

ANNUAL FINANCIAL REPORT

CITY OF MONROE, LOUISIANA



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

Release Date APR 16 2014

**For The Year Ended
April 30, 2013**

CITY OF MONROE
Financial Statements
As of and for the Year Ended April 30, 2013

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***Denotes Schedule**

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***Denotes Schedule**

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
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INDEPENDENT AUDITOR'S REPORT

City of Monroe
Monroe, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Monroe** (the City) as of and for the year ended April 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Monroe City Court or the Monroe City Marshal, which represent the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included in the component unit columns, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

**City of Monroe
Monroe, Louisiana**

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Monroe as of April 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and Other Post Employment Benefits Schedules of Funding Progress and Employer Contributions on pages 5 through 13; pages 73 through 76 and page 77 respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Monroe's basic financial statements. The accompanying information listed as other supplemental information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local*

City of Monroe
Monroe, Louisiana

Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

This other supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information (except for the Schedule of Insurance Coverage) has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information and the schedule of expenditures of federal awards described above (except for the Schedule of Insurance Coverage) are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Schedule of Insurance Coverage, is the responsibility of management and is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Luffey, Huffman, Reynolds, & Simpson

(A Professional Accounting Corporation)
October 31, 2013

**Required Supplemental Information
(Part A)**

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2013

As management of the City of Monroe (the City), we offer readers of the City of Monroe's financial statements this narrative overview and analysis of the financial activities of the City of Monroe for the fiscal year ended April 30, 2013. It is designed to assist the reader in focusing on significant financial issues, identify changes in the city's financial position, and identify material deviations and individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government issued June 2001. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- The assets of the City of Monroe exceeded its liabilities at the close of the most recent fiscal year by \$224.3 million (*net position*). Of this amount, \$68.0 million represents the portion of net position which is restricted for capital improvements, debt service and other externally imposed restrictions.
- The government's total net position decreased by approximately \$8.6 million.
- As of the close of the current fiscal year, the City of Monroe's governmental funds reported combined ending fund balances of \$87.1 million, a decrease of \$1.7 million in comparison with the prior year. Of this total amount, approximately \$12.1 million is in unassigned fund balance.
- At the end of the current fiscal year, approximately \$402,000 of the General Fund's fund balance was reserved for inventories and prepaid items; and approximately \$1,400,000 was designated as restricted fund balance.
- The City of Monroe's total debt increased by approximately \$4.0 million during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Monroe's basic financial statements. The City of Monroe's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Not only do the government-wide financial statements include the City itself which is the primary government, but also its component units, Monroe City Court and Monroe City Marshal. Although these component units are legally separate, their operational or financial relationship with the City makes the City financially accountable.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2013

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Monroe's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Monroe's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Monroe is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Monroe that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Monroe include general government, public safety, public works, economic development, health and welfare, and culture and recreation. The business-type activities of the City of Monroe include an airport, public transportation system, civic center, zoo, livestock arena, water and sewer systems.

The government-wide financial statements include not only the City of Monroe itself (known as the primary government), but also a legally separate City Court and a legally separate City Marshal for which the City of Monroe is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Monroe, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Monroe can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2013

Because the focus of governmental funds is more narrow than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Monroe maintains 80 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Infrastructure Special Revenue Fund, I-20 Corridor Improvements, and MLU Airport Terminal Capital Projects Funds, all of which are considered to be major funds. Data from the other 76 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Monroe adopts an annual appropriated budget for its General Fund, and all Special Revenue funds. Budgetary comparison statements have been provided for the General Fund and the Capital Infrastructure Special Revenue Fund to demonstrate compliance with this budget.

Proprietary funds. The City of Monroe maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. An internal service fund is an accounting device used to accumulate and allocate costs internally among the City of Monroe's various functions. Because the internal service fund predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Monroe's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Monroe's compliance with budgets for its major funds. The combining statements for non-major governmental funds are presented immediately following the required supplementary information.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2013

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Monroe, assets exceeded liabilities by approximately \$224.3 million at the close of the most recent fiscal year.

By far the largest amount of the City of Monroe's net position (\$189.9 million) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Monroe uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Monroe's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Monroe's Net Position
April 30, 2013 and 2012

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Assets</u>						
Current and other assets	\$ 100,907,121	\$ 106,998,440	\$ 1,078,321	\$ 2,140,751	\$ 101,985,442	\$ 109,139,191
Capital assets	156,388,507	155,587,358	177,283,884	176,812,879	333,672,391	332,400,237
Total assets	<u>257,295,628</u>	<u>262,585,798</u>	<u>178,362,205</u>	<u>178,953,630</u>	<u>435,657,833</u>	<u>441,539,428</u>
<u>Liabilities</u>						
Current and other liabilities	10,342,332	21,278,003	2,325,172	2,196,383	12,667,504	23,474,386
Long-term liabilities	<u>197,643,048</u>	<u>182,080,137</u>	<u>1,061,696</u>	<u>3,121,060</u>	<u>198,704,744</u>	<u>185,201,197</u>
Total liabilities	<u>207,985,380</u>	<u>203,358,140</u>	<u>3,386,868</u>	<u>5,317,443</u>	<u>211,372,248</u>	<u>208,675,583</u>
<u>Net Position</u>						
Net investment in capital assets	88,671,831	86,358,247	101,266,982	98,329,451	189,938,813	184,687,698
Restricted	68,027,330	70,168,281			68,027,330	70,168,281
Unrestricted	<u>(107,388,911)</u>	<u>(97,298,841)</u>	<u>73,708,355</u>	<u>75,306,736</u>	<u>(33,680,556)</u>	<u>(21,992,105)</u>
Total net position	<u>\$ 49,310,250</u>	<u>\$ 59,227,687</u>	<u>\$ 174,975,337</u>	<u>\$ 173,636,187</u>	<u>\$ 224,285,587</u>	<u>\$ 232,863,874</u>

The deficit \$107.4 million in unrestricted net position in the governmental activities represents the accumulated results of all past year's operations. The principal factors in the large unrestricted deficit are that the City has long term outstanding debt of approximately \$197.6 million as well as approximately \$88.7 million invested in capital assets. Capital assets and long term debt have historically not been reported in governmental funds, but under GASB 34 the reporting of these results in an unrestricted deficit in the governmental activities.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2013

City of Monroe's Changes in Net Position
For the years ended April 30, 2013 and 2012

	Governmental		Business-Type		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues						
Charges for services	\$ 20,920,910	\$ 22,241,643	\$ 18,555,900	\$ 17,926,083	\$ 39,476,810	\$ 40,167,726
Operating grants and contributions	4,883,249	6,164,182	1,512,231	1,070,688	6,395,480	7,234,870
Capital grants and contributions	5,972,916	7,281,978	10,299,961	20,698,670	16,272,877	27,980,648
General revenues						
Property taxes	8,590,203	8,831,465	1,938,048	1,985,735	10,528,251	10,817,200
Sales taxes	60,846,244	59,925,541			60,846,244	59,925,541
Other taxes	1,003,304	1,099,414			1,003,304	1,099,414
Other general revenues	483,947	911,175	(301,722)	(645,495)	182,225	265,680
Total revenues	102,700,773	106,455,398	32,004,418	41,035,681	134,705,191	147,491,079
Expenses						
General government	23,254,941	23,337,002			23,254,941	23,337,002
Public safety	33,116,458	33,966,941			33,116,458	33,966,941
Public works	29,417,301	21,116,447			29,417,301	21,116,447
Culture and recreation	3,863,274	4,010,640			3,863,274	4,010,640
Planning and urban development	3,080,582	3,615,611			3,080,582	3,615,611
Economic development	1,493,583	148,241			1,493,583	148,241
Interest on debt	5,719,710	9,268,884			5,719,710	9,268,884
Judgments	252,807	781,807			252,807	781,807
Intergovernmental	9,026,505	19,651,533			9,026,505	19,651,533
Airport			4,641,770	3,426,004	4,641,770	3,426,004
Transit			5,305,452	5,297,264	5,305,452	5,297,264
Civic center			3,699,250	3,455,183	3,699,250	3,455,183
Zoo			1,707,326	1,510,984	1,707,326	1,510,984
Water			8,426,120	7,985,770	8,426,120	7,985,770
Sewer			9,224,629	8,962,434	9,224,629	8,962,434
Total expenses	109,225,161	115,897,106	33,004,547	30,637,639	142,229,708	146,534,745
Increase in net position						
before transfers & special items	(6,524,388)	(9,441,708)	(1,000,129)	10,398,042	(7,524,517)	956,334
Refund overpayment of sales tax	(1,053,741)				(1,053,741)	
Transfers	(2,339,279)	(46,259)	2,339,279	46,259		
Change in net position	\$ (9,917,408)	\$ (9,487,967)	\$ 1,339,150	\$ 10,444,301	\$ (8,578,258)	\$ 956,334

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2013

Governmental Activities (continued)

Expenses are classified by functions/programs. Public safety accounts for approximately \$33.1 million for fiscal year 2013. Other functions such as general government, public works, planning and urban development, culture and recreation and economic development totaled approximately \$61.1 million. The remaining costs represent payments for debt service and intergovernmental expenses totaling approximately \$15.0 million.

The related program revenues for fiscal year 2013 directly related to these expenses totaled \$31.8 million, which resulted in net program expenses of \$77.4 million. The remaining balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- Sales tax revenues are the largest and most significant source of revenue for the City of Monroe. It provides approximately \$34.9 million of General Fund revenues.
- Property taxes are the second largest revenue source to the City, generating approximately \$8.6 million of General Fund revenues.

Business-type activities. Business-type activities increased the City of Monroe's net position by approximately \$1.3 million. Key elements of this increase are as follows:

- Airport increased the City's net position by approximately \$4.1 million.
- Water Fund activities increased net position by approximately \$1.8 million.
- Sewer Fund activities decreased net position by approximately \$3.4 million.
- Monroe Transit System activities decreased the City's net position by approximately \$2.0 million.
- All other business-type activities decreased net position by approximately \$2.1 million.

Financial Analysis of the Government's Funds

As noted earlier, the City of Monroe uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City of Monroe's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Monroe's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2013

As of the end of the current fiscal year, the City of Monroe's governmental funds reported combined ending fund balances of \$87.1 million, a decrease of \$1.7 million in comparison with the prior year. Approximately 76.2% (\$66.4 million) of this total amount is restricted or non-spendable fund balance, and is not available for new spending. The remainder of fund balance, approximately \$20.7 million, is assigned or unassigned.

The General Fund is the chief operating fund of the City of Monroe. At the end of the current fiscal year, fund balance of the General Fund was approximately \$14.2 million of which approximately \$402,000 is reserved for inventories and prepaid items, and approximately \$1.4 million is restricted fund balance.

The fund balance of the City of Monroe's General Fund increased by approximately \$224,000 during the current fiscal year.

The special revenue funds have a total fund balance of \$32.1 million, of which approximately \$17.1 million is restricted for debt service related to the Capital Infrastructure Fund.

The debt service funds have a total fund balance of \$13.3 million, all of which is reserved for the payment of debt service.

The capital project funds have a fund balance of approximately \$27.4 million all of which is reserved for capital improvements.

