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CITY OF MONROE, LOUISIANA

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2001

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Release Date 4.7.04

CITY OF MINDEN, LOUISIANA
 Annual Financial Report
 As of and for the Year Ended September 30, 2005

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JAMIESON, WISE & MARTIN

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MEMBER OF THE CPAs
OFFICE OF MONROE, LA
DARTMOUTH COLLEGE, N.H.

MEMBER OF THE CPAs
OFFICE OF MONROE, LA
DARTMOUTH COLLEGE, N.H.

INDEPENDENT AUDITORS' REPORT

The Honorable Bill Robertson, Mayor,
and the Members of the Board of Aldermen
City of Minden, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Minden, Louisiana, as of and for the year ended September 30, 2001, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Minden, Louisiana's management. Our responsibility is to express an opinion 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. These 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minden, Louisiana, as of September 30, 2001, and the respective changes in financial position each flow, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the City has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis for State and Local Governments*, as of September 30, 2001.

The management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 26 through 29, are not a required part of the basic 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 supplementary information. However, we did not audit the information and express an opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Minden, Louisiana basic financial statements. The combining and individual nonmajor fund financial statements, and the accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audit of State, Local Governments, and Non-Profit Organizations, are presented for purposes of additional analysis and are not a required part of the basic 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 financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated February 23, 2004, on our consideration of the City of Minden, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Jauscion, Winc & Wankton

Minden, Louisiana
February 23, 2004

CITY OF MONROE, LOUISIANA

Management's Discussion and Analysis As of for the Year Ended September 30, 2005 (Unaudited)

Our discussion and analysis of the City of Monroe, Louisiana's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2005. Please read it in conjunction with the City's financial statements, which begin on page 12.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 12-13) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 14. For governmental activities, these statements tell how those services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 12. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all 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 statements report the City's net assets and changes in them. You can think of the City's net assets—the difference between assets and liabilities—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including the police, fire, public works, parks and recreation, sanitation and health, highway and streets, and general administration. Property taxes, sales taxes, franchise fees, and state and federal grants finance most of these activities.
- **Business-type activities** – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water, sewer, and electrical systems are reported here.

CITY OF MONROE, LOUISIANA

Management's Discussion and Analysis As of for the Year Ended September 30, 2010 (Unaudited)

Reporting the City's Most Significant Funds

Our analysis of the City's major funds begins on page 18. The fund financial statements begin on page 19 and provide detailed information about the most significant funds on the City as a whole. Some funds are required to be established by State law and by local ordinance. However, the City Council establishes many other funds to help it control and manage money for particular purposes (like the Capital Improvement – Street Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (sales taxes with restricted for specific use). The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

- **Governmental funds** – Most of the City's basic services are reported in governmental which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation following the fund financial statements.
- **Proprietary funds** – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – those services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities—such as the Employee Benefit Plan Fund.

The City as Trustee

The City is the trustee, or fiduciary, for the police bond fund. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets on page 23. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in this fund are used for its intended purpose.

CITY OF MINDEN, LOUISIANA

Management's Discussion and Analysis As of for the Year Ended September 30, 2003 (Unaudited)

THE CITY AS A WHOLE

For the year ended September 30, 2003, net assets changed as follows:

	Governmental Activities	Business-type Activities	Total
Beginning net assets	\$ 16,846,284	\$ 21,250,901	\$ 47,997,185
Increase in net assets	1,878,973	841,911	1,920,884
Ending net assets	\$ 18,725,257	\$ 22,092,812	\$ 40,818,069

That reflects a slight increase of 8.7 percent for governmental activities and 2.6 percent for business-type activities. It should be noted that \$418,111 of the total net asset increase is related to the settlement reached with the United States Department of Justice to forgive a portion of the liability to repay costs of cleanup conducted at the Minden Airport Tar Pits site.

Since this is the first year to report all activities on the accrual basis of accounting, a comparison to the prior year is not possible. However, in future years, this section will explain the differences between the current- and prior-year assets, liabilities, and changes in net assets.

Governmental Activities

Again, because this is the first year to report governmental activities on the accrual basis of accounting, a comparison to the prior year is not possible. However, in next year's discussion this section will show a condensed financial comparison of revenues and expenses and provide explanations for significant differences.

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

General government	Building permits, licenses/registrations, rental fees
Parks and recreation	Tournament revenues, concessions, program fees
Public safety	Fines, seizures, charges for services, COPS grants and various operating grants
Public works	Airport fuel sales, lounge rental fees

CITY OF HINDEN, LOUISIANA

Management's Discussion and Analysis As of for the Year Ended September 30, 2000 (Unaudited)

Sanitation and health Charges for garbage services, animal impoundment fees

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Business-type activities

Revenues for the City's business-type activities increased by 2.5% over last year's revenues. A large part of this increase was due to a 2% increase in electricity charges. With the exception of the electric department, expenses exceeded the revenues from charges in the other business-type activities. Within the sewer department, depreciation expenses accounts for 47% of the total expenses of the sewer department. Without the effect of depreciation, the sewer department as well as the electric department operates with a positive cash flow.

THE CITY'S FUNDS

With the implementation of two new accounting standards, an analysis of current- and prior-year governmental fund (in particular the general fund) balance sheets is difficult to do. In subsequent years, this section will discuss and analyze significant differences. However, some individual funds were not affected by these new accounting standards and a review of those funds follows.

Some funds have seen a decrease in fund balance due to various reasons. The following schedule presents a summary of changes in these two funds in relation to the prior year.

	Sales Tax Fund	Sales Tax- Sewerage
Fund balance - beginning	\$ 1,618,470	\$ 482,199
Decrease in fund balance	(812,841)	(233,324)
Fund balance - ending	\$ 805,629	\$ 248,875

The Sales Tax Fund reports a 38% decrease in fund balance partly due to an increase in transfers paid out of the Sales Tax Fund to the General Fund. The Sales Tax Fund - Sewerage System also reports a decrease in fund balance due to the excess of amounts transferred to other funds.

CITY OF MINDEN, LOUISIANA

Management's Discussion and Analysis
As of for the Year Ended September 30, 2003
(Unaudited)

The following schedule presents a summary of general, special revenue, capital projects, and debt service revenues and expenditures for the fiscal year ended September 30, 2003, and the amount or percentage of increases and decreases in relation to the prior year.

	FYE 9/30/03	Percent	Increase (decrease)	Percent Increase (decrease)
Revenues	Amount	of Total	from FYE 9/30/02	
Taxes	\$ 4,381,615	64 %	(94,488)	(2) %
Intergovernmental	482,840	7 %	(297,153)	(38) %
Charges for services	787,280	12 %	134	0 %
Licenses, permits, fees	870,823	13 %	158,815	22 %
Fines and forfeits	67,193	1 %	(20,377)	(30) %
Interest	115,184	2 %	(128,645)	(52) %
Miscellaneous	78,431	1 %	17,282	28 %
Total revenues	\$ 6,873,126	100 %	(164,252)	(3) %

Sales taxes experienced a 2% decrease this year. The intergovernmental revenues during fiscal year ended 9/30/02 included an airport grant of \$774,389. This fiscal year the airport grant was \$480,785, which accounts for the decline in this category. Licenses, permits and fees increased over last year due to additional revenue in the recreational department. In fye 9/30/02, recreational fees were \$17,764, and this fiscal year recreational fees was \$127,186, due to concession, tournament, and paid instructor revenues.

	FYE 9/30/03	Percent	Increase (decrease)	Percent Increase (decrease)
Expenditures	Amount	of Total	from FYE 9/30/02	
General government	\$ 1,839,410	21 %	194,066	23 %
Public safety	2,089,176	28 %	(188,183)	(7) %
Highway and streets	778,103	8 %	(2,482)	0 %
Sanitation and health	899,044	10 %	18,512	2 %
Parks and recreation	1,208,480	14 %	(1,099,494)	(92) %
Public works	498,839	6 %	(128,814)	(11) %
Capital outlay	403,183	5 %	(2,693,128)	(88) %
Debt service	552,738	10 %	(2,086,188)	(68) %
Total expenditures	\$ 9,056,543	100 %	(3,132,916)	(64) %

The increase in general government expenditures resulted from an 88% increase in the cost of insurance and a 32% increase in the cost of utilities. The police department which is one component of public safety program experienced an overall decrease in expenditures, even with a 37% increase in insurance costs. Salaries in the police department decreased 3% and capital expenditures decreased 73%. Last year's capital expenditure were related to police department renovations, which accounts for the decline in capital outlay.

CITY OF MINDEN, LOUISIANA

Management's Discussion and Analysis
As of the the Year Ended September 30, 2003
(Unaudited)

Although the total expenditures of the parks and recreation department decreased from last year, a large component of this net decrease was due to the construction costs of the new recreation center reported in the prior year. This department experienced large increases over prior year in the following areas: salaries increased 51%, insurance increased 71%, and recreation center supplies increased 42%, due to the increase in activities/events held during the current year.

Public works expenditures decreased due to the cost of improvements incurred at the airport over last year's improvement costs. As well, the prior year reported a large amount of expenditures for street improvements and construction of the recreation center which accounts for the decline in the capital outlay expenditures. Debt service decrease was due to the prior year reporting of a payoff of the Series 1993, Public Improvement Refunding Bonds.

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements but in more detail. Even after an operating transfer of over \$2,800,000 to the general fund, the proprietary fund reports a net increase of \$502,875 in its net assets. For the year ended September 30, 2003, the proprietary fund has been able to sustain its operations and also to transfer money to assist in the operations of the general fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of a year, the City Council revised the General Fund budget one time. This budget amendment was to recognize an increase in airport improvement costs. A corresponding increase in revenues was budgeted for the airport grant awarded to cover the costs of airport improvements.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of September 30, 2003, the City had \$28.1 million invested in capital assets including police and fire equipment, buildings, park facilities, water, sewer and electric lines. This amount represents a net increase of \$12.1 million, over last year.

	Governmental Activities		Business-type Activities		Totals	
	2003	2002	2003	2002	2003	2002
Land	\$ 799,887	799,887	187,618	187,618	987,505	987,505
Construction in progress	523,892	-	189,233	3,133,333	713,125	3,133,333
Building and improvements	11,895,070	1,099,579	3,894,434	3,771,007	15,889,504	4,870,586
Equipment	1,246,702	1,261,209	244,037	338,007	1,790,739	1,600,188
Infrastructure	1,629,204	422,877	17,436,511	11,621,150	18,065,715	11,046,137
Totals (net of depreciation)	\$ 14,028,355	3,483,352	21,352,113	20,050,505	41,704,626	31,092,613

CITY OF MINDEN, LOUISIANA

**Management's Discussion and Analysis
As of the Year Ended September 30, 2003
(Unaudited)**

This year's major additions included:

Recreation complex	\$ 1,090,188
Recreation complex sidewalks/upgrades & finishing	139,680
Airport runway/drainage improvements	562,794
Airport runway lighting system/beacon	117,826
Phase I - Sanitary Sewer Improvements	474,678
Phase II - Sanitary Sewer Improvements	1,894,160
East Street Substation	1,258,420
Steam Plant Addition	304,816
Sheppard Street Substation	\$41,600
115KV Transmission Commission	\$58,717
Elevated Water Tank Rehabilitation	153,408
	<u>\$ 10,126,113</u>

Debt

At year-end, the City had \$8.8 million in debt as compared to \$7.8 million last year. That is a decrease of 11% as shown in the following table.

	Governmental Activities		Business-type Activities		Totals	
	2003	2002	2003	2002	2003	2002
General obligation bonds						
Issued by town & City	\$ 2,470,000	\$ 2,084,000	-	-	2,470,000	\$ 2,084,000
Interest payable	27,312	42,804	-	-	27,312	42,804
Capital leases	30,354	2,347	13,140	6,411	43,494	11,650
Compensated absences	236,111	381,408	147,902	72,110	384,013	453,518
Other liabilities	889,436	1,177,302	-	-	889,436	1,177,302
Totals	\$ 3,653,213	3,647,861	161,042	78,521	\$ 3,814,255	3,826,660

The only new debt issued this year was a capital lease of \$39,486 used to purchase a new computer system. Other liabilities of the city includes a settlement \$650,000 owed to the United States Department of Justice. The settlement resulted in a forgiveness of \$476,111 in liability reported in the prior year. Compensated absences increased due to an amendment adopted in the sick leave policy, which resulted in a potential increase in the amount payable for accumulated sick leave for persons who retire. The potential liability increased approximately 187%. More detailed information about the City's long-term liabilities is presented in Note 12 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For the past two years, Minden's sales tax revenue has decreased. The sales tax is one of the major means by which we receive our funding. This has affected us, to a degree, in the area of our expenditures and investments. Also, the investment rates have been considerably lower in recent years. However, we have been able to maintain a good reserve and have not had to increase any of our utility rates.

