Project</u>
<u>Revenues</u>			
Intergovernmental	\$ -	\$ -	\$ 282,135
Other	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>282,135</u>
<u>Expenditures</u>			
Capital Projects	<u>3,862</u>	<u>51</u>	<u>339,620</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	(3,862)	(51)	(57,485)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In	-	-	57,488
Operating Transfers - Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>57,488</u>
<u>Net Change in Fund Balance</u>	(3,862)	(51)	3
<u>Fund Balances - Beginning</u>	<u>(323,069)</u>	<u>2,723</u>	<u>-</u>
<u>FUND BALANCES - ENDING</u>	<u>\$ (326,931)</u>	<u>\$ 2,672</u>	<u>\$ 3</u>

CDBG - Send Technologies Project	CDBG - Street Paving Project	Total Nonmajor Capital Project Funds
\$ 209,135	\$ 151,965	\$ 643,235
-	-	-
<u>209,135</u>	<u>151,965</u>	<u>643,235</u>
 269,132	 151,965	 764,630
 (59,997)	 -	 (121,395)
 60,003	 -	 117,491
-	-	-
<u>60,003</u>	<u>-</u>	<u>117,491</u>
 6	 -	 (3,904)
-	-	(320,346)
<u>\$ 6</u>	<u>\$ -</u>	<u>\$ (324,250)</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR FIDUCIARY FUNDS - EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2005

	<u>Employees'</u> <u>Workmen's</u> <u>Compensation</u> <u>Reserve Fund</u>	<u>General</u> <u>Insurance</u> <u>Fund</u>	<u>Hasley</u> <u>Cemetery</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Expendable Trust</u> <u>Funds</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 348,002	\$ -	\$ -	\$ 348,002
Investments	129,515		259,029	388,544
Due From Other Funds	<u>122,489</u>	<u>-</u>	<u>278,142</u>	<u>400,631</u>
<u>TOTAL ASSETS</u>	<u>\$ 600,006</u>	<u>\$ -</u>	<u>\$ 537,171</u>	<u>\$ 1,137,177</u>
 <u>LIABILITIES</u>				
Due To Other Funds	\$ -	\$ -	\$ -	\$ -
 <u>FUND BALANCES</u>				
Reserved:				
Workmen's Compensation Claims	600,006	-	-	600,006
Cemetery Maintenance	-	-	537,171	537,171
Insurance Claims	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>600,006</u>	<u>-</u>	<u>537,171</u>	<u>1,137,177</u>
<u>TOTAL LIABILITIES AND</u> <u>FUND BALANCES</u>	<u>\$ 600,006</u>	<u>\$ -</u>	<u>\$ 537,171</u>	<u>\$ 1,137,177</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR FIDUCIARY FUNDS - EXPENDABLE TRUST FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Employees' Workmen's Compansation Reserve Fund</u>	<u>General Insurance Fund</u>	<u>Hasley Cemetery Fund</u>	<u>Total Nonmajor Expendable Trust Funds</u>
<u>Revenues</u>				
Sales Tax	\$ -	\$ 24,000	\$ -	\$ 24,000
Lot Sales	-	-	2,200	2,200
Insurance Proceeds	-	121,659	-	121,659
Interest	4,964	-	5,177	10,141
Total Revenues	4,964	145,659	7,377	158,000
<u>Expenditures</u>				
Hasley Cemetery	-	-	5,177	5,177
Claims Paid	-	341,488	-	341,488
Total Expenditures	-	341,488	5,177	346,665
<u>Excess (Deficiency) of Revenues Over Expenditures</u>				
	4,964	(195,829)	2,200	(188,665)
<u>Other Financing Sources (Uses)</u>				
Operating Transfers - In	-	378,017	-	378,017
<u>Net Change in Fund Balance</u>	4,964	182,188	2,200	189,352
<u>Fund Balance - Beginning</u>	595,042	(182,188)	534,971	947,825
<u>FUND BALANCE - ENDING</u>	\$ 600,006	\$ -	\$ 537,171	\$ 1,137,177