General Fund Budgetary Highlights

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA- R.S 39:1301 et seq), the City of Monroe must adopt a budget for the General Fund and all Special Revenue funds prior to April 30. The original budget for the City was adopted on April 10, 2012, and the final budget amendment was adopted on April 23, 2013.

The total difference between the original General Fund budget and the final amended budget was an increase in appropriations of \$3.3 million and an increase in anticipated revenues of approximately \$3.6 million. The majority of the appropriation increase was due to increases in appropriations for Administration (\$1.4), Public Works (\$300,000) and Capital (\$1.6) The increase in anticipated revenues was due to an increase in sales taxes (\$3.1 million) and an increase in property taxes (\$340,000).

Capital Asset and Debt Administration

Capital assets. The City of Monroe's investment in capital assets for its governmental and business type activities as of April 30, 2013, amounts to approximately \$333.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

**City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2013**

**City of Monroe Capital Assets
(Net of Accumulated Depreciation)
April 30, 2013 and 2012**

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 20,004,058	\$ 19,714,255	\$ 5,542,940	\$ 5,542,940	25,546,998	25,257,195
Buildings and improvements	40,441,527	39,411,283	74,273,629	63,269,629	114,715,156	102,680,912
Equipment and furniture	29,741,179	26,713,282	19,094,408	18,625,853	48,835,587	45,339,135
Construction in progress	8,273,936	4,973,825	6,626,221	22,326,589	14,900,157	27,300,414
Infrastructure	165,016,492	162,475,580	188,324,887	174,352,142	353,341,379	336,827,722
Zoo animals				62,813		62,813
Total	263,477,192	253,288,225	293,862,085	284,179,966	557,339,277	537,468,191
Less: accumulated depreciation	(107,088,685)	(97,700,865)	(116,578,201)	(107,367,057)	(223,666,886)	(205,067,922)
Total Net Capital Assets	<u>\$156,388,507</u>	<u>\$155,587,360</u>	<u>\$177,283,884</u>	<u>\$176,812,909</u>	<u>\$333,672,391</u>	<u>\$332,400,269</u>

Major capital asset events during the current fiscal year included the following:

- Construction of sewer and water projects at an approximately total cost of \$9.2 million.
- Expenditures for a variety of street construction projects totaled \$3.6 million for the year.
- Construction on general infrastructure and general capital asset projects of approximately \$560,000.
- Improvement projects at the airport totaled approximately \$15.7 million.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2013

City of Monroe Outstanding Debt
April 30, 2013 and 2012

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Tax increment bonds	40,172,673	18,955,000			40,172,673	18,955,000
Certificates of indebtedness	330,000	645,000			330,000	645,000
Sales tax bonds	34,013,940	44,447,619			34,013,940	44,447,619
Sales tax refunding bonds	71,599,526	45,367,991			71,599,526	45,367,991
Utility revenue bonds		38,843,807		1,976,723		40,820,530
Airport revenue bonds	17,800,000	18,210,000			17,800,000	18,210,000
Claims and judgments	9,969,993	8,077,427			9,969,993	8,077,427
Capital leases	3,135,985	1,915,854			3,135,985	1,915,854
Notes payable	4,000,000	487,011			4,000,000	487,011
Compensated absences	5,868,924	5,821,714	1,061,696	1,144,338	6,930,620	6,966,052
Other post-employment	10,752,007	8,832,240			10,752,007	8,832,240
Total	\$ 197,643,048	\$ 191,603,663	\$ 1,061,696	\$ 3,121,061	\$ 198,704,744	\$ 194,724,724

The City of Monroe's total debt increased by approximately \$4.0 million (2.0%) during the current fiscal year.

Economic Factors and Next Year's Budgets and Rates

The City of Monroe will continue its focus on economic development in the I-20 Corridor. Adjacent to that area is the Air Industrial Park, which the city markets heavily with its easy access to rail, air and major highways. The city wants to build up that area around the new \$42 million airport that is now complete. As new businesses locate in Monroe and existing Fortune 500 companies continue expansions, the city continues to see increases in sales and property taxes. The downtown area of Monroe has seen a variety of new businesses, including restaurants, art galleries, and retail stores. The city is experiencing some benefits from the notoriety associated with the "Duck Dynasty" phenomenon. The new downtown Rivermarket is building on that notoriety with a "Duck Commander" extravaganza for the final weekend festival. The city is expecting thousands of tourists for the event. With growth, come the continued challenges of water, sewer and drainage maintenance, for which the city continues to seek innovative funding sources.

Requests for Information

This financial report is designed to provide a general overview of the City of Monroe's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administration, The City of Monroe, 400 Lea Joyner Memorial Expressway, Monroe, LA, 71201.

BASIC FINANCIAL STATEMENTS

**Government-Wide
Financial Statements**

CITY OF MONROE
Monroe, Louisiana
Statement of Net Position
April 30, 2013

	<u>Primary Government</u>			Component Units
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
ASSETS				
Cash and cash equivalents	\$ 84,331,326	\$ 1,411,537	\$ 85,742,863	\$ 1,610,024
Investments				19,600
Receivables	9,740,067	1,926,704	11,666,771	60,333
Internal balances	2,932,122	(2,932,122)		
Inventories	157,356	594,877	752,233	
Prepaid expenses	1,100,269	77,325	1,177,594	16,842
Bond issuance costs	2,645,981		2,645,981	
Capital assets, net	156,388,507	177,283,884	333,672,391	118,226
Total Assets	<u>257,295,628</u>	<u>178,362,205</u>	<u>435,657,833</u>	<u>1,825,025</u>
LIABILITIES				
Accounts payables and accrued expenses	6,087,467	705,920	6,793,387	130,543
Accrued payroll related liabilities	1,297,708		1,297,708	10,462
Unearned revenues	61,794	66,318	128,112	
Bond premium	1,102,171			
Due to other agencies	41,965		41,965	
Deposits due others	4,535	1,552,934	1,557,469	
Other current liabilities	13,453		13,453	
Accrued interest payable	1,733,237		1,733,237	
Noncurrent Liabilities				
Due within one year	9,964,353		9,964,353	3,829
Due in more than one year	187,678,695	1,061,696	188,740,391	9,415
Total Liabilities	<u>207,985,378</u>	<u>3,386,868</u>	<u>210,270,075</u>	<u>154,249</u>
NET POSITION				
Net investment in capital assets	88,671,831	101,266,982	189,938,813	104,982
Restricted for				
Debt service	23,727,286		23,727,286	
Capital improvements	38,915,540		38,915,540	
Externally imposed restrictions	5,384,504		5,384,504	
Unrestricted	(107,388,911)	73,708,355	(33,680,556)	1,565,794
Total Net Position	<u>\$ 49,310,250</u>	<u>\$ 174,975,337</u>	<u>\$ 224,285,587</u>	<u>\$ 1,670,776</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Statement of Activities
For the Year Ended April 30, 2013

Functions/Programs	Net (Expenses) Revenues and Changes in Net Assets						Component Units
	Expenses	Program Revenues			Primary Government		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	
Primary government							
Governmental activities							
General government	\$ 23,254,941	\$ 16,454,391	\$ 3,727	\$ 389,682	\$ (6,407,141)	\$ (6,407,141)	
Public safety	33,116,458	198,582	2,765,510	1,000,684	(29,151,682)	(29,151,682)	
Public works	29,417,301	3,358,096		4,005,280	(22,053,925)	(22,053,925)	
Culture and recreation	3,863,274	473,005	155,600	429,138	(2,805,531)	(2,805,531)	
Planning and urban development	3,080,582	347,975	1,929,362	148,132	(655,113)	(655,113)	
Economic development and assistance	1,493,583	88,861	29,050		(1,375,672)	(1,375,672)	
Debt service interest	5,623,987				(5,623,987)	(5,623,987)	
Capital lease interest	95,723				(95,723)	(95,723)	
Judgments	252,807				(252,807)	(252,807)	
Intergovernmental expenditures	9,026,505				(9,026,505)	(9,026,505)	
Total governmental activities	109,225,161	20,920,910	4,883,249	5,972,916	(77,448,086)	(77,448,086)	
Business-type activities							
Airport	4,641,770	2,633,553		6,116,822		4,108,605	4,108,605
Transit	5,305,452	643,697	1,512,231	1,182,575		(1,966,949)	(1,966,949)
Civic Center	3,699,250	1,925,906				(1,773,344)	(1,773,344)
Zoo	1,707,326	262,901				(1,444,425)	(1,444,425)
Water	8,426,120	8,482,854		1,781,327		1,838,061	1,838,061
Sewer	9,224,629	4,606,989		1,219,237		(3,398,403)	(3,398,403)
Total business-type activities	33,004,547	18,555,900	1,512,231	10,299,961		(2,636,455)	(2,636,455)
Total primary government	142,229,708	39,476,810	6,395,480	16,272,877	(77,448,086)	(2,636,455)	(80,084,541)
Component units							
City Court	\$ 360,637	\$ 323,211					\$ (37,426)
City Marshal	352,196	269,762					(82,434)
Total component units	\$ 712,833	\$ 592,973					\$ (119,860)
Ad valorem tax				\$ 8,590,203	\$ 1,938,048	\$ 10,528,251	
Sales tax				60,846,244		60,846,244	
Other taxes				1,003,304		1,003,304	
Interest and investment earnings				278,110	3,545	281,655	7,230
Gain (Loss) on disposition of capital assets				107,992	(305,267)	(197,275)	4,830
Miscellaneous				77,360		77,360	8,627
Transfers				(2,339,279)	2,339,279		
Refund overpayment of sales taxes				(1,053,741)		(1,053,741)	
Insurance proceeds				20,485		20,485	
Total general revenues and separate line items				67,530,678	3,975,605	71,506,283	20,687
Changes in net position				(9,917,408)	1,339,150	(8,578,258)	(99,173)
Net position - beginning				59,227,658	173,636,187	232,863,845	1,769,949
Net position - ending				\$ 49,310,250	\$ 174,975,337	\$ 224,285,587	\$ 1,670,776

The notes to the financial statements are an integral part of this statement.