CITY OF MINDEN, LOUISIANA

Management's Discussion and Analysis As of for the Year Ended September 30, 2003 (Unaudited)

We are presently reviewing both our water and sewer rates. These rates are very low and we are currently in a less than break-even situation. The planning for next year's budget will be based on the same utility rates with a small increase in sales tax collections, with other funds remaining fairly level.

We plan to aggressively budget for our infrastructure: streets, water and sewer, while trying to stay in an overall break-even cash flow situation.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to share the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City Clerk's office at 120 Broadway, Minden, Louisiana.

BASIC FINANCIAL STATEMENTS

CITY OF MINOR, LOUISIANA
Statement of Net Assets
September 30, 2007

ASSETS	Primary Classification		2006
	Governmental Activities	Business Type Activities	
Current assets:			
Cash and cash equivalents	\$ 5,970,176	\$ 5,288,654	\$ 12,418,834
Investments	1,491,698	2,884,811	3,805,253
Respiration (net of allowances for uncollectibles)	1,465,000	2,148,143	3,313,693
Interest balances	18,004	(18,004)	-
Due from other funds	-	38,650	38,651
Due from other governments	57,382	-	57,382
Inventory	16,983	282,790	379,688
Prepaid items	49,834	38,578	98,440
Noncurrent assets:			
Restricted assets	-	788,188	788,260
Capital assets (net)	16,028,891	23,111,223	39,120,114
Total assets	\$ 24,716,731	\$ 34,877,682	\$ 59,594,154
LIABILITIES			
Current liabilities:			
Accounts, salaries, and other payable	\$ 158,577	\$ 816,167	\$ 1,389,144
Due to other funds	38,618	-	38,615
Due to other governments	418,782	-	418,782
Bonds payable	782,118	-	782,118
Total current liabilities	\$ 1,398,095	\$ 816,167	\$ 2,628,659
Noncurrent liabilities:			
Payable from restricted assets	-	488,703	488,700
Obligations under capital lease	21,178	19,287	31,191
Compromised advances payable	73,715	77,233	130,888
Other liabilities	884,438	-	564,458
Bonds and interest payable	8,741,008	-	8,741,008
Total noncurrent liabilities	\$ 9,720,339	\$ 585,223	\$ 10,305,269
Total liabilities	\$ 11,118,434	\$ 1,401,390	\$ 12,923,928
NET ASSETS			
Invested in capital assets, net of related debt	\$ 16,491,879	\$ 23,122,231	\$ 39,614,110
Restricted for:			
Capital projects	73,289	-	73,289
Other purposes	189,831	271,668	467,318
Unrestricted	8,865,811	10,084,822	18,751,799
Total net assets	\$ 17,519,810	\$ 23,478,721	\$ 48,847,216

The accompanying notes are an integral part of this statement.

CITY OF MADISON, WISCONSIN
 Statement of activities
 For the Year Ended September 30, 1981

	Expenses		Program Expenses		For Disposals & Depletion	For Disposals & Depletion	For (Disposals) Reversions and Unappropriated Excesses/Contributions	
	Change in Reserves	Operating Contributions	Capital/Grants & Contributions	Reversions			Reversions	Other
Governmental activities								
General government	\$ 1,000,241	\$ 84,708	\$ 3,879	-	\$ (1,087,848)	-	\$ -	\$ (1,087,848)
Public safety	1,036,710	83,802	8,506	-	1,129,018	-	-	1,129,018
Engineering/other services	860,241	-	-	-	860,241	-	-	860,241
Sanitation and health	500,254	511,075	-	-	1,011,329	-	-	1,011,329
Public and recreational facilities	1,190,256	111,228	8,506	-	1,310,090	-	-	1,310,090
Public works	100,256	31,881	-	887,911	1,019,048	-	-	1,019,048
Income tax (long term debt)	24,272	-	-	-	24,272	-	-	24,272
Total governmental activities	3,636,226	1,418,094	12,691	-	5,066,911	-	-	5,066,911
Business-type activities								
Water	1,000,748	84,842	-	-	1,085,590	-	844,465	1,930,055
Sewer	881,446	97,000	-	-	978,446	-	1,000,000	1,978,446
Electricity	1,702,254	36,818,814	-	-	1,739,068	-	1,600,000	3,339,068
Other	344,858	-	-	-	344,858	-	-	344,858
Total business-type activities	3,933,296	36,941,656	-	-	4,274,912	-	2,444,465	6,719,377
Total primary government	\$ 7,569,522	\$ 15,359,750	\$ 12,691	\$ 12,691	\$ 9,341,823	\$ -	\$ 2,444,465	\$ 11,786,288
Deposits/Reversions								
Property taxes levied for general purposes	560,111	-	-	-	560,111	-	-	560,111
Property taxes levied for business district	20,075	-	-	-	20,075	-	-	20,075
Property taxes levied for debt service	50,114	-	-	-	50,114	-	-	50,114
State grants	3,268,271	-	-	-	3,268,271	-	-	3,268,271
Federal grants	290,076	-	-	44,118	334,194	-	-	334,194
Intergovernmental transfers	384,485	-	-	-	384,485	-	-	384,485
Reversions and contributions not allocated to specific programs	40,000	-	-	-	40,000	-	-	40,000
Revenue sharing	144,000	-	-	-	144,000	-	-	144,000
State (funds) grants of capital assets	3,000	-	-	-	3,000	-	-	3,000
Other special interest	1,000	-	-	-	1,000	-	-	1,000
Special items - Reversions of GASB	144,000	-	-	-	144,000	-	-	144,000
Reversions	1,000,000	-	-	-	1,000,000	-	-	1,000,000
Total deposits/reversions and benefits	6,014,211	-	-	-	6,014,211	-	-	6,014,211
Change in net assets	1,072,004	-	-	-	1,072,004	2,444,465	-	3,516,469
For assets beginning the year/ending	1,072,004	-	-	-	1,072,004	84,000	-	1,156,004
For assets ending the year/ending	2,144,008	-	-	-	2,144,008	2,444,465	-	4,588,473

The accompanying notes are an integral part of this statement.

CITY OF MEMPHIS, TENNESSEE

Business Short
Governmental Funds
September 30, 2011

ASSETS

Cash and cash equivalents	Accounts receivable	Prepaid expenses	Due from other governments	Inventory	Total assets	State Tax- Savings		Economic Development		Capital Improvements		Other Governmental		Total	
						Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund		
\$ 2,298,506	\$ 1,038,873	\$ 3,235	-	-	\$ 3,340,614	\$ 3,235	-	\$ 914,911	-	\$ 914,911	\$ 973,118	-	\$ 973,118	\$ 5,790,853	\$ 1,499,999
-	1,499,999	-	-	-	1,499,999	-	-	-	-	-	-	-	-	-	-
4,119	146,807	18,433	995,261	-	1,164,620	146,807	995,261	-	-	-	1,711	-	1,711	1,482,056	39,389
84,889	-	-	-	-	84,889	-	-	-	-	-	-	-	-	-	18,583
34,541	-	-	-	-	34,541	-	-	-	-	-	-	-	-	-	-
\$ 2,362,055	\$ 2,105,680	\$ 171,671	\$ 995,261	-	\$ 5,634,667	\$ 3,235	\$ 995,261	\$ 914,911	\$ 914,911	\$ 973,118	\$ 973,118	\$ 973,118	\$ 973,118	\$ 6,488,021	\$ 1,488,921

LIABILITIES AND FUND BALANCES

Accounts, salaries, and other payable	Due to other funds	Due to other governments	Total liabilities	Total fund balances	Total
\$ 799,308	\$ 4,509	-	\$ 803,817	\$ 343,329	\$ 1,147,146
30,411	-	-	30,411	-	30,411
658,000	-	285,762	943,762	-	943,762
1,487,719	4,509	285,762	1,778,000	343,329	2,121,329

Fund balances:

Assigned for	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000
Capital projects	-	-	-	-	886,518	886,518
Debt service	-	-	-	-	9,093	9,093
Drug law enforcement	-	-	-	-	-	-
Emergency, reserved for	-	-	-	-	-	-
General fund	1,487,021	3,997,429	175,873	413,419	2,083,742	1,483,209
Special projects funds	-	-	-	-	9,098	9,098
Capital projects funds	-	-	-	-	203,349	203,349
Total fund balances	1,487,021	3,997,429	175,873	413,419	2,083,742	1,483,209
\$ 2,362,055	\$ 2,105,680	\$ 171,671	\$ 995,261	\$ 914,911	\$ 5,634,667	\$ 5,634,667

Total liabilities and fund balances

The accompanying notes are an integral part of this statement.

CITY OF MONROE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Assets

September 30, 2003

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$	6,691,460	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		16,818,391	
Other assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds		110,611	
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds:			
Accrued interest payable	\$	38,982	
Compensated absences		71,718	
Bonds, notes, and loans payable		1,471,860	
Capital lease obligation		<u>36,318</u>	(1,651,581)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities			<u>(79,889)</u>
Net Assets of Governmental Activities (Statement A)			<u>\$ 12,118,072</u>

The accompanying notes are an integral part of this statement.

CITY OF MONROE, LOUISIANA

Statement of Revenues, Expenditures and
and Changes in Fund Balances
Governmental Funds

For the Year Ended September 30, 2000

	General Fund	Sales Tax Fund	Sales Tax - Sewerage Fund
REVENUES			
Taxes:			
All returns	\$ 507,126	\$ -	\$ -
Sales and use	-	1,000,809	1,000,814
Licenses and permits	598,181	-	-
Fees and rentals	498,854	-	-
Charges for services	767,120	-	-
Intergovernmental revenues:			
Federal grants	381,951	-	-
State/Funds	89,587	-	-
Other	11,258	-	-
Fines and forfeitures	67,790	-	-
Investment earnings	29,620	61,368	11,721
Other investment	38,188	-	-
Total revenues	<u>3,086,595</u>	<u>1,062,177</u>	<u>1,012,535</u>
EXPENDITURES			
General government	1,668,000	155,568	26,150
Public safety	2,283,681	-	-
Highways and streets	729,400	-	-
Sanitation and health	899,084	-	-
Parks and recreation	1,249,480	-	-
Public works	468,859	-	-
Capital outlay	-	15,177	-
Debt service	-	-	-
Total expenditures	<u>7,248,404</u>	<u>170,745</u>	<u>26,150</u>
Excess (deficiency) of revenues over (under) expenditures	(4,161,809)	1,431,432	1,006,409
OTHER FINANCING SOURCES (USES)			
Transfers in	5,046,811	-	-
Transfers out	(973,244)	(2,797,289)	(2,124,711)
Capital lease	31,882	32,882	-
Total other financing sources and uses	<u>4,805,449</u>	<u>(2,764,407)</u>	<u>(2,124,711)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	137,510	(932,973)	(208,302)
Special items - (Payments of liability to for National Pollution Funds Center	<u>508,711</u>	<u>-</u>	<u>-</u>
Net change in fund balances	646,221	(932,973)	(208,302)
Fund balances - beginning	<u>1,783,400</u>	<u>1,878,478</u>	<u>401,120</u>
Fund balances - ending	<u>\$ 2,429,621</u>	<u>\$ 945,505</u>	<u>\$ 192,818</u>

The accompanying notes are an integral part of this statement.

WLCDBG Resource Development Fund	Capital Improvement Fund	Other Environmental Funds	Total Environmental Funds
\$ -	\$ -	\$ 61,800	\$ 440,900
-	-	-	1,244,671
-	-	-	190,818
-	-	-	489,884
-	-	-	767,383
-	-	8,670	392,664
-	-	-	89,587
-	-	-	31,230
-	-	18,004	71,817
-	1,147	10,438	131,144
-	-	31,487	30,600
-	1,147	144,811	4,671,206
-	10	41,477	1,871,000
-	-	71,118	1,800,878
-	-	-	719,000
-	-	-	800,044
-	-	-	1,250,488
-	-	-	498,888
-	199,871	5,509	620,811
-	-	892,704	892,704
-	399,000	1,807,888	8,038,341
-	(291,041)	(680,207)	(2,098,340)
-	941,760	832,327	1,714,087
-	-	(488,000)	(8,503,867)
-	-	-	26,024
-	940,760	831,327	1,439,867
-	340,887	(340,888)	(859,770)
-	-	-	408,111
-	341,807	(340,708)	(428,661)
438,449	24,782	1,701,883	1,111,122
\$ 438,449	\$ 24,782	\$ 1,701,883	\$ 4,671,206

CITY OF MENDEN, 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 September 30, 2005

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ (629,662)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	602,684
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and contributions) are not reported as revenues in the funds	(22,963)
Revenue in the statement of activities that do not provide current resources are not reported as revenues in the funds	38,421
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	644,054
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(8,580)
The net revenue of certain activities of internal service funds is reported with governmental activities.	(96,311)
Accrued interest expense on long-term debt is reported in government-wide statement of activities and changes in net assets, but does not require the use of current financial resources, therefore accrued interest expense is not reported as expenditures in governmental funds.	<u>4,144</u>
Change in Net Assets of Governmental Activities, Statement B	<u>\$ 1,073,552</u>

The accompanying notes are an integral part of this statement.