OTHER SUPPLEMENTAL INFORMATION

CITY OF WEST MONROE, LOUISIANA
ALL FUNDS
SCHEDULE OF ASSESSED VALUATION AND AD VALOREM
PROPERTY TAX LEVY FOR 2004

<u>Original Assessed Valuation</u>		\$ 99,474,987
<u>Tax Rate Per Thousand Dollars (Mills)</u>		8.53
<u>Gross Tax Levy</u>		\$ 848,522
Less: Adjustments		<u>(3,541)</u>
<u>Adjusted Gross Tax Levy</u>		<u>\$ 844,981</u>
 <u>Tax Collected</u>		
2004 Assessments		<u>\$ 849,821</u>
 <u>Allocation of Tax Collected</u>	<u>2004 Tax Rate Mills</u>	
General Fund	6.90	\$ 686,911
Street Maintenance	<u>1.63</u>	<u>162,910</u>
Total	<u>8.53</u>	<u>\$ 849,821</u>

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF REVENUES AND EXPENDITURES - CONVENTION CENTER
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Events</u>	<u>Concession</u>	<u>Catering</u>	<u>Total</u>
<u>Revenues</u>	\$ 82,342	\$ 3,275	\$ 323,380	\$ 408,997
<u>Cost of Operations</u>				
Operating Expenditures	7,413	-	194,658	202,071
Personnel	76,427	-	187,116	263,543
Total	<u>83,840</u>	<u>-</u>	<u>381,774</u>	<u>465,614</u>
<u>Gross Profit</u>	<u>\$ (1,498)</u>	<u>\$ 3,275</u>	<u>\$ (58,394)</u>	(56,617)
<u>Administrative Expenditures</u>				
Director's Salary				40,675
Operations Salaries				98,796
Vehicle Maintenance				535
Materials, Repairs & Supplies				10,934
Gas and Oil				1,497
Cell Phones and Pagers				2,299
Advertising				3,647
Office				49,152
Utilities				25,643
Total Administrative Expenditures				<u>233,178</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (289,795)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ (56,800)	\$ 183
40,675	-
104,500	5,704
600	65
12,200	1,266
1,400	(97)
2,000	(299)
2,000	(1,647)
36,100	(13,052)
<u>27,800</u>	<u>2,157</u>
<u>227,275</u>	<u>(5,903)</u>
<u>\$ (284,075)</u>	<u>\$ (5,720)</u>

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF REVENUES AND EXPENDITURES - IKE HAMILTON EXPO CENTER
FOR THE YEAR ENDED JUNE 30, 2005

	Equine Events	Concession	Stall Rentals & Shavings	Total
<u>Revenues</u>	\$ 224,476	\$ 64,586	\$ 67,267	\$ 356,329
<u>Cost of Operations</u>				
Operating Expenditures	85,578	42,618	25,562	153,758
Promotional	5,152	-	-	5,152
Personnel	72,347	20,671	21,819	114,837
Total	<u>163,077</u>	<u>63,289</u>	<u>47,381</u>	<u>273,747</u>
<u>Gross Profit</u>	<u>\$ 61,399</u>	<u>\$ 1,297</u>	<u>\$ 19,886</u>	82,582
<u>Administrative Expenditures</u>				
Director's Salary				63,456
Operations Salaries				146,943
Vehicle Maintenance				5,331
Materials, Repairs & Supplies				36,617
Gas and Oil				63
Office				24,998
Cell Phones and Pagers				1,975
Advertising				1,533
Other Miscellaneous Purchases				-
Utilities				292,555
Total Administrative Expenditures				<u>573,471</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (490,889)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 57,525	\$ 25,057
63,512	56
145,390	(1,553)
4,500	(831)
26,100	(10,517)
300	237
11,200	(13,798)
1,800	(175)
2,000	467
500	500
<u>318,000</u>	<u>25,445</u>
<u>573,302</u>	<u>(169)</u>
<u>\$ (515,777)</u>	<u>\$ 24,888</u>