Fund Financial Statements

CITY OF MONROE
Monroe, Louisiana
Balance Sheet
Governmental Funds
April 30, 2013

	Major Funds					Total
	General	Special Revenue	Capital Projects		Other	
		Capital Infrastructure	I-20 Corridor	Airport Terminal		
ASSETS						
Cash and cash equivalents	\$ 8,454,770	\$ 15,929,794	\$ 17,418,757		\$ 38,970,383	\$ 80,773,704
Receivables (net)	3,611,000	1,163,149	1,032,029	301,894	2,916,741	9,024,813
Advances from other funds	2,858,007					2,858,007
Due from other funds	1,762,957			2,641,183	4,925,602	9,329,742
Inventories	118,623					118,623
Prepaid expenses & other assets, net	283,645			31,599	785,025	1,100,269
Total Assets	\$ 17,089,002	\$ 17,092,943	\$ 18,450,786	\$ 2,974,676	\$ 47,597,751	\$ 103,205,158
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts and retainage payable	\$ 1,925,970	\$ 13,354	\$ 378,616	\$ 24,941	\$ 3,716,766	\$ 6,059,647
Accrued liabilities	660,268					660,268
Due to other funds	163,844	10,276	2,897,670	2,949,735	3,263,417	9,284,942
Unearned revenue	57,881				3,913	61,794
Other current liabilities	46,500				13,453	59,953
Total Liabilities	2,854,463	23,630	3,276,286	2,974,676	6,997,549	16,126,604
Fund Balances						
Nonspendable						
Prepaid expenses and other assets	283,645				785,025	1,068,670
Inventories	118,623					118,623
Spendable						
Restricted	1,359,151	17,069,313	15,174,500		31,621,440	65,224,404
Committed						
Assigned					8,578,104	8,578,104
Unassigned (deficit)	12,473,120				(384,367)	12,088,753
Total Fund Balances	14,234,539	17,069,313	15,174,500		40,600,202	87,078,554
Total Liabilities and Fund Balances	\$ 17,089,002	\$ 17,092,943	\$ 18,450,786	\$ 2,974,676	\$ 47,597,751	\$ 103,205,158

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
April 30, 2013

Fund balances - total governmental funds		\$ 87,078,554
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	\$ 259,759,907	
Less: accumulated depreciation	<u>(105,650,742)</u>	154,109,165
Assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds		
Bond issuance costs		2,645,981
Some revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures.		
Receivable - Sales tax increment - I-20 Corridor	261,261	
Receivable - Sales tax increment - Tower Drive	69,626	
Receivable - Capital grants	<u>384,367</u>	715,254
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	(1,733,237)	
Bonds payable	(164,613,940)	
Deferred amount on refunding bonds	697,801	
Bond premium	(1,102,171)	
Compensated absences payable	(5,868,924)	
Obligation under capital leases	(3,135,985)	
Note payable	(4,000,000)	
Claims and judgments payable	(9,969,993)	
Other post-employment benefits	<u>(10,752,007)</u>	(200,478,456)
Internal service funds are used by management to account for the provision of repair and maintenance services and motor fuels to various City departments. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
Cash and cash equivalents	3,557,623	
Due from other funds	29,980	
Inventories	38,733	
Capital assets, net	2,279,343	
Accounts payable and accrued expenses	<u>(665,927)</u>	<u>5,239,752</u>
Net assets of governmental activities		<u>\$ 49,310,250</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended April 30, 2013

	Major Funds					Total
	Special Revenue		Capital Projects			
	General	Capital Infrastructure	I-20 Corridor	Airport Terminal	Other	
REVENUES						
Taxes						
Ad valorem	\$ 8,201,993				\$ 388,210	\$ 8,590,203
Other	1,003,304					1,003,304
Sales	34,932,439	\$ 14,630,826			11,466,783	61,030,048
Licenses, permits, and assessments	2,858,845					2,858,845
Intragovernmental						
Federal grants	378,551				5,991,878	6,370,429
State grants	2,226,499			294,708	2,129,615	4,650,822
Local grants					194,608	194,608
Fees, charges and commissions for services	6,917,879				1,823,260	8,741,139
Fines and Forfeitures	746,421				50,828	797,249
Use of money and property	112,671	52,954	\$ 15,752		96,733	278,110
Other revenues	64,141				9,003	73,144
Total Revenues	57,442,743	14,683,780	15,752	294,708	22,150,918	94,587,901
EXPENDITURES						
Current						
General government						
Legislative	335,388					335,388
Judicial	3,115,651				98,018	3,213,669
Executive	857,649					857,649
Financial administration	9,238,898		31,360		1,347,988	10,618,246
Other general government	49,902				36,633	86,535
Public safety						
Police	13,063,459				3,439,749	16,503,208
Fire	12,199,125				3,695,933	15,895,058
Public works	10,038,401	776,530			669,605	11,484,536
Culture and recreation	2,802,677				516,019	3,318,696
Planning and urban development	899,066				2,092,691	2,991,757
Economic development and assistance			1,359,623		133,961	1,493,584
Capital outlay	2,339,951		1,129,603	2,935,891	13,778,386	20,183,831
Debt service						
Debt service principle	315,000				10,012,011	10,327,011
Debt service interest	24,188				5,465,942	5,490,130
Capital lease principle	166,092					166,092
Capital lease interest	95,723					95,723
Judgments	252,807					252,807
Total Expenditures	55,793,977	776,530	2,520,586	2,935,891	41,286,936	103,313,920
Excess (deficiency) of revenues over expenditures	1,648,766	13,907,250	(2,504,834)	(2,641,183)	(19,136,018)	(8,726,019)
Other Financing Sources (Uses)						
Sale of assets	105,058					105,058
Insurance Proceeds					20,485	20,485
Bond proceeds					85,061,608	85,061,608
Payment to refunding bond escrow-principal					(74,921,476)	(74,921,476)
Payment to refunding bond escrow-interest					(1,376,503)	(1,376,503)
Premium on bond sales					748,250	748,250
Capital leases	1,480,145					1,480,145
Refund of overpayment of sales taxes					(1,053,741)	(1,053,741)
Transfers in	770,533	3,449,664	6,199	2,641,183	21,190,981	28,058,560
Transfers out	(3,784,170)	(16,910,921)	(2,650,477)		(7,790,298)	(31,135,866)
Insurance premium refund	4,100					4,100
Total Other Financing Sources (Uses)	(1,424,334)	(13,461,257)	(2,644,278)	2,641,183	21,879,306	6,990,620
Net changes in fund balances	224,432	445,993	(5,149,112)		2,743,288	(1,735,399)
Fund balances - beginning	14,010,107	16,623,320	20,323,612		37,856,914	88,813,953
Fund balances - ending	\$ 14,234,539	\$ 17,069,313	\$ 15,174,500		\$ 40,600,202	\$ 87,078,554

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds
to the Statement of Activities
For the Year Ended April 30, 2013

Net change in fund balances - total governmental funds		\$ (1,735,399)
<p>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.</p>		
Capital outlay (net of \$9,026,505 capital contributions to business activities)	\$ 11,157,326	
Depreciation expense	<u>(10,272,385)</u>	884,941
<p>The net effect of various miscellaneous transactions involving capital assets, such as sales and trade-ins:</p>		
Proceeds for sales	(108,692)	
Gain (loss) on sales	<u>107,994</u>	(698)
<p>Some revenues will not be collected for several months after year-end they are not considered "available" revenues in the governmental funds.</p>		
Sales tax increment - I-20 Corridor	(51,628)	
Sales tax increment - Tower Drive	(8,195)	
Sales tax receivable	(123,981)	
Capital grants CY	384,367	
Capital grants FY	<u>(744,061)</u>	(543,498)
<p>The issuance of long-term debt 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 first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Deferred bond issuance costs	1,015,769	
Amortization of bond issuance costs	(2,132,481)	
Deferred bond premium	(748,250)	
Amortization of bond premium	190,425	
Principal payments	84,761,475	
Proceeds for bonds and certificates	(85,061,608)	
Proceeds from capital lease	(1,480,145)	
Capital lease payments	<u>747,025</u>	(2,707,790)
<p>Payments to an escrow agent to refund bonded debt are reported in Governmental Funds as Other Financing Sources. The amount paid to the escrow agent for principal is removed from the long-term bonded debt in the Statement of Net Assets. The deferred part of the payment paid to the escrow agent is shown as a reduction of long-term debt in the Statement of Net Assets. The deferred amount is amortized over the lesser of the life of the original bonds or the life of the refunding bonds.</p>		
Deferred amount of refunding	(124,922)	
Current year amortization	<u>(1,021,667)</u>	(1,146,589)
<p>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.</p>		
Accrued interest payable	(133,857)	
Compensated absences payable	(47,210)	
Claims and judgments payable	<u>(1,892,566)</u>	(2,073,633)
<p>Other post-employment benefits are reported in the governmental funds as expenditures when paid. The unfunded annual contribution is reported in the Statement of Activities as it accrues.</p>		
		(1,919,767)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.</p>		
		<u>(674,975)</u>
Change in net assets of governmental activities		<u>\$ (9,917,408)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Statement of Net Position
Proprietary Funds
April 30, 2013

	Business - Type Activities - Enterprise Funds						Governmental Activities - Internal Service Fund	
	Major Funds							
	Monroe Regional Airport	Monroe Transit System	Monroe Civic Center	Louisiana Purchase Gardens & Zoo	Water Fund	Sewer Fund		Enterprise Total
ASSETS								
Current assets								
Cash and cash equivalents	\$ 127,606	\$ 900	\$ 10,500	\$ 2,500	\$ 1,245,003	\$ 25,028	\$ 1,411,537	\$ 3,557,623
Receivables (net)	360,145	300,518	18,826	14,519	688,021	544,673	1,926,702	
Due from other funds		24,895	250		1,972	17,806	44,923	29,980
Inventories		194,259			400,618		594,877	
Prepaid expenses & other assets, net	9,304		62,048	4,623	1,350		77,325	38,733
Total current assets	497,055	520,572	91,624	21,642	2,336,964	587,507	4,055,364	3,626,336
Noncurrent assets								
Capital assets, net of accumulated depreciation								
Land	4,203,504	148,239	993,540		114,152	83,505	5,542,940	45,000
Buildings and improvements	35,627,335	3,056,404	9,965,375	3,168,784	30,082	536,586	52,384,566	3,406,242
Other improvements	18,279,937	167,393	3,000,398		50,000	391,334	21,889,062	
Furniture & Equipment	1,717,418	3,625,759	1,399,735	394,948	3,254,042	4,353,684	14,745,586	266,044
Vehicles		4,348,825					4,348,825	
Infrastructure	14,157,347				46,838,742	127,328,798	188,324,887	
Construction in progress	2,860,243	245,870			2,012,229	1,507,877	6,626,219	
Accumulated depreciation	(13,905,376)	(7,255,398)	(10,793,739)	(2,799,550)	(24,688,073)	(57,136,065)	(116,578,201)	(1,437,943)
Total noncurrent assets	62,940,408	4,337,092	4,565,309	764,182	27,611,174	77,065,719	177,283,884	2,279,343
Total assets	63,437,463	4,857,664	4,656,933	785,824	29,948,138	77,653,226	181,339,248	5,905,679

(continued)

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Statement of Net Position (Concluded)
Proprietary Funds
April 30, 2013

	Business - Type Activities - Enterprise Funds						Governmental Activities - Internal Service Fund	
	Major Funds							
	Monroe Regional Airport	Monroe Transit System	Monroe Civic Center	Louisiana Purchase Gardens & Zoo	Water Fund	Sewer Fund		Enterprise Total
LIABILITIES								
Current liabilities								
Accounts and retainage payable	32,593	171,969	55,220	42,926	146,302	256,910	705,920	24,834
Accrued liabilities								640,428
Advances from other funds						2,858,007	2,858,007	
Due to other funds	10,292				74,637	34,087	119,036	665
Unearned revenues			64,616	1,702			66,318	
Customer deposits, net		2,500	472		1,549,962		1,552,934	
Total current liabilities	42,885	174,469	120,308	44,628	1,770,921	3,149,004	5,302,215	665,927
Noncurrent liabilities								
Compensated absences	45,500	344,825	34,156	83,699	216,021	337,495	1,061,696	
Total noncurrent liabilities	45,500	344,825	34,156	83,699	216,021	337,495	1,061,696	
Total liabilities	88,385	519,294	154,464	128,327	1,986,942	3,486,499	6,363,911	665,927
NET POSITION								
Unrestricted	63,349,078	4,338,370	4,502,469	657,497	27,961,196	74,166,727	174,975,337	5,239,752
Total net position	\$ 63,349,078	\$ 4,338,370	\$ 4,502,469	\$ 657,497	\$ 27,961,196	\$ 74,166,727	\$ 174,975,337	\$ 5,239,752