CITY OF MONROE, LOUISIANA
Statement of Net Assets, Proprietary Funds
September 30, 2005

	Business Type Activities	Governmental Activities - Internal Services Fund
	Water and Sewer	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,504,654	\$ 148,176
Investments	1,004,355	-
Accounts receivable	1,110,256	-
Other receivables	8,180	89
Due from other funds	14,655	-
Inventory	559,785	-
Prepaid items	14,614	-
Total current assets	<u>11,217,799</u>	<u>148,265</u>
Noncurrent assets:		
Restricted assets -		
Cash and interest-bearing bank deposits	788,361	-
Investment cost of market adjustment	21,899	-
Capital assets (net of accumulated depreciation)	21,111,111	-
Total noncurrent assets	<u>21,899,571</u>	<u>-</u>
Total assets	\$ 33,096,736	\$ 148,265
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 764,177	\$ 21,751
Claims incurred, not reported	-	259,431
Municipal retirement payable	14,124	-
Compensated absences payable	79,748	-
Obligations under capital lease	2,576	-
Interest payable	473	-
Total current liabilities	<u>861,098</u>	<u>281,182</u>
Current liabilities payable from restricted assets	488,783	-
Noncurrent liabilities:		
Obligations under capital lease	76,887	-
Compensated absences payable	71,111	-
Total noncurrent liabilities	<u>148,000</u>	<u>-</u>
Total liabilities	<u>1,397,881</u>	<u>281,182</u>
NET ASSETS		
Invested in capital assets	12,122,200	-
Restricted for future deposits	277,680	-
Unrestricted	18,497,856	117,083
Total net assets	\$ 30,900,736	\$ 117,083
Reconciliation to government-wide statement of net assets:		
Adjustment to reflect the consolidation of Internal Services Fund activities related to enterprise fund	111,544	-
Net assets of business-type activity	<u>\$ 31,012,280</u>	<u>\$ 117,083</u>

The accompanying notes are an integral part of this statement.

CITY OF MONROE, LOUISIANA

Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended September 30, 2003

	Business Type Activity Water and Sewer	Governmental Activities - Internal Service Fund
Operating revenues		
Charges for services		
Electric	\$ 10,947,818	\$ -
Water	878,262	-
Sewerage	287,000	-
Treatment/fees charges	188,489	-
Other charges for services	76,084	1,479,367
Total operating revenues	<u>11,577,663</u>	<u>1,479,367</u>
Operating expenses		
Purchase of power	3,210,092	-
Personnel services	1,778,500	-
Materials and supplies	331,128	-
Insurance-claims and expenses	673,540	1,013,487
Repairs and maintenance	808,890	-
Other services and charges	840,110	31,892
Bad-debt expenses	68,031	-
Depreciation	836,482	-
Total operating expenses	<u>10,252,673</u>	<u>1,045,379</u>
Operating income (loss)	2,324,990	(566,012)
Nonoperating revenues (expenses)		
Gain on sale of assets	1,200	-
Interest income	142,688	38
Interest expense/(loss) charges	(677)	-
Management fees	(7,234)	-
Total nonoperating revenues and expenses	<u>136,577</u>	<u>38</u>
Income before contributions and transfers	<u>2,461,567</u>	<u>(565,974)</u>
Capital contributions	6,001	-
Transfers in	480,000	-
Transfers out	(2,841,283)	-
Change in net assets	86,285	(565,974)
Net assets - beginning	<u>71,432,893</u>	<u>(87,462)</u>
Net assets - end of year	<u>\$ 71,519,178</u>	<u>\$ (1,231,938)</u>
Reconciliation to government-wide statement of net assets		
Change in net asset above	\$ 86,285	
Adjustment to reflect for consolidation of Essential Service activities related to enterprise activities	<u>(78,210)</u>	
Change in net assets of business-type activities, Statement B	<u>\$ 8,075</u>	

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

CITY OF HENDEN, LOUISIANA
Statements of Cash Flows
Proprietary Funds
Years Ended September 30, 2003

	Business Type Activity	Governmental Activities -
	Water and Sewer	Internal Service Fund
Cash flows from operating activities:		
Cash received from customers	\$ 12,494,348	\$ -
Other operating cash receipts	94,944	-
Cash received from other funds for services	-	1,479,015
Cash payments for supplies and services	(7,832,288)	-
Cash payments to employees for services	(1,441,995)	-
Other operating cash payments	(902,137)	(31,899)
Cash payments for benefits paid	-	(1,413,864)
Net cash provided by operating activities	<u>2,252,736</u>	<u>91,957</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	680,808	-
Transfer to other funds	(2,041,348)	-
Net increase in water deposits	6,296	-
Net cash used for noncapital financing activities	<u>(1,480,140)</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,533,411)	-
Principal paid on capital lease obligations	(5,411)	-
Interest fees paid on capital lease obligations	(182)	-
Proceeds from sales of assets	1,852	-
Net cash used for capital and related financing activities	<u>(2,543,152)</u>	<u>-</u>
Cash flows from investing activities:		
Interest on interest-bearing deposits	96,875	38
Returns on investment	151,258	-
Net cash provided by investing activities	<u>251,133</u>	<u>38</u>
Net increase (decrease) in cash and cash equivalents	(1,771,406)	13,994
Cash and cash equivalents at beginning of year	<u>9,521,418</u>	<u>114,182</u>
Cash and cash equivalents at end of year	<u>\$ 7,747,003</u>	<u>\$ 148,176</u>

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

STATEMENT 1

	Business Type Activity <u>Water and Sewer</u>	Governmental Activities - Interest Service Fund
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 2,113,112	\$ (65,292)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	838,947	-
Bad debt	68,611	-
Changes in assets and liabilities -		
Decrease (increase) in accounts receivable	(43,852)	-
Decrease (increase) in accounts receivable - other	(7,204)	146
Decrease (increase) in inventory	(11,359)	-
Decrease (increase) interfund loans	3,722	-
Decrease (increase) prepaid insurance	(14,803)	-
Increase (decrease) in accounts payable	(521,216)	-
Increase (decrease) in accrued compensated absences	88,625	-
Increase (decrease) in municipal retirement payable	11,788	-
Increase (decrease) in claims payable	-	(43,138)
Increase (decrease) in claims incurred, not reported	-	142,240
Net cash provided by operating activities	\$ 2,232,716	\$ 39,856

CITY OF MINDEN, LOUISIANA
Statement of Fiduciary Net Assets
September 30, 2003

	<u>Agency Fund - Police Board Fund</u>
ASSETS	
Cash	\$ 11,686
A/R - net of allowance	<u>25,546</u>
Total assets	<u>\$ 37,232</u>
LIABILITIES	
Due to other governmental units	<u>\$ 37,232</u>
Total liabilities	<u>\$ 37,232</u>

The accompanying notes are an integral part of this statement.

CITY OF MINDEEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2003

INTRODUCTION

The City of Minden, Louisiana (the City) was incorporated in 1921, under the provisions of Act No. 228 of the 1921 Special Acts of Louisiana Legislators. The City is located in the Parish of Webster, being in the northwest corner of the State of Louisiana.

Elected officials of the City of Minden are a mayor, five (5) aldermen, and a chief of police who are elected every five years. The affairs of the City are conducted and managed by the mayor and Board of Aldermen, referred to as "The Council."

The City provides a full range of municipal services as authorized by its charter. These include public safety (police and fire), street, water, electric, sewerage, sanitation and health, zoning and general administrative services.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, *fiscally independent* means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issued bonded debt.

As required by generally accepted accounting principles, these financial statements present the City of Minden, Louisiana (the primary government) and its component units. The municipality has oversight of one component unit that is blended into the municipality's basic financial statements.

Blended Component Units

Component units that are legally separate from the municipality, but are so intertwined with the municipality that they are, in substance, the same as the municipality, are blended component units. For a component unit to be blended, the organization's board and the municipality must be substantively the same, or the organization must provide services entirely or almost entirely to the municipality. The following component unit is reported as part of the municipality and blended with the appropriate municipality books:

Minden Historic Downtown Development District Commission - Act No. 379 of the 1999 Regular Session created R.S. 33:2144-20 to create the Minden Historic Downtown Development District Commission. This commission was established to promote the educational, cultural, and economic welfare of the public of the City of Minden, Louisiana, by preserving and protecting historic structures and neighborhoods. The Minden Historic Downtown Development District Commission uses the Minden Main Street Project to carry out its functions and purpose.

The City of Minden, Louisiana, appoints all members of the District Commission. In addition, the City provides a major source of the District's funding through levy of a 1.0% mill assessment on the special taxing district created within the City of Minden and additional yearly appropriations. The District Commission reports its

CITY OF MINDEN, LOUISIANA

Notes to the Financial Statements

As of and for the Year Ended September 30, 2003

recommendations and activities to the Mayor and City Council of the City of Minden, Louisiana. The Minden Historic Downtown Development District Commission is determined to be fiscally dependent and financially accountable to the City of Minden and therefore is reported as a blended component unit of the City of Minden, Louisiana.

Based on the foregoing criteria, the following entities have been determined not to be a part of the City of Minden and are excluded from the accompanying financial statements:

Minden Housing Authority - The Authority provides housing to certain qualified residents and is funded by U. S. Government grants and rental charges. The City is not responsible for financing deficits nor entitled to surpluses. The City does not significantly influence operational or fiscal matters of the Authority.

Minden Ward Marshal - The Minden Ward Marshal is the executive officer of the Ward I Court of Webster Parish. The principal duty of the Marshal is executing the orders and mandates of the Court. The Minden Ward Marshal is a separate reportable entity from the City of Minden, Louisiana, because the Marshal, an elected official, has the ability to exercise oversight responsibility regarding operations and accountability for fiscal matters.

City Court - The City Court is the Ward I Court of Webster Parish. The court system handles misdemeanors and civil suits of up to \$13,000 for Ward I. The City Court is a separate reportable entity from the City of Minden, Louisiana, because the Judge, an elected official, has the ability to exercise oversight responsibility regarding operations and accountability for fiscal matters.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements.

CITY OF MONROE, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2013

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, to use the proprietary fund and fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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 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 of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The **General Fund** is the municipality's primary operating fund. It accounts for all financial resources, of the general government, except those required to be accounted for in another fund.

The **Sales Tax Fund** accounts for the receipt and use of the municipality's one percent (1%) sales and use tax under the provisions of the sales and use tax ordinance effective August 1, 1967.

The **Sales Tax Fund - Beverage System** accounts for the receipt and use of the municipality's one percent (1%) sales and use tax under the provisions of the sales and use tax ordinance effective December 1, 1994. By special election held April 15, 2009, the City reauthorized and renewed the levy of this one percent (1%) sales and use tax.

The **LCDBG Economic Development Fund** accounts for revenues and expenditures under a Louisiana Community Development Block Grant awarded by the State of Louisiana Department of Urban and Community Affairs. Qualified expenditures under the terms of the original grant included funds for the administration of the grant and provision of a loan to Spicocco of Minden, Inc. for the location and operation of a boat manufacturing

CITY OF MINDEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2003

facility in the City of Minden. Half of the principal and interest repayments of the loans are restricted to the City of Minden for economic development and the remaining half is due to be returned to the State of Louisiana.

Capital Improvements – Street Fund is used to account for monies to be used for street improvements of the City of Minden. Resources are contributed wholly by the City of Minden.

The municipality reports one major proprietary fund. The enterprise fund is used to account for operations (a) 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.

Additionally, the government reports the following fund types:

Internal Service Fund accounts for the financing of goods or services provided by one department to other departments or governments on a cost-reimbursement basis.