OTHER SUPPLEMENTAL INFORMATION –
GRANT ACTIVITY

CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 333-1717

Fax (318) 333-5121

E-Mail: chhcpas@bellsouth.net

**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, 2005, which collectively comprise the City's basic primary government financial statements and have issued our report thereon dated October 7, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic primary government financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic primary government financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 05-1, 05-2, 05-3, 05-4, 05-5 and 05-6.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic primary government 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management of 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 to be distributed by the Legislative Auditor as a public document.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
October 7, 2005

CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (818) 823-1717

Fax (818) 822-5121

E-Mail: chhcpas@bellsouth.net

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

Honorable Mayor and Board of Aldermen of
West Monroe, Louisiana

Compliance

We have audited the compliance of the City of West Monroe, Louisiana (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The City's major federal programs are identified in the summary of auditors' 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 considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

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 to be distributed by the Legislative Auditor as a public document.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
October 7, 2005

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005

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. Six reportable conditions 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 reportable conditions 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 reportable conditions were disclosed during the audit of the major federal award programs are reported in the Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the City of West Monroe, Louisiana expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Sections 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs included the Department of Housing and Urban Development Voucher Program, CFDA No. 14.857 and Community Development Block Grants, CFDA No. 14.228.
8. The threshold for distinguishing between Types A and B programs was \$300,000.
9. The City of West Monroe, Louisiana does not qualify to be a low-risk auditee.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005 (continued)

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no findings relating to this category.

FINDINGS – FINANCIAL STATEMENT AUDIT

05-1 Central Grant Register

Condition:

The central grant register did not include all grants the City is or has been participating in during the year. In some instances, the grant activity was reported in the general ledger by netting the activity in a particular receivable or revenue account.

Criteria:

All grants the City and its departments participate in should be maintained in a centralized location so management can easily monitor them.

Effect:

By netting the activity in a receivable or revenue account, this makes the process of locating and identifying grant funds more difficult and time consuming.

Recommendation:

The central grant register should be updated with the details of the sources and terms of all grants for which the City has qualified. Each department should be responsible for notifying the accounting department of any grant applications, awards and activity. The accounting department should set up accounts in such a manner that the status of the grant can be readily determined

Response:

The central grant register will be updated in detail and all departments will notify the accounting department of all future grants immediately. As for setting up accounts to follow grant activity, the City will continue to monitor its departments activities for any grant transactions so it can be accounted for separately.

05-2 Salaries Expenditures per the General Ledger

Condition:

At the present time, the City is unable to reconcile salaries recorded on the general ledger with the quarterly and yearly payroll reports filed with federal and state agencies, i.e. 941 quarterly reports and W-2's.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005 (continued)

05-2 Salaries Expenditures per the General Ledger (continued)

Criteria:

The City should be able to reconcile its recorded salaries to payroll reports and payroll registers to insure that salaries are being recorded properly for departmental budgeting purposes. Also, payroll forms could be calculated incorrectly resulting in overpayments or underpayments in payroll tax liabilities.

Effect:

Because the City can't reconcile the recorded salaries to the related payroll reports, the validity and accuracy of payroll can't be substantiated.

Recommendation:

The City should begin reconciling these amounts, at least on a quarterly basis, because of the large volume of transactions in the payroll process.

Response:

Due to the size of the operations and the large number of salary expenditure accounts, it is very difficult to reconcile the salaries recorded on the general ledger with the related payroll tax liability reports. Also, many salaries are recoded as receivables from other agencies in that these expenditures are reimbursed by a grant or a similar method. The City relies on the payroll journals which are produced by the payroll software within our general ledger system.

05-3 Kiroli Park Revenue

Condition:

During our audit of the general fund revenues, it was noted that Kiroli Park entrance fees were significantly lower than they have been over the past several years. All other park revenue remained fairly constant from prior years. No explanation could be given for the decrease.

Criteria:

In order for the City to be able to properly account and budget for its revenue, any material variances should be investigated and properly corrected if possible. The department heads should monitor their respective budgets to actual expenditures on a monthly basis so that these discrepancies can be found and monitored.

Effect:

The above condition creates a problem in the budget process as well as determining if there is a revenue collection issue.

Recommendation:

It is recommended that the City study this issue and determine the cause of the decrease.