CITY OF MONROE
Monroe, Louisiana
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended April 30, 2013

	Business-type Activities - Enterprise Funds						Governmental Activities -	
	Major Funds							
	Monroe Regional Airport	Monroe Transit System	Monroe Civic Center	Louisiana Purchase Gardens & Zoo Enterprise	Water Fund	Sewer Fund		Enterprise Total
Operating revenues								
Changes for services								
Rent and fees	\$ 2,193,598	\$ 2,486	\$ 332,597	\$ 5,805			\$ 2,534,686	\$ 8,523,677
Fares		621,946					621,946	
Advertising	10,403	10,100	12,500				33,003	
Ticket sales and other			1,294,682				1,294,682	
Admissions				182,849			182,849	
Concessions and rides			273,426	63,941			339,367	
Water sales					\$ 8,482,854	\$ 4,606,990	13,089,844	
Sewerage fees								
Other operating revenue	92,784	8,965	10,699	10,305			122,753	
Air Industrial Park rent	336,769						336,769	
Total operating revenues	2,633,554	643,697	1,925,904	262,900	8,482,854	4,606,990	18,555,899	8,523,677
Operating expenses								
Benefits paid to participants								8,125,084
Salaries, wages, and benefits	813,772	2,461,648	883,951	1,060,346	3,486,010	2,090,134	10,795,861	836,748
Materials, repairs, and supplies	385,193	1,432,323	371,945	269,028	2,060,193	1,354,417	5,873,099	13,467
Utilities and communications	350,655	104,584	478,111	85,927	703,335	688,490	2,411,102	31,594
Depreciation and amortization	2,739,706	720,618	497,184	99,389	1,134,155	4,321,397	9,512,449	94,223
Shop expenses								816,312
Insurance	10,150	312,676	124,192	11,268			458,286	
Promoter's expenses								990,165
Other operating expenses	342,294	273,604	364,954	170,116	1,042,426	770,191	2,963,585	22,883
Total operating expenses	4,641,770	5,305,453	3,699,249	1,707,327	8,426,119	9,224,629	33,004,547	9,940,311
Operating income (loss)	(2,008,216)	(4,661,756)	(1,773,345)	(1,444,427)	56,735	(4,617,639)	(14,448,648)	(1,416,634)
Nonoperating revenues (expenses)								
Operating grants	90,882	2,694,805					2,785,687	
Gain (loss) on sale of assets	(317,216)	(3,632)		49	15,532		(305,267)	3,632
Interest income			1,772	1,772			3,544	
Interest expense								
Property taxes			969,025	969,025			1,938,050	
Total nonoperating revenues (expenses)	(226,334)	2,691,173	970,797	970,846	15,532		4,422,014	3,632
Income (loss) before contributions and transfers	(2,234,550)	(1,970,583)	(802,548)	(473,581)	72,267	(4,617,639)	(10,026,634)	(1,413,002)
Other financing sources (uses)								
Capital contributions	6,025,941				1,781,327	1,219,237	9,026,505	
Transfers in		2,183,821	270,246	291,822	840	4,481,012	7,227,741	738,692
Transfers out	(589,042)		(624)		(4,294,316)	(4,480)	(4,888,462)	(665)
	5,436,899	2,183,821	269,622	291,822	(2,512,149)	5,695,769	5,761,164	738,027
Change in net assets	3,202,349	213,238	(532,926)	(181,759)	(2,439,882)	1,078,130	1,339,150	(674,975)
Total net position - beginning	60,146,729	4,125,132	5,035,395	839,256	30,401,078	73,088,597	173,636,187	5,914,727
Total net position - ending	\$ 63,349,078	\$ 4,338,370	\$ 4,502,469	\$ 657,497	\$ 27,961,196	\$ 74,166,727	\$ 174,975,337	\$ 5,239,752

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2013

	Business Type Activities - Enterprise Funds						Governmental Activities - Internal Service Fund	
	Major Funds							
	Monroe Regional Airport	Monroe Transit System	Monroe Civic Center	Louisiana Purchase Gardens & Zoo	Water Fund	Sewer Fund		Total
Cash flows from operating activities								
Cash received from customers	\$ 2,450,517	\$ 440,576	\$ 1,962,665	\$ 270,035	\$ 9,708,150	\$ 5,176,229	\$ 20,008,172	\$ 8,493,697
Cash payments to suppliers for goods and services	(1,079,886)	(2,182,017)	(2,276,618)	(540,315)	(5,004,939)	(6,956,931)	(18,040,706)	(8,974,984)
Cash payments to employees for services and benefits	(818,309)	(2,517,736)	(906,470)	(1,055,201)	(3,476,960)	(2,103,827)	(10,878,503)	(836,748)
Net cash provided by (used for) operating activities	<u>552,322</u>	<u>(4,259,177)</u>	<u>(1,220,423)</u>	<u>(1,325,481)</u>	<u>1,226,251</u>	<u>(3,884,529)</u>	<u>(8,911,037)</u>	<u>(1,318,035)</u>
Cash flows from noncapital financing activities								
Operating grants	90,882	1,642,247					1,733,129	
Ad valorem taxes			969,025	969,025			1,938,050	
Transfers in		2,183,821	270,247	291,822	840	4,481,011	7,227,741	738,692
Transfers out	(589,042)		(624)		(4,294,316)	(4,480)	(4,888,462)	
Net cash provided by (used for) noncapital financing activities	<u>(498,160)</u>	<u>3,825,068</u>	<u>1,238,648</u>	<u>1,260,847</u>	<u>(4,293,476)</u>	<u>4,476,531</u>	<u>6,010,458</u>	<u>738,692</u>
Cash flows from capital and related financing activities								
Capital Grants		1,052,557					1,052,557	
Acquisition of capital assets	(6,070,178)	(619,448)	(19,998)	62,861	(1,830,722)	(1,811,239)	(10,288,724)	
Cash contributed by City of Monroe	6,025,941				1,781,527	1,219,237	9,026,505	
Insurance Proceeds								
Principal paid on debt								
Interest paid on debt								
Net cash provided by (used for) financing activities	<u>(44,237)</u>	<u>433,109</u>	<u>(19,998)</u>	<u>62,861</u>	<u>(49,395)</u>	<u>(592,002)</u>	<u>(209,662)</u>	
Cash flows from investing activities								
Interest received on investments			1,773	1,773				
Net cash provided by investing activities			<u>1,773</u>	<u>1,773</u>				
Net increase (decrease) in cash and cash equivalents	9,925				(3,116,620)		(3,106,695)	(579,343)
Cash and cash equivalents, May 1, 2012	117,681	900	10,500	2,500	4,361,623	25,028	4,518,232	4,145,131
Cash and cash equivalents, April 30, 2013	<u>\$ 127,606</u>	<u>\$ 900</u>	<u>\$ 10,500</u>	<u>\$ 2,500</u>	<u>\$ 1,245,003</u>	<u>\$ 25,028</u>	<u>\$ 1,411,537</u>	<u>\$ 3,563,788</u>
Reconciliation of operating income to net cash provided by (used for) operating activities								
Operating (loss)	\$ (2,008,216)	\$ (4,661,756)	\$ (1,773,345)	\$ (1,444,426)	\$ 56,734	\$ (4,617,639)	\$ (14,448,648)	\$ (1,416,634)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities								
Depreciation and amortization	2,739,705	720,618	497,184	99,389	1,194,155	4,321,397	9,512,448	94,223
Change in assets and liabilities								
Accounts receivable	(183,035)	(260,868)	5,927	6,234	1,182,640	587,046	1,337,944	
Due from other funds		57,747	(250)		(1,977)	(17,806)	57,719	(29,980)
Inventories		(98,865)			(382,816)		(481,681)	5,868
Prepaid expenses	(537)	80	18,318	(1,152)			16,709	
Accounts payable	7,848	39,954	23,180	8,430	(816,168)	(1,942,593)	(2,679,349)	27,823
Due to other funds	1,093					(2,201,240)	(2,200,147)	665
Deferred revenue			31,032	900			31,932	
Customer deposits			50		44,629		44,679	
Compensated absences	(4,536)	(56,087)	(22,519)	5,144	9,049	(13,694)	(82,643)	
Net cash provided by (used for) operating activities	<u>\$ 552,322</u>	<u>\$ (4,259,177)</u>	<u>\$ (1,220,423)</u>	<u>\$ (1,325,481)</u>	<u>\$ 1,226,251</u>	<u>\$ (3,884,529)</u>	<u>\$ (8,911,037)</u>	<u>\$ (1,318,035)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Statement of Net Position
Fiduciary Funds
April 30, 2013

	Bus Drivers' Pension and Relief Fund	Police Pension and Relief Fund	Agency Funds	Total	Component Units Agency Funds	
					City Court of Monroe	Monroe City Marshal
ASSETS						
Current assets						
Cash and cash equivalents	\$ 27,588	\$ 113,523	\$ 1,552,410	\$ 1,693,521	\$ 1,600,862	\$ 17,700
Accounts receivable			15,887	15,887	902	179
Total assets	<u>27,588</u>	<u>113,523</u>	<u>1,568,297</u>	<u>1,709,408</u>	<u>1,601,764</u>	<u>17,879</u>
LIABILITIES						
Current liabilities						
Accounts payable			11,461	11,461	217,761	617
Due to others			1,556,836	1,556,836	1,384,003	17,262
Total liabilities			<u>1,568,297</u>	<u>1,568,297</u>	<u>1,601,764</u>	<u>17,879</u>
Net Position						
Restricted for retirement benefits	<u>27,588</u>	<u>113,523</u>		<u>141,111</u>		
Total net position	<u>\$ 27,588</u>	<u>\$ 113,523</u>		<u>\$ 141,111</u>		

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended April 30, 2013

	Bus Drivers' Pension and Relief Fund	Police Pension and Relief Fund
	<u> </u>	<u> </u>
ADDITIONS		
Investment income		
Interest	\$ 39	\$ 528
Individual account transactions		
Contributions by the City		
Total additions	<u> 39</u>	<u> 528</u>
DEDUCTIONS		
Benefits paid	4,810	1,818
Administrative expense		
Total deductions	<u> 4,810</u>	<u> 1,818</u>
Changes in net position	(4,771)	(1,290)
Net position, beginning	<u> 32,359</u>	<u> 114,813</u>
Net position, end	<u> \$ 27,588</u>	<u> \$ 113,523</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Combining Statement of Net Position
All Discreetly Presented Component Units
April 30, 2013