Agency Fund is used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve management of assets or operations.

Private-sector standards of accounting and financial reporting (based prior to December 1, 1989) generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitations. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Eliminations of these charges would distort direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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. The principal operating revenues of the proprietary funds are

CITY OF MEMPHIS, LOUISIANA
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from charges for electrical, water and sewerage services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the municipality's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits, those investments with original maturities of 90 days or less. Under state law, the City may deposit funds in 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 statements of cash flows, cash and cash equivalents include cash, demand deposits, and certificates of deposit. Cash and cash equivalents are stated at cost.

Under state law, the City may invest in United States bonds, treasury notes, and certificates. In addition, the City may invest in bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the U.S. and also collateralized mortgage obligations, which have not been stripped into interest only and principal only obligations. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Long-term investments, those with original maturities greater than one (1) year, are valued at the last reported sales price at current exchange rates.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due within other funds. Any revised balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for noncollectible receivables are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, ad valorem taxes, franchise taxes, police fees, and grants.

Business-type activities report utilities as their major receivable. The City considers substantially all customer utility receivables and other receivables to be fully collectible; accordingly, an allowance for doubtful accounts is not required. If amounts become uncollectible, in the opinion of management, they are charged to operations

CITY OF MINNEN, LOUISIANA
Notes to the Financial Statements
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at that time.

In the fund financial statements, receivable liabilities in governmental funds include revenue accounts such as sales tax, franchise tax, grants and other intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions receivable but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and government earnings are recorded when earned and only if paid within 60 days since they would be considered both measurable and available.

E. Inventories and Prepaid Items

Inventory items are valued at cost using the first-in, first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide financial statements.

Inventories in each fund are generally composed of the following items:

- General Fund - Garage bags, gasolines
- Enterprise Fund - Electric, water and sewer repair and maintenance items

F. Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to utility meter deposits.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Depreciated assets are recorded as capital assets at their estimated fair market value at the date of clearance. The municipality maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

CITY OF MEMPHIS, LOUISIANA
Notes to the Financial Statements
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Major classes for capital assets and improvements are capitalized as projects are constructed. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Roads, bridges, and infrastructure	25-50 years
Local improvements	18-30 years
Buildings and building improvements	18-40 years
Furniture and fixtures	5-15 years
Vehicles	3-10 years
Equipment	3-10 years

GAISS No. 14 requires the City to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. During the fiscal year ended September 30, 2003, infrastructure being reported on includes street improvement projects completed during the current year and prior year costs related to recreation complex roads and irrigation and airport overtop. Of the remaining infrastructure, neither the historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2005. The City has elected to implement the general provisions of GAISS No. 14 in the current year and hopes to implement the retroactive infrastructure provisions in the fiscal year ending September 30, 2007.

H. Compensated Absence

The City's policy regarding vacation time permits full-time employees to accumulate earned but unused vacation hours. The only provision for vested benefits in that municipal employees, with the exception of employees of the police and fire departments who are covered by Civil Service requirements, may carry forward no more than the maximum accumable amount for any vacation year. All employees do not have the option of foregoing vacation and being paid in lieu thereof. The entire accrued vacation liability is reported in the government-wide financial statements. For governmental fund financial statements, the current portion of this debt is the amount that is normally expected to be paid using expendable available financial resources.

The City's policy regarding sick time permits full-time employees to accrue sick leave at the rate of eighty (80) hours per year, effective on the first day of full-time employment. Sick time may be carried over from year to year. Upon retirement, the employee will be reimbursed for fifty (50) percent of their accrued sick leave at their regular hourly rate of pay. Total reimbursement cannot exceed 500 hours. All sick leave hours used in the two years prior to retirement date will be deducted from the fifty (50) percent amount prior to reimbursement. There is no provision for reimbursement of accrued sick leave for termination other than retirement. The liability for sick leave accrued is recorded as long-term debt in the government-wide financial statements. An estimate of this accrual is based on historical trends.

CITY OF HENRIE, LOUISIANA
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1. Long-Term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, secured compensated absences, and capital lease obligations.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

2. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by parties for use for a specific purpose.

In government-wide statements, equity is classified as net assets and displayed in three components:

- a. *Invested in capital assets, net of related debt* – consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.
- b. *Restricted net assets* – consist of net assets with constraints placed on the 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 definition of "restricted" or "invested in capital assets, net of related debt."

3. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the municipality, which are either unusual in nature or infrequent in occurrence.

4. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial

CITY OF MONROE, LOUISIANA
Notes to the Financial Statements
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statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from these estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

- a) The City Clerk prepares a proposed budget and submits same to the Mayor and the Council no later than fifteen days prior to the beginning of each fiscal year.
- b) The public is notified that the proposed budget is available for public inspection. At that time, a public hearing is called.
- c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- e) Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases or decreases in expenditures resulting from revenues exceeding or falling to meet amounts estimated require the approval of the Council.
- f) All budgetary appropriations lapse at the end of each fiscal year.
- g) Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts, as originally adopted, are amended from time to time by the Council.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS: The following individual funds had actual expenditures over budgeted appropriations for the year ended September 30, 2003:

Fund	Original	Fiscal	Actual	Unfavorable
	Budget	Budget		Variance
Sales Tax Fund	134,827	134,827	120,577	(14,250)
Sales Tax Fund - Savings	23,125	23,125	36,130	(13,005)

DEFICITS: The Internal Service Fund had a deficit of \$112,911 in unreserved retained earnings as of September 30, 2003. The deficit was due to the excess of expenditures recognized for claims incurred as of the end of the year over actual funds transferred to the Internal Service Fund. The deficit will be eliminated through transfers from various funds.

CITY OF MINDEN, LOUISIANA
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3. CASH AND CASH EQUIVALENTS

At September 30, 2003, the City had cash and cash equivalents with book balances totaling \$11,188,838, as follows:

Fund cash funds	\$ 2,188
Demand deposits	64,993
Interest-bearing deposits	<u>11,021,785</u>
Total	\$ <u>11,188,838</u>

These deposits are stored or cut, 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 issued by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times at least 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 to both parties. At September 30, 2003, the City had \$11,021,785 in deposits of collateral bank balances. These deposits were secured from risk by \$633,024 of federal deposit insurance and \$10,461,121 of pledged securities held by the custodial bank in the name of the fiscal agent bank (State Category 3). A balance of \$180,641 was not secured by the pledge of securities and is a violation of state law.

Even though the pledged securities are considered unaffiliated (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 19:1128 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

4. INVESTMENTS

Louisiana Revised Statutes and the City's investment policy govern the procedures to be followed and the types of allowable securities to be purchased by the municipality. The City of Minden is authorized to invest in the following types of investments:

1. Direct U.S. Treasury obligations, the principal and interest of which are fully guaranteed by the U.S. government;
2. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the U.S.; and
3. Collateralized mortgage obligations, which have not been stripped into interest only or principal only obligations.

Investments of the City of Minden are categorized as insured or registered, or securities held by the City or its agent in the City's name.

CITY OF MINNERS, LOUISIANA
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The following is a summary of investments at September 30, 2003:

	Governmental Funds		Proprietary Funds	
	Fair Value Carrying Amount	Cost	Fair Value Carrying Amount	Cost
U.S. Agency & Treasury Bonds	\$1,377,467	1,383,349	1,891,063	1,818,982
U.S. Agency Collateralized Municipal Obligations	-----	-----	31,878	18,074
Total securities	1,377,467	1,383,349	1,922,941	1,837,056
U.S. Treasury Money Fund	321,311	311,211	199,652	199,611
Total investments	\$ 1,698,778	1,694,560	2,122,593	2,036,667

The City of Minner's investments are reported at fair value, which is determined using selected rates in accordance with GASB Statement No. 31. Short-term investments are reported at cost, which approximates fair value. Long-term investments, those with original maturities greater than one (1) year, are valued at the last reported sales price at current exchange rates.

8. ACCOUNTS RECEIVABLE

Accounts receivable - utility customers are analyzed periodically and accounts considered to be uncollectible are charged off. For the year ended September 30, 2003, \$98,611 of accounts receivable were charged off. Past due accounts totaled \$241,387 at September 30, 2003.

The individual customer consumption meters are not all read on the same day of the month. Meters are generally read between the first (1) and the twenty-first (21) day of each month. At the end of any particular month, individual customers will have from a week to a total month's consumption that they will not be billed for until the following month. It is estimated that at the end of any particular month there is, in the aggregate, approximately the equivalent of fifteen (15) days' consumption that is entitled to utility customers.

Accounts receivable - utility customers at September 30, 2003, consisted of \$1,446,438 in current billed receivables and \$671,826 of estimated unbilled receivables.

Accounts receivable of the governmental activities consist of impairment (60%), sales tax (20%), police fines/licenses (2%), franchise tax (4%), and other (2%). Receivables detail at September 30, 2003 for governmental activities are as follows:

Accounts receivable	\$ 1,380,009
Allowance for doubtful accounts	(29,622)
Net accounts receivable	\$ 1,350,387

CITY OF MINDEN, LOUISIANA
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6. AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on the valuation of property as of January 1 of each year. The City of Minden bills and collects its property taxes using the assessed values determined by the tax assessor of Webster Parish.

The tax levy for 2003 was 8.41 mills of the assessed property valuation on tax rolls as of January 1, 2003. This tax became due on January 1, 2003, and delinquent on February 1, 2003.

The tax was allocated as follows:

General corporate purposes	6.74 mills
Debt service	1.71 mills

For the year ended September 30, 2003, taxes of \$428,328 were levied on property with assessed valuations totaling \$49,741,925.

Additionally, a tax of 1.95 mills on properties located within the established Minden Downtown Development District was approved by voters. Such tax was dedicated for use by the Minden Main Street Program. For the year ended September 30, 2003, taxes of \$21,007 were levied on property with assessed valuations totaling \$10,804,810.

7. SALES AND USE TAX OPERATIONS

- A. **7% sales and use tax** - The City of Minden was authorized to levy and collect a one per cent (1%) sales and use tax by a special election held May 23, 1987. The revenues derived therefrom were authorized to be used for:

"the purpose of opening, constructing, paving, resurfacing, improving and/or maintaining streets, alleys, sidewalks and bridges; constructing, acquiring, extending, improving, renovating and/or maintaining street lighting facilities, water-works, sewers and coverage disposal works, garbage collection and waste disposal facilities, police department stations and equipment, public buildings and/or fire department stations and equipment, including fire engines, public parks and recreational facilities, airport facilities, and parking facilities; and purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, building, improvements and facilities, and such tax to be subject to funding into bonds by the City in the manner authorized..."

For the year ended September 30, 2003, Sales Tax operating transfers (of "surplus") to other funds which were used for purposes for which the imposition of the tax was authorized were as follows:

Transfers to General Fund

\$1,121,432

CITY OF MONROE, LOUISIANA
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- ii. 1% sales and use tax - sewerage improvements - The City of Monroe was authorized to levy and collect a one per cent (1%) sales and use tax by a special election held September 28, 1984. The revenues derived therefrom were authorized to be used for:

"the purpose of constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal facilities and fund the proceeds of the Tax into bonds to be issued in series from time to time for the purpose of constructing, acquiring and improving sewers and sewerage disposal facilities and the Council shall (I) annually budget the amount of said net proceeds of the Tax required to pay principal and interest and reserve requirements on all bonds payable from the Tax and the amount required for extending, improving, operating and maintaining sewers and sewerage disposal facilities and (II) use the excess over said requirements to pay said bonds in full prior to their stated maturity and when provisions shall have been made for the payment of all of said bonds in full the authority to levy the Tax shall terminate."