Response:

The City's department heads will monitor more closely any significant variances in its department's budgets. Also, the City will study the decline in entrance fee revenues.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005 (continued)

05-4 Internal Controls for Kiroli Park Entrance Fees

Condition:

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

Criteria:

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

Effect:

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

Recommendation:

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

Response:

The City will begin to look into ways to reduce the control risks at Kiroli Park and all other departments collecting cash.

05-5 Convention Center Accounts Receivable

Condition:

During our audit of accounts receivable, it was noted that during the three months following the close of the fiscal year, only 39% of accounts due to the Convention Center had been collected. This was mainly because the Convention Center's billing records are not tied into the City's general ledger. The Convention Center brings its billing information to the City's accounting department where it is entered into the general ledger. No follow up procedures are performed subsequent to that.

Criteria:

The City as well as the Convention Center should be collecting its overdue accounts more aggressively. The collections are always needed for the continued operations of the Convention Center.

Effect:

A delay in the revenue collection causes more losses to be generated that have to be subsequently covered by other City revenues.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005 (continued)

05-5 Convention Center Accounts Receivable (continued)

Recommendation:

The City should somehow include the Convention Center's billing information into its general ledger system in a more efficient manner. If this is not possible, then more efficient monitoring by the Convention Center on its overdue accounts must be improved.

Response:

The City will improve its collection procedures on all overdue amounts owed on a monthly basis.

05-6 Claims on Cash

Condition:

During the audit of the City's pooled cash account, which is its main operating account, it was noted that each of the City's funds' claim on that pooled cash is not being compared to the pooled cash reconciliation monthly although the pooled cash is being reconciled to the bank account monthly. The total of each funds' claim on cash did not agree exactly with what was on the bank reconciliation.

Criteria:

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

Effect:

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

Recommendation:

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

Response:

The person reconciling the bank accounts will also make sure the total funds agree with pooled cash.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass - Through Number</u>	<u>Expenditures</u>
Department of Housing & Urban Development			
Public and Indian Housing			
HAP - Vouchers	14.871	LA186VO	* \$ 1,998,241
Thru LA Division of Admn, Office of Comm Dev			
LCDBG - Pine Valley Foods	14.228	599800	282,135
LCDBG - Send Technologies	14.228	602279	209,135
LCDBG - Street Rehabilitation	14.228	599796	<u>151,965</u>
			* 643,235
Environmental Protection Agency			
Brownfields Pilot for Site Identification and Active Redevelopment			
	66.811	BP-986662-01-0	1,306
Brownfields Assessment & Cleanup Cooperative Agreements			
	66.818	BF-9764601-1	40,302
Department of Justice			
Bureau of Justice Assistance			
LA Commission on Law Enforc.	16.579	B04-2-001	178,741
LA Commission on Law Enforc.	16.579	B03-2-001	<u>32,887</u>
			211,628
Local Law Enforc. Block Grant			
	16.592	Z04-2-013	2,872
Office of Juvenile Justice and Delinquency Prevention			
Juvenile Justice Grant	16.540	J04-2-002E02	3,167
Juvenile Justice Grant	16.540	J03-2-002E02	<u>7,913</u>
			11,080
Federal Bureau of Investigation			
Safestreeets Violent Crime Initiative	None	106-113	28,447
Department of Transportation			
Federal Transit Administration			
Section 5311 - Operating Assistance	20.509	LA-18-X022	76,125
Section 5311 - Capital Assistance	20.509	736-99-1274	<u>52,128</u>
			128,253
Job Access - Reverse Commute			
	20.516	LA-37-X007	80,359