	<u>City Court of Monroe</u>	<u>Monroe City Marshal</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,584,441	\$ 25,583	\$ 1,610,024
Investment		19,600	19,600
Receivables	40,099	20,234	60,333
Prepaid expenses	15,767	1,075	16,842
Accounts receivable			
Total current assets	<u>1,640,307</u>	<u>66,492</u>	<u>1,706,799</u>
Capital assets, net of accumulated depreciation	<u>58,865</u>	<u>59,361</u>	<u>118,226</u>
Total assets	<u>1,699,172</u>	<u>125,853</u>	<u>1,825,025</u>
LIABILITIES			
Current liabilities			
Accounts payable	35,773	94,770	130,543
Accrued expenses		10,462	10,462
Noncurrent liabilities			
Obligation under capital lease			
Due within one year		3,829	3,829
Due in more than one year		9,415	9,415
Total liabilities	<u>35,773</u>	<u>118,476</u>	<u>154,249</u>
Net Position			
Net investment in capital assets	58,865	46,117	104,982
Unrestricted	<u>1,604,534</u>	<u>(38,740)</u>	<u>1,565,794</u>
	<u>\$ 1,663,399</u>	<u>\$ 7,377</u>	<u>\$ 1,670,776</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Combining Statement of Activities
All Discretely Presented Component Units
For the Year Ended April 30, 2013

	<u>City Court of Monroe</u>	<u>Monroe City Marshal</u>	<u>Total</u>
EXPENDITURES			
Judiciary			
Personal services	\$ (1,342,892)	\$ (1,176,766)	\$ (2,519,658)
Operating services	(304,278)	(143,216)	(447,494)
Materials and supplies	(20,845)	(12,124)	(32,969)
Travel and other	(44,940)	(15,093)	(60,033)
Depreciation	(40,594)	(27,820)	(68,414)
Other	(15,000)	(6,806)	(21,806)
Interest		(2,457)	(2,457)
Total expenditures	<u>(1,768,549)</u>	<u>(1,384,282)</u>	<u>(3,152,831)</u>
PROGRAM REVENUES			
Fees, charges, and court costs:			
Marshal's fees		251,462	251,462
Court costs	149,357		149,357
Civil fees	39,440		39,440
Probation fees	87,546		87,546
Reinstatement fees	1,150		1,150
Bond forfeitures	5,776		5,776
Other charges for services	39,942	18,300	58,242
Total program revenues	<u>323,211</u>	<u>269,762</u>	<u>592,973</u>
Net program expense	(1,445,338)	(1,114,520)	(2,559,858)
GENERAL REVENUES			
Intergovernmental - City of Monroe	1,407,912	1,032,086	2,439,998
Investment earnings	7,188	42	7,230
Bond forfeitures		8,627	8,627
Gain (loss) on disposal of assets	(336)	5,166	4,830
Total general revenues	<u>1,414,764</u>	<u>1,045,921</u>	<u>2,460,685</u>
Changes in net assets	(30,574)	(68,599)	(99,173)
NET ASSETS			
Beginning of year	<u>1,693,973</u>	<u>75,976</u>	<u>1,769,949</u>
End of year	<u>\$ 1,663,399</u>	<u>\$ 7,377</u>	<u>\$ 1,670,776</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Monroe, Louisiana (the City) operates under a Home Rule Charter approved by the voters in 1979. This charter provides for an executive branch of government headed by a mayor and a legislative branch of government consisting of five council members. The City's combined balance sheet includes the accounts of all City operations. The City's major operations include police and fire protection, garbage and trash collection, economic development, parks and recreation, other cultural activities, and general administration services. In addition, the City owns and operates six major enterprise activities: airport, water distribution, sanitary sewerage systems, mass transit system, civic center, and gardens and zoo.

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

A. FINANCIAL REPORTING ENTITY

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

GASB Statement 14, *The Financial Reporting Entity*, sets forth criteria for determining which, if any, component units should be considered part of the City of Monroe for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which include:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the City to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority, but are fiscally dependent on the City.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2013

3. Organizations for which the reporting entity financial statements would be misleading if data of the potential component unit were not included because of the nature or significance of the relationship.

Based on the previous criteria, the City has determined that the following component units should be considered as part of the City reporting entity.

Discrete Component Units

City Court of Monroe - The City Court of Monroe is a legally separate entity. The City appoints none of the governing board (Judges) of the court. Judges of the court are independently elected officials. Although the City Council can, to a limited degree, impose its will on the court through City Council ordinances, the City provides office space, court facilities and some furnishings, and compensation to the court. Although the court functions entirely within the City of Monroe, it provides no direct services to the City or City Council. However, based on criteria 2 above, it has been determined that the court is a component unit of the City and should be included in the City's financial statements through discrete presentation.

Monroe City Marshal - The Monroe City Marshal's office is a legally separate entity. The City does not appoint the governing board (Marshal) of the marshal's office. The City Marshal is an independently elected official. Although the City cannot impose its will on the City Marshal, it does provide a substantial portion of his compensation, facilities, and furnishings. Although the City Marshal functions entirely within the City of Monroe, he provides no direct service to the City, but is rather an officer of the City Court. However, based on criteria 2 above, it has been determined that the City Marshal is a component unit of the City and should be included in the City's financial statements through discrete presentation.

Blended Component Units

Economic Development - Two not-for-profit entities perform administrative functions for the City's incremental sales tax economic development districts. These entities are the Tower Drive Economic Development Corporation and the Garrett Road Economic Development Corporation. There also exist two other special districts within the City - The Downtown Economic Development District and The Southside Economic Development District. These two districts are charged with planning and delivery of public improvements, facilities, and services in their respective districts. For financial reporting purposes, all of these entities are considered an integral part of the City, not component units. This decision is due to the City keeping the books and records for these entities, the City as a whole reaping the benefits from the use of the proceeds of the incremental tax bonds issued by the not-for-profits, and that the districts and the separate not-for-profits are ministerial and structural in nature, as disbursement of funds is subject to the control of the City through the plan of government.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2013

As such, they are presented as separate Special Revenue, Debt Service, and Capital Project funds within those categories of the City's general-purpose financial statements.

Included in the evaluation of potential component units of the City of Monroe were the Monroe City School Board, the Ouachita Council of Governments, the Monroe Housing Authority, the City of Monroe Employees Credit Union, the Monroe/West Monroe Public Trust Financing Authority, and the Ouachita Parish Homeland Security and Emergency Preparedness Agency. None of these entities were determined to be component units of the City of Monroe reporting entity.

B. BASIS OF PRESENTATION

The City's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the primary government and its component units and the fund financial statements (individual major fund and combined non-major fund). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements include the statement of net assets and the statement of activities for all non-fiduciary activities of the primary government and the total for its component units. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are payments between the enterprise funds to other various functions of government for charges such as sewer fees and contributions between the primary government and its component units which are reported as external transactions. The government-wide presentation focuses primarily on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental Activities represent programs which normally are supported by taxes and intergovernmental revenues.

Business-Type Activities are financed in whole or in part by fees charged to external parties for goods and services.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2013

The primary government is reported separately from the legally separate component units as detailed in section (A) of this note.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs have been directly allocated as administrative fees to grants and special fund programs. 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. This includes internally dedicated resources such as a restricted property tax.

FUND FINANCIAL STATEMENTS:

The City uses funds, both major and non-major, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

Emphasis of fund reporting is on the major fund level in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column in the basic financial statements.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the provision of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The City's current operations require the use of the governmental, proprietary, and fiduciary fund categories. The fund types used by the City are described as follows:

Governmental Activities Presented as Governmental Funds in the Fund Financial Statements:

General Fund - This fund is the general operating fund of the City. It is used to account for all financial resources of the City except for those required to be accounted for in another fund and is always a major fund.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2013

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes. The Capital Infrastructure fund is the only major Special Revenue Fund.

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. All general obligation bonds are direct obligations of the City. Principal and interest are payable from ad valorem taxes levied on all taxable property and improvements within the City. Incremental Sales Tax Bonds are secured by a pledge of incremental state (40%) and City (60%) sales and use taxes within the boundaries of the respective districts and do not involve the pledge of the full faith and credit of the City. All long-term debt is reported in the Statement of Net Assets. There are no major Debt Service Funds.

Capital Project Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, improvements and other major projects (other than those financed by Proprietary Funds). The I-20 Corridor and Airport Terminal Capital Projects Funds are considered major funds.

Proprietary Funds:

Enterprise Funds - These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Net cash losses of the Enterprise Funds are subsidized by the General Fund. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements. All Enterprise funds are considered major funds.

Internal Service Funds - Internal service funds are used to account for the financing of goods and/or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City operates a central shop and warehouse which provides inventory storage, repair and maintenance, and fueling services solely to other City user departments (with the exception of the Monroe Transit System) at rates designed to cover the costs of operations, including depreciation and debt service. Since the principal users of the internal service fund are the City's governmental activities, financial statements of the internal service fund are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate functional activity.

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During fiscal year 2006, the City began self-insuring its employees' group insurance which is handled through a third party administrator.

Fiduciary Funds:

Trust and Agency Funds - These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Agency Funds and Pension Trust Funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Pension trust funds account for pension funds established for classified employees of various departments and is accounted for in essentially the same manner as proprietary funds since capital maintenance is critical.

C. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

FUND FINANCIAL STATEMENTS:

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types and the fiduciary fund type agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Ad valorem taxes, grants, and fees, charges, and commissions for services have been treated as susceptible to accrual.

The City uses the following practices in recognizing and reporting revenues and expenditures in the governmental fund types:

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Revenues:

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in October or November and are billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year; however, by precedent, this is normally extended until February 1. Revenues from ad valorem taxes are budgeted in the year billed to the extent collections are expected. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Ouachita Parish.

Sales taxes are considered "measurable" when in the hands of the City Sales Tax Collector and are recognized as revenue at that time.

Federal and state grants are normally "expenditure driven", which means that the City does not earn, or is not entitled to, the grant funds until a liability for the expenditure has been incurred. Amounts received in excess of actual expenditures at year end are reflected as deferred revenue on the fund's balance sheet.

Interest earnings on time deposits are recognized as revenue when the time deposits have matured and the interest is available. Substantially all other revenues are recognized when actually received by the City.

Expenditures:

Expenditures in the governmental funds are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Compensated absences are recognized as expenditures when leave is actually taken or when employees, or their heirs, are paid for accrued leave upon retirement or death. Compensated absences are reported in the Statement of Net Assets as a long-term liability and expensed in the Statement of Activities.

Principal and interest on long-term debt is recognized when due.

Proprietary and Pension Trust Funds

All proprietary funds and pension trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

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Fiduciary Funds

Fiduciary Funds include Trust and Agency Funds. Trust and Agency Fund assets and liabilities are accounted for on the modified accrual basis of accounting, except for the pension trust funds, which are discussed above.

Other Financing Sources (Uses)

Proceeds from issuing long-term debt, capital leases and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

D. BUDGET PRACTICES

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

1. At least ninety days prior to the beginning of the fiscal year, the Mayor submits to the City Council an operating and capital budget for the succeeding year.
2. A public hearing is scheduled by the City Council after allowing for at least ten days notice to the public at the time the budget is initially submitted to the City Council. The budget for the succeeding year must be finally adopted by the Council no later than the second-to-last regular meeting of the fiscal year.
3. The Mayor may authorize transfers of budgetary amounts within departments. However, any revisions requiring alteration of levels of expenditures or transfers between departments must be approved by the City Council.
4. Operating appropriations, to the extent not expended, lapse at year end. Capital appropriations continue in force until the project is completed or deemed abandoned after three years of no activity.
5. All legally adopted budgets of the City are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. For the year ended April 30, 2013, the City adopted a budget for the General Fund and all Special Revenue Funds.

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E. ASSETS, LIABILITIES, AND FUND EQUITY

CASH, CASH EQUIVALENTS AND INVESTMENTS:

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State law and the City's investment policy allow the City to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool and mutual funds consisting solely of government backed securities.