By a special election held April 15, 2000, the City reallocated and renewed the levy of a one percent (1%) sales and use tax, which was originally authorized at an election held in the City on September 28, 1984. The revenues derived therefrom were reallocated to be used for:

"the purpose of acquiring, constructing, improving, maintaining, equipping and operating sewerage, sewerage disposal facilities and recreational facilities, including the acquisition of sites therefor, and authority to fund the sales tax into bonds by the City in the manner authorized"

For the year ended September 30, 2003, sales tax-sewerage improvements operating transfers to other funds which were used for purposes for which the imposition of the tax was authorized were as follows:

	Debt Service	Utility Fund	General Fund
Transfers to:	\$ 282,723	228,000	1,008,000

Beginning July 1990, the City entered into an agreement with the Webster Parish Centralized Sales Tax Collection Agency to collect sales tax. The Agency collects the taxes from vendors, then remits to the City, after deducting an administrative fee. The administrative fee was accrued at the following amounts:

06/01/02 - 12/31/02	1,880.74
01/01/03 - 09/30/03	1,580.74

CITY OF MEMPHIS, LOUISIANA
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 As of and for the Year Ended September 30, 2003

8. RESTRICTED ASSETS

Restricted assets of the City of Memphis as September 30, 2003 were as follows:

Customers' Deposits	
Bank deposit accounts	\$ 738,368
Investments (net of market adjustment)	27,691
Total restricted assets	\$ 766,059

9. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended September 30, 2003, for the primary government is as follows:

	Balance October 1, 2002	Additions	Deletions	Balance September 30, 2003
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 766,540	-	-	766,540
Construction in progress	-----	211,692	-----	211,692
Total capital assets, not being depreciated	766,540	211,692	-----	978,232
Capital assets being depreciated				
Buildings	2,548,198	8,541,198	-	11,089,396
Land improvements other than buildings	1,712,234	482,954	-	2,195,188
Equipment	2,436,948	171,458	-	2,608,406
Infrastructure	822,632	866,822	-----	1,689,454
Total capital assets being depreciated	5,519,972	10,062,432	-----	15,582,404
Less accumulated depreciation for:				
Buildings	1,871,117	140,689	-	1,991,796
Land improvements other than buildings	211,756	42,569	-	254,325
Equipment	2,091,609	253,182	-	2,344,791
Infrastructure	46,733	58,282	-----	105,015
Total accumulated depreciation	4,162,215	494,722	-----	4,656,937
Total capital assets, being depreciated, net	1,357,757	9,567,710	-----	10,924,467
Governmental activities capital assets, net	\$ 1,357,757	10,039,422	-----	12,306,984
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 157,619	-	-	157,619
Construction in progress	2,155,000	2,714,141	1,658,422	6,527,571
Total capital assets not being depreciated	2,312,619	2,714,141	1,658,422	3,468,338

CITY OF MONROE, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2003

Capital assets being depreciated

Electric Department:				
Power generating plant	2,474,179	75,277	-	2,499,456
Steam turbine generating plant	3,111,940	77,136	-	3,189,076
Commercial power tie-in	2,011,615	-	-	2,011,615
Electric distribution lines	1,544,155	1,433,389	-	4,977,544
Water Department:				
Water wells	793,470	1,399	-	794,869
Water tanks	241,983	287,115	-	529,098
Water treatment plant and lines	1,281,844	14,095	-	1,295,939
Equipment	114,875	-	-	114,875
Sanitary Department:				
Sanitary system	7,850,200	1,893,323	-	9,743,523
Wastewater treatment plant	9,923,028	-	-	9,923,028
Other:				
Street lights	599,871	-	-	599,871
Warehouse	733,384	-	-	733,384
Office equipment	221,976	181,972	-	403,948
Automobiles, trucks and equipment	1,788,284	75,009	46,229	1,809,522
Sign and minor equipment	189,596	8,180	-	197,776
Total capital assets being depreciated	22,758,626	3,833,821	46,229	26,538,676
Less accumulated depreciation for				
Electric Department:				
Power generating plant	1,480,400	1,401	-	1,481,801
Steam turbine generating plant	5,240,558	4,463	-	5,245,021
Commercial power tie-in	2,005,609	-	-	2,011,615
Electric distribution lines	2,729,718	191,879	-	2,921,597
Water Department:				
Water wells	311,540	20,990	-	332,530
Water tanks	115,658	8,624	-	124,282
Water treatment plant and lines	1,626,507	181,763	-	1,808,270
Equipment	207,498	1,065	-	208,563
Sanitary Department:				
Sanitary system	3,471,410	804,610	-	4,276,020
Wastewater treatment plant	1,590,668	123,828	-	1,714,496
Other:				
Street lights	128,680	1,184	-	129,864
Warehouse	383,412	11,999	-	395,411
Office equipment	189,677	11,682	-	201,359
Automobiles, trucks and equipment	1,881,753	76,009	46,139	1,993,901
Sign and minor equipment	112,826	11,521	-	124,347
Total accumulated depreciation	11,889,722	206,581	46,229	12,142,532
Total capital assets, being depreciated, net	10,868,904	3,627,240	-	14,496,138
Banknote-type capital assets, net	9,342,052	1,718,662	1,628,422	12,689,136

CITY OF MINOR, LOUISIANA

Notes to the Financial Statements

As of and for the Year Ended September 30, 2000

Depreciation expense was charged as direct expense of the primary government as follows:

Governmental activities:		Business-type activities:	
General government	\$ 85,131	Water	\$ 347,549
Public safety	33,804	Sewer	33,417
Highway and streets	115,334	Electric	342,046
Sanitation and health	4,619	Other	31,800
Parks and recreation	147,087	Total	\$ 854,812
Public works	33,100		
Total	<u>\$ 528,145</u>		

18. RETIREMENT SYSTEMS

Substantially all employees of the City of Minor, Louisiana, are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters' Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All regular employees, other than firemen and policemen, of the City of Minor, Louisiana, are members of Plan A.

All permanent employees working at least 33 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 65 with at least 30 years of creditable service, or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three (3) percent of their final-average salary for each year of creditable service. Elected officials receive three and one-half (3 1/2) percent. Final-average salary is the employee's average salary over the 36 consecutive or joint months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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 of Louisiana, 7917 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4830.

Funding Policy. Under Plan A, members are required by state statute to contribute 5.13 percent of their annual

CITY OF MONROE, LOUISIANA

Notes to the Financial Statements

As of and for the Year Ended September 30, 2003

covered salary and the City of Monroe, Louisiana, is required to contribute at an actuarially determined rate. For the fiscal year ended 9/30/01, this rate ranged from 8.00-11.00 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of Monroe, Louisiana, are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:183, the employee contributions are determined by actuarial valuation and are subject to changes each year based on the results of the valuation for the prior fiscal year. The City of Monroe, Louisiana's contributions to the System under Plan A for the years ending September 30, 2001, 2002 and 2003, were \$222,179, \$171,056, and \$141,941, respectively, equal to the required contributions for each year.

B. Municipal Police Employees Retirement System of Louisiana

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 15 with at least 11 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 1 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accorded to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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 of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2226, or by calling (225) 609-3411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the City of Monroe, Louisiana, is required to contribute at an actuarially determined rate. For the fiscal year ended 9/30/01, this rate ranged from 8.00-11.20 percent of annual covered payroll. The contribution requirements of plan members and the City of Monroe, Louisiana, are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:183, the employee contributions are determined by actuarial valuation and are subject to changes each year based on the results of the valuation for the prior fiscal year. The City of Monroe, Louisiana's contribution for the years ended September 30, 2001, 2002 and 2003, were \$71,674, \$65,493, and \$64,094, respectively, equal to the required contributions for each year.

C. Firefighters' Retirement System of Louisiana

Plan Description. Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before

CITY OF MONROE, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2001

January 1, 1948, accepting their own participation in the System Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 58 with at least 30 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 2 1/3 percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 58 with at least 30 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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, Post Office Box 94091, Baton Rouge, Louisiana 70804, or by calling (225) 925-4050.

Funding Policy. Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the City of Monroe, Louisiana is required to contribute at an actuarially-determined rate. For the fiscal year ended 9/30/00, this rate ranged from 8.09-18.21 percent of annual covered payroll. The contribution requirements of plan members and the City of Monroe, Louisiana, are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:151, the employee 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 of Monroe, Louisiana's contributions for the years ended September 30, 2000, 2001 and 2001 were \$68,118, \$59,879, and \$77,064, respectively, equal to the required contributions for each year.

11. CAPITAL LEASES

The City records lease under capital leases as an asset and an obligation in the accompanying financial statements. The City has one capital lease of a computer system for a total cost of \$16,245.

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of September 30, 2000:

<u>Year Ending</u> <u>Sept. 30</u>	<u>Governmental</u> <u>activities</u>	<u>Business-type</u> <u>activities</u>
2004	\$ 3,356	\$ 3,677
2005	3,356	3,677
2006	3,356	3,677
2007	3,356	3,677
2008	3,356	3,677
Total minimum lease payments	16,780	18,385
Less amounts representing interest	(5,534)	(1,398)
Present value of net minimum lease payments	\$ 11,246	\$ 12,987

CITY OF MONROE, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2003

The municipality has operating leases and rental expense as follows:

	Governmental activities	Business-type activities
Equipment:		
Casio 3000 copier - \$408/month for 47 months	\$ 1,844	\$ 1,824
Time Clock - \$333/month for 36 months	4,830	-
Mitsuba DC158 copier - \$294/month for 48 months	1,471	-
Mitsuba DC158 copier - \$198/month for 48 months	2,280	-
Total rental expense	\$ 12,425	\$ 1,824

The minimum annual commitments under noncancelable operating leases are as follows:

Fiscal year	Equipment
2004	\$ 11,376
2005	4,830
2006	2,280
Total	\$ 20,486

12. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term debt for the year ended September 30, 2003:

Type of debt	Balance			Amount due	
	Oct. 1, 2002	Additions	Deductions	Sept. 30, 2003	within one year
Governmental activities:					
General obligation	\$ 4,188,000	-	(705,000)	\$ 3,483,000	\$ 718,000
Interest payable	62,804	-	(5,200)	57,604	57,604
Compensated absences	187,698	28,413	-	216,111	182,426
Capital lease obligations	3,240	26,234	(5,245)	24,229	3,150
Other liabilities	1,171,562	142,219	(838,111)	475,670	320,688
Total governmental debt	\$ 7,803,304	297,616	(1,186,666)	\$ 6,914,254	\$ 1,260,868
Business-type activities:					
Compensated absences	\$ 71,143	79,718	-	\$ 150,861	\$ 70,749
Capital lease obligations	6,611	13,182	(6,601)	13,292	3,313
Total business-type debt	\$ 77,754	92,900	(6,601)	\$ 164,051	\$ 74,062

CITY OF MEMPHIS, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2003

Bonds payable at September 30, 2003, are comprised of the following individual issues:

	<u>Principal</u> <u>Outstanding</u>	<u>Interest</u> <u>to</u> <u>Maturity</u>
\$475,000 General Obligation Refunding Bonds, Series 1991 , dated September 26, 1991, due in annual installments of \$5,000 - \$15,000 through March 1, 2003; interest at 4.7% - 5.67%; secured by levy and collection of ad valorem taxes	\$ 150,000	7,300
\$4,800,000 Sales Tax Bonds, Series 2001 L , dated June 1, 2001; due in annual installments of \$5,000 - \$335,000 through January 1, 2011; interest at 1.0% - 3.2%; secured by pledged of the City's 1% sales and use tax designated for sewerage system improvements and recreation	3,995,000	2,153,864
\$2,010,000 Refunding Bonds, Series 2002 , dated 1/15/2002, due in annual installments of \$650,000-\$700,000 through January 1, 2009; interest at 3.09%; secured by a pledge of excess annual revenues of the City above statutory, necessary and usual charges in each of the fiscal years during which the bonds are outstanding	1,170,000	41,797
	\$ 5,315,000	2,203,961

The annual requirements to amortize all debt outstanding as of September 30, 2003, including interest payments of \$2,203,962, are as follows:

Year ending <u>September 30</u>	<u>General</u> <u>Obligation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 750,000	223,792	973,792
2005	790,000	197,300	987,300
2006	161,000	185,280	346,280
2007	175,000	181,873	356,873
2008	183,000	175,405	358,405
2009-2013	1,870,000	327,650	2,197,650
2014-2018	1,380,000	432,872	1,812,872
2019-2023	1,830,000	40,388	1,870,388
	\$ 5,872,000	2,305,982	8,177,982

CITY OF MINER, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2003

At September 30, 2003, \$846,818 was available in the Debt Service Funds to service the general obligation bonds.

In accordance with Louisiana Revised Statutes, the City is legally restricted in the amount of long-term bonded debt that may be issued. At September 30, 2003, the statutory limit was \$4,374,256. As of September 30, 2003, the City had \$118,000 of bonds secured by ad valorem taxes.

13. SICK LEAVE LIABILITY

During the fiscal year ended September 30, 2003, the City amended its sick leave policy, which resulted an increase in the liability recognized in the financial statements. An estimated liability of \$24,328 and \$61,331, has been recognized to the governmental activities and business-type activities, respectively.

In prior years, in the fund financial statements, the estimated liability for sick leave was approximately \$24,327, for all funds types. With a liability of \$14,379 being recognized in the proprietary funds, and \$16,248 being recognized in the general long-term debt account group for the long-term obligations of the governmental fund types.

14. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers during the year ended September 30, 2003, were as follows:

Transfer out	General Fund	Operating Activities				Total
		Sales Tax - Revenue	Capital Imp. - Items	Enterprise - Fund	Non-Major Governmental	
General Fund	\$ -	-	\$14,379	-	25,399	\$39,678
Sales Tax Fund	2,792,890	-	-	-	-	2,792,890
Sales Tax Fund - Sewerage System	1,050,000	-	-	104,000	892,333	2,046,333
Non-major governmental	-	-	-	400,000	-	400,000
Enterprise Fund	2,080,243	209,000	-	-	-	2,289,243
Total	4,183,133	209,000	14,379	444,000	917,732	5,368,244

Transfers are primarily used to move funds from:

Sales Tax Fund - Sewerage System to cover debt service attributable to sewerage bonds and recreation bonds and also to cover costs of sewerage activities within the Enterprise Fund and recreation activities within the General Fund.

The Enterprise Fund and Sales Tax Fund to supplement costs within the General Fund.

General Fund to cover costs of street construction within Capital Improvements - Street Fund.

15. RESERVED/RETAINED EARNINGS/FUND BALANCES

The City had the following reservations of fund balances as of September 30, 2003:

- A fund balance of \$71,383 was reserved at September 30, 2003, for State approved capital projects. The Local

CITY OF MINDEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2003

Government Assistance Fund accounts for monies appropriated to be spent by Minden only on capital programs and purposes including, "any expenditures for acquiring lands, building, equipment or other permanent properties, or for their preservation or development or permanent improvement", and cannot be used as part of the operating budget. All programs must be approved by respective state legislative delegates.

- At September 30, 2003, \$884,008 was reserved in the Debt Service Funds to service the general obligation bonds.
- \$3,693 of bond balances was reserved for drug law enforcement.

16. CONTRACTUAL SERVICE AGREEMENT - SANITATION SERVICES

On September 1, 1993, the City entered into a five-year agreement, which was extended for an additional five-year term, with Waste Management of Northwest Louisiana, a private company, to provide sanitation services to the City. These services include incidental garbage and recyclable item pick-up and the disposal of such waste, with fees based on the number of pick-ups per week and the type of collection (curbside or backyard). The City then charges a monthly fee for sanitation services to individual customers on their utility bills.

17. PENDING LITIGATION

The City of Minden has filed suit against Thomas G. Ray, President/Owner of Sports of Minden, Inc., for repayment of a loan made to Sports. The loan was made through a grant agreement with the State of Louisiana. If successful, the \$728,000 balance paid will be remitted to the State of Louisiana to satisfy the outstanding loan balance. The City of Minden will not realize a profit from this action.

Edward Carroll, Etal vs. City is a suit filed by three (3) former retirees who were living with their families in the fire station residence, who allege that they are entitled to overtime pay. If successful, the City will be liable for overtime due to the plaintiffs for the past three years.

There are several other pending lawsuits in which the City is involved. The City Attorney estimates that the potential claims against the City, not covered by insurance resulting from litigation not mentioned above, would not materially affect the financial statements of the City.

Effective April 1, 1998, the City relinquished its general liability coverage. The City will maintain the reserve fund established in prior years for self-insurance. The reserve will be used to pay claims for amounts less than the deductible allowed under the City's general liability coverage. At September 30, 2003, \$417,061 has been reserved in the Enterprise Fund-Utilities Fund for this purpose.

18. CONTINGENT LIABILITIES

The City participates in a number of federally-funded grant programs, such as the Community Development Block Grant. These programs are subject to program compliance audits which could lead to requests for reimbursements by the grantor agency for expenditures disallowed under the terms of the grants. City management believes that the amount of disallowances, if any, which may arise from such audits will not be material.

CITY OF MINDEN, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended September 30, 2003

In connection with the FT LCDBG Economic Development Grant, the recipient of the loan proceeds, Spornco of Minden, Inc., is delinquent on repayment of such proceeds. Under the terms of the grant, the state may require reimbursement of the outstanding balance by the City. At September 30, 2003 the total outstanding loan balance was \$611,804, of which \$779,783 is owed to the City and \$331,233 is owed to the State of Louisiana. According to an amendment to the grant agreement, upon default by Spornco of Minden, Inc., the City could be held liable for the entire balance of the note, at the option of the Division of Administration of the State of Louisiana. At September 30, 2003, that balance was \$709,304, including \$74,363 in accrued interest.

On March 7, 1994, representatives of the City, the State of Louisiana, Division of Administration, and Spornco, Inc. met in order to an agreement regarding Spornco's outstanding note balance, as detailed above. The agreement, approved by the Division of Administration, was to grant a one-year extension for the resumption of payments on the loan until March 1, 1994. Subsequent to this agreement, Spornco, Inc., on August 30, 1994, filed a petition for bankruptcy under Chapter Eleven. The bankruptcy petition shows an estimated liability to the State of Louisiana in the amount of \$621,799, and to the City of Minden in the amount of \$161,695.

As previously stated in Note 16, the City has filed suit against Thomas G. Ray in an attempt to obtain payment for the outstanding balance of the loan. As a result, the State contends that the City has acted "in good faith," with respect to the administration of the loan, however, this matter remains unresolved pending the outcome of the litigation. The management of the City also contends that they have acted "in good faith" in compliance with the grant agreement and will, therefore, not be held liable for the entire balance of the note, of which \$161,509 has been reserved in the retained savings portion of the Utility Fund.

19. LIABILITY TO U.S. COAST GUARD NATIONAL POLLUTION FUNDS CENTER

On June 26, 2000, the EPA and their contractor, the United States Army Corps of Engineers, conducted a cleanup at the Minden Airport Tar Pits site. The cleanup was funded by the U.S. Coast Guard National Pollution Funds Center (NPPFC) using the Oil Spill Liability Trust Fund (Fund), which was established by the Oil Pollution Act of 1990. The NPPFC considers the City of Minden, owner of the property, responsible and liable for all removal costs. The NPPFC has submitted bills to the City of Minden totaling approximately \$1,894,111. The City is contesting the EPA's actions in this matter, asserting that the removal of the pollution threat was not lawfully within the jurisdiction of the Federal Water Pollution Control Act. The City is also disputing their liability under the Oil Pollution Act of 1990 (OPA). Per a letter from the U.S. Coast Guard dated September 21, 2001, "the OPA is a strict liability statute, and imposes liability on owners without regard to fault or particular level of harm with a facility or vessel. Defendants liability is limited to 21 USC 2703. Because this debt exceeds \$100,000, it will be referred to the Department of Justice as required by applicable regulations should the City decline to pay those costs." As of September 30, 2000, the City negotiated a settlement with the United States Department of Justice to pay \$658,000 in reimbursement of removal costs to be paid in two installments of \$329,000 plus interest. The first installment is to be paid within thirty day of the date the agreed judgment is entered by the court. The remaining installment, plus accrued interest, is to be paid on or before December 1, 2004.

CITY OF MONROE, LOUISIANA
 Notes to the Financial Statements
 As of and for the Year Ended September 30, 2003

26. PRIOR PERIOD RESTATEMENT

The beginning fund balances/retained earnings presented in the fund financial statements have been restated to reflect adjustments and changes in presentation within the general and enterprise fund.

A restatement of the beginning fund balance and activity for the year ended September 30, 2003 was recognized in the fund financial statements as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>
Fund balances/retained earnings, originally reported as of September 30, 2002	\$ 1,297,044	38,348,024
Amoval of receivables	7,531	-
Recognize deposit in transit between bank accounts, correct overstatement of expense	8,811	-
Combine fund balances of capital improvement accounts for sewer, electric, and water within enterprise fund	-	1,707,894
Recognize prepaid insurance as of 9/30/03	-	43,114
Recognize additional construction in progress	-	15,890
Correct accumulated depreciation amounts for assets not fully depreciated	-----	(219,322)
Fund balances/retained earnings, restated as of September 30, 2002	\$ 1,304,685	\$ 39,935,600

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB, but are not considered a part of the basic financial statements. Such information includes:

Required Comparison Schedules:

General Fund

Sales Tax Fund

Sales Tax Fund – Sewerage System

CITY OF MINNER, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Budget and Actual

General Fund

For the Year Ended September 30, 2013

	Budgeted Amount		Actual	Variance with
	Original	Final	GAAP	Fund Budget
			Base	Positive
				(Negative)
Revenues				
Taxes - ad valorem	\$ 334,941	\$ 324,441	\$ 337,026	\$ 12,085
Licenses - occupational	290,000	150,000	290,000	40,000
Fees and rentals	333,700	330,300	480,884	147,584
Charges for services	116,070	700,070	767,283	24,213
Fines and forfeitures	72,300	72,300	67,743	(4,557)
Intergovernmental	67,880	448,700	484,770	36,070
Interest	15,313	31,120	28,610	(2,503)
Miscellaneous	26,000	26,500	55,112	28,612
Total revenues	<u>1,095,194</u>	<u>2,029,671</u>	<u>2,602,678</u>	<u>572,804</u>
Expenditures				
General Government	1,596,790	1,596,790	1,608,000	(11,200)
Public Safety	2,003,116	2,331,139	2,281,002	(50,137)
Highway and streets	941,300	945,933	735,383	(209,550)
Sanitation and health	831,143	835,143	899,844	(64,701)
Parks and recreation	1,277,684	1,277,684	1,269,480	(8,204)
Public works	312,228	690,057	498,812	(191,245)
Total expenditures	<u>7,263,061</u>	<u>7,682,676</u>	<u>7,248,698</u>	<u>(433,978)</u>
Excess (deficiency) of revenues over (under) expenditures	(6,167,867)	(5,653,005)	(4,646,020)	151,847
Other Financing Sources (Uses)				
Capital loans	-	-	33,142	33,142
Operating transfers in	1,797,190	1,797,190	1,824,718	27,528
Operating transfers out	(291,800)	(291,800)	(273,244)	18,556
Total other financing sources (uses)	<u>1,505,390</u>	<u>1,505,390</u>	<u>1,584,616</u>	<u>78,826</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(4,662,477)	(4,147,615)	(3,061,404)	1,086,211
Special Items - Forgiveness of liability to the National Pollution Funds Center	-	-	470,111	470,111
Net change in fund balances	(429,501)	(429,501)	577,628	997,129
Fund balance at beginning of year	<u>1,203,400</u>	<u>1,203,400</u>	<u>1,203,400</u>	<u>-</u>
Fund balance at end of year	<u>\$ 773,899</u>	<u>\$ 773,899</u>	<u>\$ 1,781,028</u>	<u>\$ 1,007,129</u>

The accompanying notes are an integral part of this statement.

CITY OF MINDEN, LOUISIANA

Statement of Revenue, Expenditure and Change in Fund Balance -

Budget and Actual

Special Revenue Fund - Sales Tax Fund

For the Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Budget	GAAP Basis	Final Budget Positive (Negative)
Revenues:				
Taxes - sales	\$ 1,900,000	\$ 1,900,000	\$ 1,930,839	\$ 30,839
Interest	38,000	38,000	61,263	23,263
Total revenues	<u>1,938,000</u>	<u>1,938,000</u>	<u>1,992,102</u>	<u>54,302</u>
Expenditures:				
General government -				
Salaries	63,230	63,230	61,757	443
Insurance expense	6,211	6,211	8,383	(2,174)
Retirement expense	4,868	4,868	3,354	1,514
Office and computer supplies	9,925	9,925	5,286	4,639
Collection expense	30,000	30,000	30,130	(130)
Professional fees	9,000	9,000	9,462	538
Miscellaneous	12,543	12,543	14,781	(2,238)
Capital leases -				
Principal	-	-	1,186	(1,186)
Interest	-	-	20	(20)
Capital expenditures	<u>6,868</u>	<u>6,868</u>	<u>13,137</u>	<u>(6,271)</u>
Total expenditures	<u>131,627</u>	<u>131,627</u>	<u>158,217</u>	<u>(26,880)</u>
Excess of revenue over expenditures	<u>1,796,373</u>	<u>1,796,373</u>	<u>1,833,887</u>	<u>37,514</u>
Other financing (uses):				
Capital lease	-	-	13,162	13,162
Operating transfer out	<u>(2,797,580)</u>	<u>(2,797,580)</u>	<u>(2,797,580)</u>	<u>-</u>
Total other financing (uses)	<u>(2,797,580)</u>	<u>(2,797,580)</u>	<u>(2,784,418)</u>	<u>13,162</u>
Excess (deficiency) of revenue over (uses) expenditures and other uses	(1,001,217)	(1,001,217)	(950,531)	48,376
Fund balance at beginning of year	<u>1,650,478</u>	<u>1,650,478</u>	<u>1,650,478</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,649,261</u>	<u>\$ 1,649,261</u>	<u>\$ 1,697,629</u>	<u>\$ 48,376</u>