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass - Through Number</u>	<u>Expenditures</u>
Department of Transportation (continued)			
National Hwy Traffic Safety Admn. State & Community Hwy Safety	20.600	CFMS603070	8,947
Federal Emergency Management Agency			
EF&S National Board Program	97.024	36600-002	16,758
Assistance to Fire Fighters Grant	97.044	2005-62-0364RE	173,250
Hazard Mitigation Grant	97.039	None	22,500
Corporation for National and Community Service			
AmeriCorps	94.006	94ASCLA0192001	65,926
AmeriCorps	94.006	94ASCLA0192001	13,736
			<u>79,662</u>
Children's Trust Fund	93.590	CFMS600913	4,872
Children's Trust Fund	93.590	CFMS612325	9,453
			<u>14,325</u>
OFS/Child & Families TANF	93.558	CFMS603453	80,359
Office of Elementary & Secondary Education			
Department of Education			
Twenty-First Century Community Learning Centers	84.287	None	120,049
Executive Office of the President			
Office of National Drug Control Policy	None	HIDTA I5PGCP602Z	39,600
Office of National Drug Control Policy	None	HIDTA I4PGCP602Z	39,600
			<u>79,200</u>
			<u>\$ 3,740,773</u>

*Denotes Major Federal Assistance Program.

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF WEST MONROE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

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, 2005

Internal Control and Compliance Material to Federal Awards

04-1 Housing Quality Standards - Quality Control Reinspections

Condition:

In performing the audit on compliance for HUD on the Section 8 Housing department, it was noted that one of the units that had previously failed its Housing Quality Standards inspection and did not have a follow-up Quality Control Reinspection performed.

Recommendation:

The Section 8 department should make sure that all failed inspections are followed by quality control reinspections as HUD regulations dictate.

Current Status::

This was an unusual occurrence. It is the department's policy to follow up on all failed inspections. The Section 8 department will continue to reinspect all failed inspections as HUD requires. There were no similar findings in the June 30, 2005 audit.

Internal Control and Compliance Material to the Financial Statements

04-2 Fixed Assets

Condition:

During the audit it was noted that the accounting department had not recorded in the fixed asset detail all of the capital assets acquired or constructed during the year. Also, the accounting department could not provide a report of additions or deletions. All of the additions recorded during the year were found by examining the capital fund and capital project funds.

Recommendation:

The City should continually update the fixed assets records each time a capital asset is added or deleted and reconcile the records to the general ledger. Also, a report should be developed from the general ledger system that shows a complete listing of fixed assets as well as current year additions and deletions.

Current Status::

The City has updated the fixed asset records and continues to reconcile to the general ledger. Also the software manufacturer has been contacted to help with report generation of current year additions and deletions.

04-3 Centralized Purchasing

Condition:

At the present time, there is no centralized purchasing system at the City. All department heads are issued and are responsible for a procurement card that can be used to purchase items at any vendor that accepts credit cards. Also, others in the department can authorize purchases in the accounts payable system without approval of the department head. There is little monitoring of this system by the accounting department as to what is purchased by each department.

CITY OF WEST MONROE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005 (Continued)

04-3 Centralized Purchasing (continued)

Recommendation:

The City should consider centralizing the purchases under one department. This would maintain better controls over expenditures.

Current Status:

Due to the size of the operations and the limited number of permanent employees, a centralized purchasing system is not practical at this time. However, the monthly reports have continued to be reviewed as they are received. Also, the City's finance director continues to closely monitor each department's budget as a method of expenditure control. Each procurement card's limit has been significantly reduced to limit what each department purchases.

04-4 Program Funds

Condition:

The City's general ledger software provides for subsidiary ledger funds, or programs, to be created within a fund. This allows for many types of programs to be accounted for in one parent fund. During the audit, some programs were created within the Special Grants and Donations fund that already had their own fund set up in the general ledger.

Recommendation:

It is recommended that the City only create these programs when they are absolutely necessary. In some instances, some of this activity can be accounted for in the general fund, thereby eliminating the need to create a program or fund altogether.

Current Status:

Although the City has shown some improvement in this area, programs are still being created that could be accounted for in the general fund.

04-5 Marshal's Office Cash

Condition:

Cash is maintained at the City Marshal's office for making change when fines or other money is collected. A surprise cash count was performed on this cash at the end of one day and at the beginning of the next day. Both cash counts were out of balance each time it was counted by different amounts.

Recommendation:

The cash should be reconciled daily and any discrepancies be investigated immediately.

Response:

The cash box has been removed from the Marshal's office.