Deposits with original maturity dates exceeding 90 days are classified as investments. Investments are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

ACCOUNTS RECEIVABLE:

Accounts receivable are reported net of an allowance for uncollectibles in business-type activities. Uncollectible amounts for customers' utility fees receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

INTERFUND RECEIVABLES AND PAYABLES:

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as "due from/to other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

INVENTORIES AND PREPAID ITEMS:

Inventories are valued at first in, first out cost less write-downs for obsolete items. Inventories in the General and Proprietary Funds consist of expendable supplies and repair and maintenance items held for consumption.

CAPITAL ASSETS:

Capital assets, which include land, buildings, other improvements, machinery and equipment, vehicles, furniture and fixtures, and infrastructure assets (streets, roads, bridges, drainage canals, and water and sewer systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The capitalization threshold for all movable capital assets is \$3,000 per unit.

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All purchased capital assets are valued at cost where historical records are available and at estimated cost where no historical records are available. Donated fixed assets are valued at their fair market value on the date received. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized at completion of construction projects.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on enterprise fund balance sheets. Depreciation on all capital assets, excluding land and improvements, has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Type of Capital Assets</u>	<u>Number of Years</u>
Buildings	10-50
Improvements	7-50
Furniture and Fixtures	1-10
Vehicles	5
Equipment	2-20
Infrastructure-Water System	30-50
Infrastructure-Sewer System	10-30
Infrastructure-Drainage Systems	25
Infrastructure-Streets and Roads	20-50

LONG-TERM DEBT:

In the government-wide statement of net assets and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums, discounts, issuance costs, and gains (losses) on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable costs are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs during the current financial period. The face amount of the debt issue is reported as "other financing sources." Premiums received on debt issuances are reported as "other financing sources" and discounts on debt are reported as "other financing uses."

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ACCUMULATED VACATION, SICK PAY, AND OTHER EMPLOYEE BENEFITS:

In the government-wide financial statements and the proprietary fund type financial statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March 2000), no compensated absences liability is recorded at April 30, 2013, in the governmental fund-type financial statements.

Full time employees may earn up to 33 working days of vacation time per year, depending upon length of service. At the end of each year, employees may carry forward up to 120 days of vacation time. Subject to the above conditions, unused vacation is paid to an employee upon retirement, separation, or death at hourly rates being earned by that employee upon separation.

The City also maintains a disability compensation plan which allows employees to draw an additional 30 days paid disability leave, once all the available sick and vacation accruals have been utilized. Individuals with long-term disability status are then eligible for an additional 180 days of disability leave at 60 percent of their regular pay. Such amounts are not accrued in governmental funds, nor are they reflected in the General Long-Term Obligations Account Group due to the inability to estimate such liabilities, and the fact that any unused disability leave does not carry forward to the subsequent year.

Firemen and policemen may receive up to one year's sick leave per illness as prescribed under Louisiana law. For all other City employees, sick leave is accumulated at varying rates ranging up to 12 days per year. A maximum of 120 days of unused sick leave may be carried forward. Subject to the above limitations, employees shall be compensated in cash for any accumulated unused sick leave when they are permanently separated from employment as a result of voluntary resignation, discharge, retirement or death. In the event of death, payment is made to the estate of the employee. The amount of payment for all unused sick leave is calculated at the employee's rate of pay in effect on the payday immediately preceding the employee's separation.

NET POSITION/FUND BALANCE:

In the Statement of Net Position, the difference between a government's assets and liabilities is recoded as net position. The components of net position are as follows:

1. Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.

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2. Restricted Net Position – Consists of net position less related liabilities reported in the government-wide statement of net position that is subject to constraints on their use by creditors, grantors, contributors or legislature.
3. Unrestricted Net Position - Represent net position not appropriable for expenditures or legally segregated for a specific future use.

Sometimes the City will make expenditures for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as *restricted* – net position and *unrestricted* – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's practice to consider *restricted* – net position to have been depleted before *unrestricted* – net position is applied.

In accordance with Governmental Accounting Standards Board Statement No. 54, the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the state or federal laws, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the City Council. The Council is the highest level of decision-making authority for the City. These amounts cannot be used for any other purposes unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned – Amounts that are intended to be used for specific purposes as established by the City Council or officials or body's designated for that purpose but do not meet the criteria to be classified as restricted or committed.

Unassigned – All amounts not included in other spendable classifications. Unassigned fund balances are the residual classification for the City's General fund.

Sometimes the City will make expenditures for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as *restricted*, *committed*, *assigned*, and *unassigned* fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's practice to consider *restricted* fund balance to have been depleted before using any of the components of

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unrestricted fund balance. Further, when the components of *unrestricted* fund balance can be used for the same purpose, *committed* fund balance is depleted first, followed by *assigned* fund balance. *Unassigned* fund balance is applied last.

F. ACCOUNTING ESTIMATES:

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

G. DEDICATED REVENUES:

Sales taxes:

A one-half per cent city sales tax is dedicated to the General Fund for payment of salaries of city employees and capital improvements. The sales tax, which began on March 1, 1968, is for an indefinite period.

A one per cent city sales tax is dedicated to the General Fund for any lawful purpose of the City, including payment of operating expenses. The sales tax, which began on January 1, 1975, is for an indefinite period.

A one per cent city sales tax is dedicated to the General Fund for constructing, acquiring, extending, improving, maintaining, and operating capital improvements and facilities of the City and paying general operating expenses of the City. The sales tax, which began on February 1, 1983, is for an indefinite period.

A ten year one per cent sales tax passed by the voters on November 8, 1994 which was for the street program was extended by twenty-five years and its uses expanded by the voters on May 5, 2001. The proceeds can be utilized for all infrastructures including but not limited to streets, water, sewer and drainage and other related capital expenditures. The tax will expire in 2029.

A 0.49 per cent city sales tax is dedicated to the General Fund for payment of salary increases of city firemen and policemen. The sales tax, which began March 1, 2005, is for an indefinite period.

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Property taxes:

Recreation (1.73 mills), public safety (.98 mills) and drainage (1.21 mills) millages were renewed by the voters in 2003, levied in 2004 and will expire with the 2013 tax roll.

For both the Civic Center and the Louisiana Purchase Gardens and Zoo, 2.50 mills was renewed by the voters in 2008, levied in fiscal 2009, and will expire with the 2017 tax roll.

For both the police and fire departments, 1.50 mills was renewed by the voters in 2008, levied in fiscal 2009, and will expire with the 2017 tax roll.

For capital improvements, 3.25 mills was renewed by the voters in 2008, levied in fiscal 2009, and will expire with the 2017 tax roll.

For airport improvements, 1.00 mills was passed by the voters in 2009, levied in fiscal 2009, and will expire with the 2017 tax roll.

2. FUND DEFICITS

The following funds have deficit fund balances at April 30, 2013. These deficits in the Capital Project funds will be cleared by future grants.

Kansas Lane Connector	\$174,243
North Ramp Rehab & Extension	112,149
Security Fence Upgrade-MLU	37,964
Security Fence Relocation-MLU	43,659
Taxiway G Rehab-MLU	16,352

3. CASH AND CASH EQUIVALENTS

Custodial credit risk – deposits. The custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its' own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the City had no custodial credit risk related to its deposits at April 30, 2013.

At April 30, 2013, the City has cash and cash equivalents, totaling \$87,436,385, (including \$1,693,521 in fiduciary funds) as follows:

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Petty cash	\$	19,510
Demand deposits		54,216,730
Money market funds		<u>33,200,145</u>
Total	\$	<u>87,436,385</u>

These deposits are stated at cost, which approximates market. 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. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at April 30, 2013, are secured, as follows:

Bank balances	\$	<u>67,500,207</u>
Federal deposit insurance	\$	500,000
Pledged securities (uncollateralized)		<u>74,584,567</u>
Total	\$	<u>75,084,567</u>

The money market accounts are utilized for the daily investment of idle cash of the City. The accounts are managed by the City's fiscal agent and consists of securities issued or guaranteed by the U.S. government. Investments are in accordance with LRS 33:2955(A)(1)(e) and are not required to be covered by the pledge of securities owned by the fiscal agent bank.

4. INVESTMENTS

Custodial credit risk – investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investments in United States government securities are held by the City's agent in the City's name. Therefore, the City had no custodial credit risk related to its investments at April 30, 2013.

Under state law, the City may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The City did not have investments at April 30, 2013.

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

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

Concentration of Credit Risk. The City's investment policy limits the City's investment instruments to: 1) certificates of deposit; 2) certain direct obligations of the U.S. Government; 3) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America; and 4) the Louisiana Asset Management Pool. The City participates in the Louisiana Asset Management Pool (LAMP). The LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment.

5. RECEIVABLES

Accounts receivable of \$10,967,405 at April 30, 2013, are comprised of the following:

Fund Type	Taxes - Ad Valorem	Taxes - Sales	Grants	Accounts	Other	Total
MAJOR FUNDS						
General	\$ 122,836	\$ 2,865,191	\$ 79,519	\$ 496,275	\$ 47,179	\$ 3,611,000
Capital Infrastructure	-	1,163,149	-	-	-	1,163,149
I-20 Corridor	-	-	1,032,029	-	-	1,032,029
Airport Terminal	-	-	301,894	-	-	301,894
Airport	-	-	100,692	259,303	150	360,145
Transit	-	-	291,175	9,343	-	300,518
Civic Center	14,519	-	-	4,307	-	18,826
Zoo	14,519	-	-	-	-	14,519
Water	-	-	-	684,113	3,908	688,021
Sewer	-	-	22,239	522,187	247	544,673
NONMAJOR FUNDS						
Special Revenues	-	569,943	255,513	128,793	-	954,249
Debt Service	5,808	1,015,532	-	-	-	1,021,340
Capital Projects	-	-	941,033	121	-	941,154
Agency	-	-	-	15,887	-	15,887
TOTAL	\$ 157,682	\$ 5,613,815	\$ 3,024,094	\$ 2,120,329	\$ 51,484	\$ 10,967,404

The allowance for doubtful accounts was \$993,799 as of April 30, 2013.

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6. CHANGES IN CAPITAL ASSETS

The following schedule presents changes in capital assets for the year ended April 30, 2013.