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

CITY OF MENDEN, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual

Special Revenue Fund - Sales Tax Fund Coverage System

For the Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Budget</u>	GAAP <u>Base</u>	Fund Budget Positive (Negative)
Revenues:				
Sales taxes	\$ 1,900,000	\$ 1,900,000	\$ 1,910,018	\$ 20,018
Interest	20,000	20,000	11,711	(8,279)
Total revenues	<u>1,920,000</u>	<u>1,920,000</u>	<u>1,921,729</u>	<u>11,739</u>
Expenditures:				
General government -				
Collection expense	21,000	21,000	30,130	(7,130)
Miscellaneous	125	125	20	105
Total expenditures	<u>21,125</u>	<u>21,125</u>	<u>30,150</u>	<u>(7,025)</u>
Excess of revenues over expenditures	<u>1,898,875</u>	<u>1,898,875</u>	<u>1,891,579</u>	<u>7,304</u>
Other financing (uses):				
Operating transfers out -				
Refunding Bonds, Series 2002	(712,328)	(712,328)	(712,328)	-
Utility Fund	(201,219)	(201,219)	(200,000)	11,219
General Fund	(1,000,000)	(1,000,000)	(1,000,000)	-
Sinking Fund, Series 2001	(180,303)	(180,303)	(198,002)	17,699
Total other financing (uses)	<u>(2,143,870)</u>	<u>(2,143,870)</u>	<u>(2,132,732)</u>	<u>11,138</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	<u>(246,997)</u>	<u>(246,997)</u>	<u>(238,334)</u>	<u>16,673</u>
Fund balance at beginning of year	<u>402,199</u>	<u>402,199</u>	<u>402,199</u>	<u>-</u>
Fund balance at end of year	<u>\$ 155,202</u>	<u>\$ 155,202</u>	<u>\$ 171,865</u>	<u>\$ 16,673</u>

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

CITY OF HENDER, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 1993

Note 1. BUDGET PRESENTATION

Budget comparisons are not presented for one major governmental fund, the \$7 LCDBG Economic Development Fund.

The \$7 LCDBG Economic Development Fund accounts for a \$750,000 Community Development Block Grant previously awarded by the State of Louisiana Division of Administration.

Under the terms of the contract, the funds were budgeted as follows:

Loan to Spectra-of-Minden, Inc., for acquisition of capital equipment, inventory and rehabilitation of building and grounds	\$ 128,000
Administration	<u> 18,000</u>
	<u>\$ 146,000</u>

The repayment of the loan is for a 10-year period. Interest, at a rate not less than eight and one-half percent (8-1/2%) is to be repaid beginning the sixth month after the first drawdown of LCDBG funds and is to continue monthly for the next eighteen months. Repayment of principal and interest shall begin on the twenty-fifth month after the first drawdown and is to continue monthly for the next 120 months. The City is obligated to remit half of the principal and interest payments to the State of Louisiana and the remaining half is restricted for economic development.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- *Combining Statements – Nonmajor governmental funds*
- *Schedule of Compensation Paid Board Members*
- *Schedule of Expenditures of Federal Awards*

CITY OF MEMPHIS, LOUISIANA
Comparing Estimates of Revenues, Expenditures and
Change in Fund Balance

Non Major Governmental Funds
For the Year Ended September 30, 2003

	Special Revenue		Capital Projects		Debt Service		Total
	Max	Est	Max	Est	Max	Est	
	Program	Total	Capital	Total	Debt	Total	
REVENUES							
Ad valorem taxes	\$ 20,000	\$ -	\$ -	\$ 62,004	\$ -	\$ -	\$ 82,004
Intergovernmental revenues	-	-	6,076	-	-	-	6,076
Federal grants	-	18,114	-	-	-	-	18,114
Fines and forfeitures	-	88	-	1,466	6,897	-	8,451
Investment earnings	1,251	5,282	-	-	291	-	7,224
Other revenues	31,556	18,622	6,076	19,328	5,478	-	70,338
Total revenues	63,307	42,026	12,152	80,822	12,666	-	158,945
EXPENDITURES							
General government	4,477	-	-	-	-	-	4,477
Public safety	11,156	-	-	14,913	95,636	-	121,505
Public works	-	-	-	-	-	-	-
Capital outlay	1,266	-	6,871	-	-	-	8,137
Total expenditures	16,900	17,135	6,871	14,913	95,636	-	135,465
Excess (deficiency) of revenues over	(24,207)	24,891	5,281	65,909	(82,970)	(82,970)	(32,945)
Capital expenditures							
OTHER FINANCING SOURCES (USES)							
Operating transfers in	24,200	4,000	-	-	180,493	713,138	911,831
Operating transfers out	-	-	-	-	-	(483,000)	(483,000)
Total other financing sources/uses	24,200	4,000	-	-	180,493	230,138	428,831
Net change in fund balances	(1,207)	64,886	880	21,006	(93,637)	(93,637)	(246,379)
Fund balances - beginning	1,422	5,182	11,422	59,816	82,222	1,286,276	1,455,358
Fund balances - ending	2,215	58,068	12,302	80,822	(11,415)	792,639	1,208,979

The accompanying notes are an integral part of this statement.

CITY OF MINDEN, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual

Major Governmental Fund - Main Street Progress Fund

Year Ended September 30, 2013

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Advalorem tax	\$ 21,000	\$ 21,000	\$ 20,935	\$ (65)
Other revenues	<u>3,080</u>	<u>3,080</u>	<u>1,591</u>	<u>(489)</u>
Total revenues	<u>24,080</u>	<u>24,080</u>	<u>22,526</u>	<u>(414)</u>
Expenditures				
General government	45,220	45,220	47,477	(2,257)
Capital outlay	<u>1,770</u>	<u>1,770</u>	<u>1,266</u>	<u>484</u>
Total expenditures	<u>46,990</u>	<u>46,990</u>	<u>48,743</u>	<u>(1,753)</u>
Excess (deficiency) of revenues over (under) expenditures	(24,970)	(24,970)	(26,197)	(2,227)
Other Financing Sources (Uses)				
Transfers in	<u>25,970</u>	<u>25,970</u>	<u>24,660</u>	<u>610</u>
Net change in fund balance	-	-	(1,244)	(1,244)
Fund balance at beginning of year	<u>3,272</u>	<u>3,272</u>	<u>3,272</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,272</u>	<u>\$ 3,272</u>	<u>\$ 1,978</u>	<u>\$ (1,294)</u>

See accompanying notes to budgetary comparison schedules.

CITY OF MINDEN, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

Major Governmental Fund - General Obligation Refunding Bonds, Series 1991

Year Ended September 30, 2003

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Advalorem tax	\$ 80,000	\$ 80,000	\$ 82,854	\$ 2,854
Interest	<u>1,508</u>	<u>1,508</u>	<u>1,444</u>	<u>(58)</u>
Total revenues	<u>81,508</u>	<u>81,508</u>	<u>84,298</u>	<u>2,728</u>
Expenditures				
Debt service	<u>39,663</u>	<u>39,663</u>	<u>38,812</u>	<u>751</u>
Total expenditures	<u>39,663</u>	<u>39,663</u>	<u>38,812</u>	<u>751</u>
Excess of revenues over expenditures	21,837	21,837	25,386	3,549
Other financing sources (uses)				
Transfers out	<u>(21,837)</u>	<u>(21,837)</u>	<u>-</u>	<u>21,837</u>
Net change in fund balance	-	-	25,386	25,386
Fund balance at beginning of year	<u>103,948</u>	<u>103,948</u>	<u>103,948</u>	<u>-</u>
Fund balance at end of year	<u>\$ 103,948</u>	<u>\$ 103,948</u>	<u>\$ 131,332</u>	<u>\$ 25,386</u>

See accompanying note to budgetary comparison schedules.

CITY OF MINDEN, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual

Nonmajor Governmental Fund - Sales Tax Bonds, Series 1991

Year Ended September 30, 2003

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 400	\$ 400	\$ 304	\$ (196)
Total revenues	<u>400</u>	<u>400</u>	<u>304</u>	<u>(196)</u>
Expenditures				
Debt service	<u>191,000</u>	<u>191,000</u>	<u>190,927</u>	<u>73</u>
Total expenditures	<u>191,000</u>	<u>191,000</u>	<u>190,927</u>	<u>73</u>
(Deficiency) of revenues over expenditures	(190,600)	(190,600)	(190,723)	(123)
Other financing sources (uses)				
Transfers in	<u>190,325</u>	<u>190,325</u>	<u>190,485</u>	<u>160</u>
Net change in fund balance	(280)	(280)	(318)	(20)
Fund balance at beginning of year	<u>50,327</u>	<u>50,327</u>	<u>50,327</u>	<u>-</u>
Fund balance at end of year	<u>\$ 49,929</u>	<u>\$ 49,929</u>	<u>\$ 49,929</u>	<u>\$ (20)</u>

See accompanying notes to budgetary comparison schedules.

CITY OF MINDEN, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual

Nonmajor Governmental Fund - Refunding Bonds, Series 2002

Year Ended September 30, 2003

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 16,078	\$ 16,070	\$ 8,897	\$ (7,173)
Miscellaneous	-	-	573	573
Total revenues	<u>16,078</u>	<u>16,070</u>	<u>9,478</u>	<u>(6,592)</u>
Expenditures				
Debt service	<u>782,778</u>	<u>702,778</u>	<u>782,895</u>	<u>(118)</u>
Total expenditures	<u>782,778</u>	<u>702,778</u>	<u>782,895</u>	<u>(118)</u>
(Deficiency) of revenues over expenditures	(684,700)	(686,708)	(683,425)	(8,718)
Other financing sources (uses)				
Transfer in	712,328	712,328	712,328	-
Transfer out	-	(400,000)	(400,000)	-
Total other financing sources (uses)	<u>712,328</u>	<u>312,328</u>	<u>312,328</u>	<u>-</u>
Net change in fund balance	25,622	(374,378)	(381,097)	(5,718)
Fund balance at beginning of year	<u>1,086,791</u>	<u>1,086,791</u>	<u>1,086,791</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,112,413</u>	<u>\$ 712,413</u>	<u>\$ 705,694</u>	<u>\$ (6,219)</u>

See accompanying note to budgetary comparison schedules.

CITY OF MINDEN, LOUISIANA

Schedule of Compensation Paid Board Members
For the Year Ended September 30, 2003

The City of Minden, Louisiana paid the following amounts for compensation to the mayor and members of the City Council as of September 30, 2003:

	Compensation	Car Allowance
Mayor -		
Bill Robertson	\$ 31,450	\$ -
City Council		
Tharan Winsor	8,700	1,200
Fayrina A. Kemon-Gilbert	8,700	1,200
Magaline Quatles	8,700	1,200
Deen White	4,350	500
Michael Roy	4,350	700
Benny Gray	4,350	500
Doug Frye	4,350	700
	<u>\$ 94,950</u>	<u>\$ 6,000</u>

The accompanying notes are an integral part of this statement.

CITY OF MONROE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2003

Federal Grant/Pass Through Grant/Program Title	Federal CFR Title	Grant E.O.	Program or Award Account	Amount Expended	Revolving
U.S. Department of Transportation					
Public Activities Administration	20.106	1-21-8002-00	\$ 793,418	\$ 21,828	\$ 25,828
Airport Improvement Program	30.106	1-21-8002-00	146,600	285,550	286,110
U.S. Department of Justice					
Grant through the Office of Community	14.110	2001-0019-00410	66,809	23,198	23,308
General Policing Services					
COPE in Schools					
Grant through Louisiana Commission on Law					
Interconnect with Administration of Criminal Justice					
Bent Stiles Disposition	14.079	881-1-007	14,104	4,651	4,651
Criminal Process	14.079	881-1-001	14,129	7,079	7,079
Electronic Equipment		900-1-002	7,198	3,146	3,146
D.A.R.E.		880-1-007	29,116	21,186	19,198
D.A.R.E.		884-1-007	38,600	8,172	8,172
U.S. Department of Health and Human Services					
Grant through the State of LA, Division of Administration	14.128	CFR48 Ws. 8160070	160,014	8,072	8,072
PT 2001 (CFR48) Social Crisis Program					
Total expenditure of federal awards				\$ 2,261,087	\$ 2,261,087

The accompanying notes are an integral part of this schedule.