	Balance April 30, 2012	Additions	Retirements	Balance April 30, 2013
Governmental Funds:				
Land	\$ 19,669,255	\$ 289,803	\$ -	\$ 19,959,058
Construction in progress	169,867	1,161,494	(560,074)	771,287
CIP-Infrastructure	4,803,964	6,281,807	(3,583,122)	7,502,649
Total capital assets not being depreciated	<u>24,643,086</u>	<u>7,733,104</u>	<u>(4,143,196)</u>	<u>28,232,994</u>
Depreciable assets:				
Buildings and improvements	34,775,088	1,042,207	(11,963)	35,805,332
Equipment and Furniture	26,460,473	3,984,416	(969,753)	29,475,136
Infrastructure	162,475,580	2,540,912	-	165,016,492
School buildings	1,229,953	-	-	1,229,953
Total capital assets being depreciated	224,941,094	7,567,535	(981,716)	231,526,913
Less: accumulated depreciation	<u>(96,359,249)</u>	<u>(10,272,511)</u>	<u>981,018</u>	<u>(105,650,742)</u>
Total capital assets being depreciated, net	<u>128,581,845</u>	<u>(2,704,976)</u>	<u>(698)</u>	<u>125,876,171</u>
Total governmental funds capital assets, net	<u>153,224,931</u>	<u>5,028,128</u>	<u>(4,143,894)</u>	<u>154,109,165</u>
Internal Service Fund:				
Land	45,000	-	-	45,000
Depreciable assets:				
Buildings and improvements	3,406,242	-	-	3,406,242
Furniture and vehicles	252,809	13,234	-	266,043
Total capital assets being depreciated	3,659,051	13,234	-	3,672,285
Less: accumulated depreciation	<u>(1,341,616)</u>	<u>(96,327)</u>	<u>-</u>	<u>(1,437,943)</u>
Total capital assets being depreciated, net	<u>2,317,435</u>	<u>(83,093)</u>	<u>-</u>	<u>2,234,342</u>
Total Internal Service Fund capital assets, net	<u>2,362,435</u>	<u>(83,093)</u>	<u>-</u>	<u>2,279,342</u>
Total governmental activities capital assets, net	<u>\$ 155,587,366</u>	<u>\$ 4,945,035</u>	<u>\$ (4,143,894)</u>	<u>\$ 156,388,507</u>

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	Balance April 30, 2012	Additions	Retirements	Balance April 30, 2013
Business-type activities:				
Nondepreciable assets:				
Land	\$ 5,542,940	\$ -	\$ -	\$ 5,542,940
Construction in progress	22,326,589	9,272,377	(24,972,745)	6,626,221
Zoo animals	62,813	-	(62,813)	-
Total capital assets not being depreciated	27,932,342	9,272,377	(25,035,558)	12,169,161
Depreciable assets:				
Buildings/Improvements	63,269,629	11,004,000	-	74,273,629
Infrastructure	174,352,142	13,972,745	-	188,324,887
Equipment	18,625,853	1,094,492	(625,937)	19,094,408
Total capital assets being depreciated	256,247,624	26,071,237	(625,937)	281,692,924
Less: accumulated depreciation	(107,367,057)	(9,510,490)	299,346	(116,578,201)
Total capital assets being depreciated, net	148,880,567	16,560,747	(326,591)	165,114,723
Total business-type activities capital assets, net	\$ 176,812,909	\$ 25,833,124	\$ (25,362,149)	\$ 177,283,884

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$ 834,231
Public Safety	718,194
Public Works	8,086,680
Planning and Urban Development	88,827
Culture and Recreation	544,579
Internal Service Fund	96,327
Total depreciation expense - governmental activities	\$ 10,368,838

Business-Type Activities:

Airport	\$ 2,739,706
Transit	720,617
Civic Center	497,184
Zoo	99,389
Water Fund	1,132,197
Sewer Fund	4,321,397
Total depreciation expense - business-type activities	\$ 9,510,490

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The Central Shop and Warehouse land and building is carried on the City's balance sheet within the Internal Service Fund. At April 30, 2013, only a portion of the cost of the assets are depreciated as only the shop facility is currently accounted for in the Internal Service Fund.

In keeping with customary practice, animals at the Louisiana Purchase Gardens and Zoo have been removed from the zoo's balance sheet and reported as an expense in the current year. Any expense associated with the acquisition of animals in the future will be expensed in the period the expense occurs.

7. ELECTRICAL SYSTEM OPERATING AGREEMENT

On July 9, 1977, the voters of the City of Monroe authorized a 50 year operating agreement between the City of Monroe and Entergy (formerly Louisiana Power & Light) for the operation by Entergy of the City's electric system. The agreement provided that Entergy would pay to the City a percentage of total revenue collected from the sale of electric service to residential and commercial customers within the City, such payments not to be less than \$700,000 annually. The aforementioned base increased by one per cent of sales of electric services to residential and commercial customers in excess of \$10,000,000 in a calendar year. Revenues under this agreement totaled \$2,172,035 for the year ended April 30, 2013.

8. PENSION AND RETIREMENT PLANS

City of Monroe Sponsored Pension Plans:

Effective September 1, 1983, the members of the Bus Drivers' Pension and Relief Fund agreed to merge with the Municipal Employees' Retirement System of Louisiana (MERS). Since the merger, the Bus Department administrative employees contribute 9.25% of their salary and the City contributes 7.25 %. The City also reimburses 4% of the bus operators' contributions. The City made no contributions to the Bus Drivers' Pension and Relief Fund for the year ended April 30, 2013.

The Monroe Policemen's Pension and Relief Fund covers those employees who were members of the fund at September 1, 1983, and who retire prior to the age of 50. Upon reaching their 50th birthday, they will no longer receive benefits under the Monroe Policemen's Pension and Relief Fund, but will begin receiving benefits under the Municipal Police Employees' Retirement System (MPERS). The City made no contributions to the Monroe Policemen's Pension and Relief Fund for the year ended April 30, 2013.

Data concerning the actuarial status of the Policemen's and Bus Drivers' Pension and Relief Funds is not available. The City of Monroe has never required the services of an actuary for these plans nor felt the need to determine the actuarial liability of the plans because state law

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requires that the plans be funded at minimum reserve requirements rather than an actuarially computed reserve based on future benefits payable. The two funds had net assets at April 30, 2013, as follows: Policemen's, \$113,523 and Bus Drivers', \$27,589.

State Sponsored Plans:

Municipal Employees' Retirement System of Louisiana (MERS)

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

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

However, for those members of the supplemental plan only prior to October 1, 1978, the benefit is equal to 1% of final compensation plus \$2 per month for each year of supplemental-plan-only service earned prior to October 1, 1978, plus 3% of final compensation for each year of service credited after October 1, 1979.

Funding Policy. Contributions to the system include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of members on which contributions were made for the previous fiscal year. State statute requires covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the MERS for the years ended April 30, 2013, 2012, and 2011 were \$3,036,965; \$2,935,988; and \$2,513,744 respectively, equal to the statutorily required contributions for each year.

The MERS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Municipal Employees' Retirement System, 6750 Van Gogh, Baton Rouge, LA 70806 or by calling (225) 925-4810.

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Firefighters' Retirement System (SFRS)

Effective May 7, 1981, the members of the Firemen's Pension and Relief Fund agreed to merge with the SFRS, a multiple-employer, cost-sharing PERS. Effective June 1, 1986, the retirees and dependents receiving benefits under the City plan as of May 7, 1981, were transferred to the SFRS. As further discussed below, the liability to the SFRS was advance refunded by the City during fiscal 1998.

The plan covers substantially all members of the City's Fire Department. All new employees of the department must join this plan with the exception of employees performing duties unrelated to fire fighting. Employees with 20 years or more of service who have attained age 50 or employees with 12 years of service who have attained age 55 or 25 years of service at any age are entitled to annual pension benefits equal to 3-1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to employer contributions. 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 by state statute.

Funding Policy. State statute requires covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer

contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the SFRS for the years ended April 30, 2013, 2012, and 2011 were \$1,997,836; \$1,987,888; and \$1,655,380; respectively, equal to the required contributions for each year.

The SFRS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Firefighters' Retirement System, 2051 Silverside Drive, Suite 10, Baton Rouge, LA 70808-4136 or by calling (225) 925-4060.

Municipal Police Employees' Retirement System (MPERS)

Effective September 1, 1983, the members of the City's Policemen's Pension and Relief Fund agreed to merge with the MPERS, a multiple-employer, cost-sharing PERS. The liability to the MPERS associated with the merger was advance refunded by the City during fiscal 1998 as further discussed below.

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All full-time police officers engaged in law enforcement and earning at least \$375 per month excluding state supplemental pay, the elected chief of police whose salary is at least \$100 per month, and secretaries to the chief of police are eligible to participate in the system. Members who retire at or after age 55 with 12 years of creditable service, at or after age 50 with 20 years of creditable service, or at any age with 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3% of the member's average final compensation multiplied by his years of creditable service, not to exceed 100 per cent of his average final compensation. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy. State statutes require covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the MPERS for the years ended April 30, 2013, 2012, and 2011 were \$2,677,606; \$2,491,732; and \$2,309,648, respectively, equal to the statutorily required contributions for each year.

The MPERS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Municipal Police Employees' Retirement System, 8401 United Plaza Blvd., Room 305, Baton Rouge, LA 70808 or by calling (225) 929-7411.

9. HEALTH CARE BENEFITS

During the year ended April 30, 2013, the City paid \$6,773,363 in expenses in connection with providing benefits to a total of 1,075 participants. The cost is broken down as follows:

Active Employees	\$ 4,928,447
Retired Employees	1,808,842
COBRA	<u>36,074</u>
Total	<u>\$ 6,773,363</u>

As permitted by Louisiana Revised Statutes, the City provides certain continuing health care and life insurance benefits for certain retired employees through self insurance. Retired City employees are eligible for these benefits if they reached normal retirement age, as defined under the applicable retirement system while working for the City. The City recognizes the cost of providing these benefits (the City's portion of the premiums) as an expenditure when the monthly premiums are due. Approximately 239 retirees receive benefits under this plan. These retirees reimbursed the City for \$723,537 for fiscal year 2013 for their portion of health care benefits.

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10. OTHER POST-EMPLOYMENT BENEFITS

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

The employees are covered by several retirement systems whose retirement eligibility (D.R.O.P. entry) provisions are similar. We have used the following as representative of that eligibility: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 10 years of service. Complete plan provisions are included in the official plan documents.

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

Fund Policy – Until 2008, the City of Monroe recognized the cost of providing post-employment medical benefits (the City of Monroe’s portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2013 and 2012, the City of Monroe’s portion of health care funding cost for retired employees totaled \$1,445,233 and \$1,474,711, respectively.

Effective May 1, 2008, the City of Monroe implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The City of Monroe’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2013	2012
Normal cost	\$ 999,596	\$ 1,220,117
30-year UAL amortization amount	2,522,883	2,695,626
Annual required contribution (ARC)	\$ 3,522,479	\$ 3,915,742

Net Post-employment Benefit Obligation (Asset) – The table below shows the City of Monroe’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending April 30, 2012 and 2013 respectively:

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	<u>2013</u>	<u>2012</u>
Beginning Net OPEB Obligation	\$ 8,832,240	\$ 6,507,233
Annual required contribution	3,522,479	3,915,742
Interest on Net OPEB Obligation	353,290	260,289
ARC Adjustment	<u>(510,769)</u>	<u>(376,314)</u>
OPEB Cost	3,364,999	3,799,718
Contribution to Irrevocable Trust	-	-
Current year retiree premium	<u>(1,445,233)</u>	<u>(1,474,711)</u>
Change in Net OPEB Obligation	<u>1,919,766</u>	<u>2,325,007</u>
Ending Net OPEB Obligation	\$ <u>10,752,007</u>	\$ <u>8,832,240</u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
April 30, 2013	\$ 3,364,999	42.95%	\$ 10,752,007
April 30, 2012	\$ 3,799,718	38.81%	\$ 8,832,240
April 30, 2011	\$ 3,688,586	39.98%	\$ 6,507,233

Funded Status and Funding Progress – In 2013 and 2012, the City of Monroe made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the May 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year April 30, 2013 was \$45,370,731 which is defined as that portion, as determined by a particular actuarial cost method (the City of Monroe uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2013</u>	<u>2012</u>
Actuarial Accrued Liability (AAL)	\$ 45,370,731	\$ 48,477,341
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 45,370,731</u>	<u>\$ 8,477,341</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 39,530,834	\$ 34,503,979
UAAL as a percentage of covered payroll	114.77%	140.50%

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

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

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

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 13%.