CITY OF MONROE, LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2003

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the municipality and is presented on the accrual basis of accounting in accordance with generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-113, *Audit 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 financial statements.

OTHER REPORTS

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MR. PHARO JAMESON, CPA (1984)
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CARLOS E. MARTIN, C.F.A.
BARBARA TRISLEY, C.F.A.

CHRISTINE COLE, CPA
JENNIFER C. SMITH, CPA

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

The Honorable Bill Robertson, Mayor,
and the Members of the Board of Aldermen
City of Minden, Louisiana

We have audited the financial statements of the City of Minden, Louisiana, as of and for the year ended September 30, 2007, and have issued our report thereon dated February 23, 2008. 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.

Compliance

As part of obtaining reasonable assurance about whether the City of Minden, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of City of Minden, Louisiana in a separate letter dated February 23, 2008.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Minden, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness. However, we noted other matters involving the internal control over financial reporting that we have reported to management of City of Minden, Louisiana in a separate letter dated February 23, 2004.

This report is intended solely for the information of management, others within the organization, City Council, federal awarding agencies and pass-through entities and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties.

Jamison, Coline P. Warden

Minden, Louisiana
February 23, 2004

JAMIESON, WISE & MARTIN
A PROFESSIONAL ACCOUNTING CORPORATION

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WIL FRANK JAMIESON, CPA, P.C.E.
OWNER

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INSTITUTE OF MUNICIPAL
CERTIFIED PUBLIC ACCOUNTANTS

MONSEL W. WISE, CPA
DAN, DON & MARTIN, CPAs
BRIAN W. TRINITY, CPA

BRYNNE H. COLE, CPA
JENNIFER S. SMITH, CPA

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-113**

The Honorable Bill Robertson, Mayor,
and the Members of the Board of Aldermen
City of Minden, Louisiana

Compliance

We have audited the compliance of City of Minden, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-113 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2003. City of Minden, Louisiana'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 City of Minden, Louisiana's management. Our responsibility is to express an opinion on City of Minden, Louisiana'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-113, *Audit of State, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-113 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 City of Minden, Louisiana'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 City of Minden, Louisiana's compliance with those requirements.

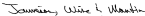
In our opinion, City of Minden, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2003.

Internal Control Over Compliance

The management of City of Minden, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Minden, Louisiana'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.

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 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 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 operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, City Council, and 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.



Minden, Louisiana
February 23, 2004

JAMIESON, WISE & MARTIN

A PROFESSIONAL ACCOUNTING CORPORATION

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WILL FRAYER, JAMIESON, C.P.A. #1084
MEMBER

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MICHAEL H. WISE, C.P.A.
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DAVID W. THOMAS, C.P.A.

MICHAEL H. WISE, C.P.A.
JENNIFER C. SMITH, C.P.A.

MANAGEMENT LETTER

The Honorable Bill Robertson, Mayor,
and the Members of the Board of Aldermen
City of Minden, Louisiana

We have audited the financial statements of the City of Minden, Louisiana, as of and for the year ended September 30, 2003, and have issued our report thereon dated February 23, 2004.

In connection with our audit, we made certain observations relative to the records maintained, the accounting procedures in effect, and the overall administration of the financial affairs of the City. As a supplement to the reports, we submit for your consideration pertaining to the following observations which did not meet the criteria of being material to the general purpose financial statements.

Compliance and internal control items considered non-material to general purpose financial statements.

2003-1 Public bid law

According to L.R.S. 18:2212, materials and supplies purchases of seven thousand five hundred dollars or more, but less than fifteen thousand dollars shall be made by obtaining not less than three telephone or facsimile quotations. During the audit, we noted purchases where management provided no evidence that bids were obtained as required for the following:

- \$140,885 was paid to a vendor for tree trimming services.
- \$28,054 was paid for aviation gasoline and \$22,177 in jet fuel.

2003-2 Deposits in excess of adequate security

According to L.R.S. 28:1225, adequate security is to be pledged to the City for deposits in excess of the federal depository insurance. As of September 30, 2003, the City had approximately \$758,962 in deposits with a local bank, which were not adequately secured.

2003-3 Budget compliance and amendments

During our audit, we reviewed the budget process of the City. LSA-R.S. 39:1216 concerns budgetary control. This City is to amend the budget in accordance with R.S. 39 whenever there is a variance of 5% (five percent) or more between actual and remaining projections as compared to budget amounts for revenues, expenditures or beginning fund balance. For the year ended September 30, 2003, the City had adopted and amended the budget in an effort to be in compliance with the Local Government Budget

Laws, however, during our audit we noted that actual total expenditures in the Sales Tax Fund and Sales Tax – Sewerage Fund exceeded budgeted expenditures by more than 20%.

In addition, we noted one amendment to the enterprise fund budget to increase the line item for construction expense by \$180,000, however, the actual amendment to the budget to accomplish the increase effected two additional line item accounts. The amendments to these additional accounts were not adopted in an open meeting, as required by LRS 29:131B.

2003-4 Police Department Internal Controls

We have identified areas for improving the police department internal controls over ticket accountability. These areas have been discussed with the City through our exit conference and a list of areas which need improvement has been provided to the department heads.

2003-5 Recreation Department Internal Controls

During 2003, there was an increase in recreational activities/events held by the City resulting in an increase in revenues being collected by the recreation department. Due to the large percentage of collections being received in the form of cash, we have identified areas for improving the internal controls over collections within the recreation department. These areas have been discussed with the City through our exit conference and a list of areas which need improvement has been provided to the department heads.

2003-6 Airport Collection Controls

We have identified areas of improving internal controls over collections of payments for gas and supply sales through the airport. Procedures for preferential pricing should be prohibited. In addition, we recommend that a cooperative endeavor agreement be executed to detail the aviation fuel sales agreement between the City and the US Forestry Department. These areas have been discussed with the City through our exit conference and a list of areas which need improvement has been provided to the department heads.

2003-7 Main Street Internal Controls

We have identified areas of improving internal controls of financial accounting and maintaining appropriate documentation. In addition, we recommend that all proceedings of meetings and financial statements be published as required by LSA, RS 41:171. These areas have been discussed with the City through our exit conference and a list of areas which need improvement has been provided to the department heads.

Prior audit findings have been addressed by the City management unless included in the above comments. Should you have any questions concerning the contents of this letter or if we can be of any additional service, please contact us at your convenience.

Very truly yours,

A handwritten signature in cursive script that reads "Jamieson, Wise & Martin".

Jamieson, Wise & Martin

February 21, 2004

CITY OF MONROE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2001

Summary of Auditors' Results

We have audited the general purpose financial statements of the City of Monroe, Louisiana as of and for the year ended September 30, 2001. As a result of our audit, we have issued an unqualified opinion on the general purpose financial statements. The results of our tests disclosed no instances of noncompliance required to be reported under Government Auditing Standards and which are material to the financial statements of the City of Monroe, Louisiana.

We have issued an unqualified opinion on the compliance requirements as described in the U.S. Office of Management and Budget (OMB)-Circular A-133 Compliance Supplement that are applicable to the City's major program. The results of our tests disclosed no instances of material noncompliance with the compliance requirements or audit objectives of the City's major program. The dollar threshold of \$500,000 was used to distinguish between Type A and Type B programs.

For the year ended September 30, 2001, the City of Monroe, Louisiana had one major program for funds received from the Federal Aviation Administration, to improve safety areas at the Monroe airport. Grant Identification #'s: 3-21-6002-03, 3-22-6003-04. (CFDA #20.106)

The City of Monroe, Louisiana was not required to perform single audits in the previous two years, therefore, the City of Monroe, Louisiana did not qualify as a low-risk auditor for the current year's audit.

Findings related to financial statements which are required to be reported in accordance with GAGAS

The results of our auditing procedures of the general purpose financial statements as of and for the year ended September 30, 2001, of the City of Monroe, Louisiana, disclosed no items that are required to be reported in accordance with GAGAS.

Findings and questioned costs related to federal awards

The results of our auditing procedures of the general purpose financial statements as of and for the year ended September 30, 2001, of the City of Monroe, Louisiana, disclosed no items that are required to be reported in accordance with OMB Circular A-133.

CITY OF MONROE, LOUISIANA
CORRECTIVE ACTION PLAN
For the Year Ended September 30, 2003

Findings related to financial statements which are required to be reported in accordance with GASBS

As stated in the Schedule of Findings and Questioned Costs, in connection with the audit of the general purpose financial statements as of and for the year ended September 30, 2003, of the City of Monroe, Louisiana, there were no items required to be reported in accordance with GASBS.

Findings and questioned costs related to federal awards

As stated in the Schedule of Findings and Questioned Costs, in connection with the audit of the general purpose financial statements as of and for the year ended September 30, 2003, of the City of Monroe, Louisiana, there were no items required to be reported in accordance with OMB Circular A-133.

Management letter findings

See management's responses attached.

March 25, 2004

Mr. Mike Wise
Jamison, Wise and Martin
P. O. Box 897
Minden, LA 71058-0897

Dear Mr. Wise:

Regarding your Management Letter for the Fiscal Year ended September 30, 2003, I offer the following comments:

2003-1 Public Bid Law

- (1) We consider tree trimming to be a service. Since we contend that this item is a service, we feel we are in compliance with applicable statutes.
- (2) From this point forward, we will follow bid guidelines for the purchase of fuel at the City of Minden Airport.

2003-2 Deposits in excess of adequate security

Procedures will be established to make certain that adequate security is pledged to the City for all deposits. I will instruct the City Clerk and the Assistant City Clerk to verify that these procedures are followed at all times.

2003-3 Budget compliance and amendments

We understand that we have to be within the five percent variance and any change to the budget will be adopted at an open meeting.

2003-4 Police department internal controls

I have discussed with Chief T. C. Skowan the needed improvements in the Police Department internal controls over ticket accountability. These changes will be implemented.

Claude L. Johnson, Jr.
City Clerk - Treasurer

George W. Balle, Jr.
Public Works Director

Charles Marshall
City Attorney

Thomas Wilson
Commissioner - District A

Fayden A. Kassar-Gilbert
Commissioner - District B

Margaret Quasha
Commissioner - District C

Drew White
Commissioner - District D

Henry Gray
Commissioner - District E



2003-5 Recreation department internal controls

Improvements in the internal controls over collections within the Recreation Department will be established and implemented.

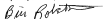
2003-6 Airport collection controls

We will implement proper controls over collections of payments at the City of Minden Airport, including the purchase of a cash register to better track receipts of cash. Also, a cooperative revenue agreement will be executed detailing the aviation fuel sales agreement between the City and the U.S. Forestry Department.

2003-7 Main Street internal controls

The Main Street Manager has been advised of the needed changes and recommendations. All recommendations will be followed.

Respectfully Submitted,



Bill Robertson
Mayor, City of Minden

mb

CITY OF MENDEN, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2003

The prior year audit findings for the year ended September 30, 2002, were as follows:

Section I - Internal Control and Compliance Material to the Financial Statements

In connection with the audit of the general purpose financial statements as of and for the year ended September 30, 2002, of the City of Minden, Louisiana, there were no items required to be reported in accordance with GASBS.

Section II - Internal Control and Compliance Material to Federal Awards

In connection with the audit of the general purpose financial statements as of and for the year ended September 30, 2002, of the City of Minden, Louisiana, there were no items required to be reported in accordance with OMB Circular A-133.

Section III - Management Letter

2002-1 Public Bid Law

Finding: No quotes obtained for the purchase of materials and supplies whose cost exceeds \$7,500 but is less than \$15,000.

Current Status: During the audit for the fiscal year ended September 30, 2003, quotes were obtained for several purchases where required, however, noted items which were not bid in accordance with the public bid law.

2002-2 Public Bid Law

Finding: Bids not obtained for public work projects whose cost exceeded \$100,000.

Current Status: During the audit for the fiscal year ended September 30, 2003, noted one project which was not let for bid as required by L.S. 38:2112.

2002-3 Deposits in excess of adequate security

Finding: City had unsecured deposits with a local bank. Bank balances as of September 30, 2002 exceeded federal depository insurance and market value of pledged securities.

Current Status: City had unsecured deposits during September 30, 2003.

CITY OF BENDEN, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2000

2000-4 Budget deficit

Ending: For the year ended September 30, 2002, a budget deficit of \$114,651 was budgeted in the Sales Tax Fund – Sewerage System.

Current status: No budget deficits were budgeted during the fiscal year ended September 30, 2001.

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