Post employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence eight years after the earliest retirement (D.R.O.P. entry) eligibility, as described above under "Plan Description". The eight years represents three years in the D.R.O.P. plus five additional years. Medical benefits are provided to employees upon actual retirement.

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

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Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The City pays 68% of the retiree premiums. Those premiums are based on the blended active/retired rate before Medicare eligibility and an unblended rate after Medicare eligibility (age 65). Since GASB 45 mandates that "unblended" rates applicable to the coverage provided to retirees be used, we have estimated the "unblended" rates for retirees before Medicare eligibility. It has been assumed that the total retiree rate before Medicare eligibility is 130% of the blended active/retired rate, with the employer assumed to pay the difference between that unblended rate and the employee contribution of 32% of the blended rate.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

11. LEASES

In fiscal 2006, the City entered into a capital lease obligation for the purchase of an energy system that is being utilized in over 40 City-owned buildings. The original amount of the obligation was \$2,967,113 and bears interest at 4.75% to 5.59%. In 2011 the City leased golf equipment for use at Chennault Golf Course. The original amount of the obligation was \$279,594 and bears interest at 7.3%. In 2013, the City entered into lease agreements for golf carts to be used at Chennault Golf Course. The original amount of the obligation was \$301,438 and bears interest at 7.3%. Also, the City entered into a lease for police communication software and equipment with an original obligation amount of \$1,178,708 which bears interest at 3.49%.

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Fiscal Years Ended April 30:	Future Minimum Lease Payments
2014	\$ 477,107
2015	462,686
2016	458,363
2017	510,498
2018	406,147
2019-2023	<u>1,481,825</u>
	3,796,626
Less: Amounts representing Interest Present Value of Future Minimum Lease Payments	<u>(661,458)</u>
	<u>\$ 3,135,168</u>

12. LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the City of Monroe for the year ended April 30, 2013:

	Long-Term Obligations	Proprietary Funds	Total
Long-term obligations, May 1, 2012	\$ 191,603,663	\$ 3,121,061	\$ 194,724,724
Additions	93,744,458	736,951	94,481,409
Retirements	<u>(87,705,073)</u>	<u>(2,796,316)</u>	<u>(90,501,389)</u>
Long-term obligations, April 30, 2013	<u>\$ 197,643,048</u>	<u>\$ 1,061,696</u>	<u>\$ 198,704,744</u>

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Long-term obligations outstanding at April 30, 2013, are comprised of the following:

	<u>Issue</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Outstanding</u>
<i>General Long-Term Obligations</i>				
<u>Tax Increment Bonds</u>				
Tower Drive	2012	3/1/2025	2.71%	\$ 10,140,000
Deferred amount of refunding	2012			234,675
I-20 Development Series 2011	2011	3/1/2025	2.00% - 5.00%	9,130,000
I-20 Development Series 2012	2012	3/1/2025	2.71%	20,530,000
Deferred amount of refunding	2012			137,998
Total Tax Increment Bonds				<u>40,172,673</u>
<u>Certificates of Indebtedness</u>				
Certificates of Indebtedness (Civic Center Roof)	2004C	10/1/2014	3.75%	<u>330,000</u>
<u>Sales Tax Bonds</u>				
Series 2006	2006	7/1/2028	3.45%	2,550,000
Series 2007A	2007	7/1/2026	4.002%	23,375,000
Series 2008 DEQ	2008	7/1/1930	0.95%	8,088,940
Series 2011	2011	7/1/2020	2.00% - 5.00%	9,475,000
Deferred amount of refunding	2011			(253,415)
Series 2011A	2011	7/1/2027	3.19%	14,665,000
Deferred amount of refunding	2011			(548,489)
Series 2012 Refunding	2012	7/1/2027	2.00% - 4.00%	16,530,000
Deferred amount of refunding	2012			(235,523)
Series 2012A Refunding	2012	6/1/2027	2.89%	32,000,000
Deferred amount of refunding	2012			(33,047)
Total Sales Tax Bonds				<u>105,613,466</u>

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Notes To The Financial Statements
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	Issue	Maturity Date	Interest Rate	Balance Outstanding
<i>General Long-Term Obligations (cont'd)</i>				
<u>Airport Revenue Bonds</u>				
Series 2009 Airport Bonds	2009	2/1/1939	3.00% - 5.5%	\$ 17,800,000
<u>Other</u>				
Claims and Judgments	None	None	None	9,969,993
Capital Leases	2000	11/1/2022	3.49-5.59%	3,135,985
Notes payable	2013	3/15/2018	1.87%	4,000,000
Accrued Vacation and Sick Pay	None	None	None	5,868,924
Other post employment benefits	None	None	None	10,752,007
Total Other				33,726,909
Total general long-term obligations				\$ 197,643,048
 Proprietary Funds				
<u>Other</u>				
Accrued Vacation and Sick Pay	None	None	None	1,061,696
Total proprietary funds				\$ 1,061,696

Long-Term Obligation	Paying Fund
Tax increment bonds:	
Tower Drive	Tower Drive Debt Service Fund
I-20 Development	I-20 Debt Service Fund
 Certificates of indebtedness:	
Taxable Refunding Certificates (Civic Center Roof)	General Fund

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<u>Long-Term Obligation</u>	<u>Paying Fund</u>
Sales tax bonds:	
2006 Series	Sales Tax Bond Debt Service Fund
Series 2007A	Sales Tax Bond Debt Service Fund
Series 2008	Sales Tax Bond Debt Service Fund
2011 Refunding Series	Sales Tax Bond Debt Service Fund
2011A Refunding Series	Sales Tax Bond Debt Service Fund
2012 Refunding Series	Sales Tax Bond Debt Service Fund
2012A Refunding Series	Sales Tax Bond Debt Service Fund
Refunding Bonds:	
Series 1998A (Fire and Police Pension)	General Fund
Airport revenue bonds:	
Series 2009 Airport Bonds	Airport Bond Debt Service Fund
Capital Lease Obligations:	
Equipment	General Fund
Notes Payable	
Equipment	General Fund

The amount recorded as claims and judgments payable in the General Long-Term Obligations Account Group is the City's liability for claims that are not expected to be paid with available resources at year-end. Expenditures for claims and judgments payable are recognized in the General Fund when paid. Only those expenditures which are included in the City's legally adopted budget will be paid.

The debt service requirements to amortize all bonds, certificates and other long-term obligations (other than accrued vacation and sick pay, claims and judgments, capital lease obligations, other post employment benefits, and deferred amount of refunding) outstanding at April 30, 2013, including interest payments of \$53,258,061 are as follows:

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Year Ended April 30,	G.O. Bonds Cert. of Indebt.	Revenue Bonds	Tax Increment	Other	Total
2014	\$ 342,375	\$ 9,989,050	\$ 4,443,325	\$ 845,434	\$ 15,620,184
2015	-	10,669,419	4,408,404	845,434	15,923,257
2016	-	10,709,933	4,384,046	845,435	15,939,414
2017	-	10,744,278	4,347,335	845,434	15,937,047
2018	-	10,768,191	4,322,348	845,434	15,935,973
2019-2023	-	52,772,699	21,090,964	-	73,863,663
2024-2028	-	46,424,132	8,163,167	-	54,587,299
2029-2033	-	6,944,410	-	-	6,944,410
2034-2038	-	6,239,828	-	-	6,239,828
2039	-	880,926	-	-	880,926
Total	\$ 342,375	\$ 166,142,866	\$ 51,159,589	\$ 4,227,171	\$ 221,872,001

General obligation bonds are direct obligations and are secured by the full faith and credit of the City. Revenue bonds are secured by pledged income derived from the assets acquired or constructed with bond funds. Certificates of indebtedness are secured by a pledge of the general credit of the City. The Tax Increment bonds are secured solely from the incremental tax revenues from the respective economic development districts.

Tower Drive Series 2012 Refunding

In December 2012, the City issued \$10,590,000 of Sales Tax Increment Revenue and Refunding Bonds with an interest rate of 2.71%. The proceeds borrowed were used to pay bond issuance costs and to defease the Series 2007 Sales Tax bonds and provided an additional \$2,300,000 for infrastructure projects within the district. The refunding resulted in an economic loss of \$341,699.

I-20 Development Series 2012 Refunding

In December 2012, the City issued \$20,530,000 of Sales Tax Increment Revenue and Refunding Bonds with an interest rate of 2.71%. The proceeds borrowed, as well as existing sinking funds were used to pay bond issuance costs and to defease the Series 2008 Sales Tax bonds. The refunding resulted in an economic gain of \$2,957,800.

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Series 2012 Sales Tax Bond Refunding (Series 2003)

In June 2012, the City issued \$16,860,000 of Sales Tax Revenue Refunding Bonds with interest rates ranging over the life of the bonds from 2.00% to 4.00%. The proceeds borrowed, as well as \$748,250 in reoffering premium, were used to defease the Series 2003 Sales Tax bonds. The refunding resulted in an economic gain of \$833,213.

Series 2012 Subordinated Sales Tax Refunding Bonds (DEQ Loans #1 - #4)

In August 2012, the City issued \$32,000,000 of Sales Tax Revenue Refunding Bonds with an interest rate of 2.89%. The proceeds borrowed were used to pay bond issuance costs and to defease the Series 2001, 2003, & 2005 DEQ Loan bonds. The refunding provided an economic gain of \$244,286.

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13. INTERFUND RECEIVABLES AND PAYABLES

Individual fund balances due from/to other funds at April 30, 2013, are as follows:

	Interfund Receivable							Total	
	General	Airport Terminal	Nonmajor Governmental Funds	Transit	Civic Center	Water	Sewer		Agency
Interfund Payable									
General			\$ 126,552			\$ 162			\$ 126,714
Capital Infrastructure	\$ 10,276								10,276
I-20 Corridor		\$ 2,641,183	257,987						2,899,170
Airport Terminal	1,000,000		1,949,735						2,949,735
Nonmajor Governmental Funds	659,764		2,565,303	\$ 24,895	\$ 250	1,715	\$ 17,806	\$ 29,980	3,299,713
Airport	10,289		3						10,292
Water Fund	53,115		21,542						74,657
Sewer Fund	2,887,520		4,480			94			2,892,094
Total	\$ 4,620,964	\$ 2,641,183	\$ 4,925,602	\$ 24,895	\$ 250	\$ 1,971	\$ 17,806	\$ 29,980	\$ 12,262,651

These balances result from interfund transactions for goods and services which result in reimbursable expenditures or cash transfers among funds made to cover negative cash balances.

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14. INTERFUND TRANSFERS

The following transfers were made between the various funds of the City during the year ended April 30, 2013:

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	Transfers Out									Total
	General	Capital Infrastructure	I-20 Corridor	Nonmajor Governmental Funds	Airport	Civic Center	Water	Sewer	Agency	
General		\$ 700,000		\$ 70,533						\$ 770,533
Capital Infrastructure				3,449,664						3,449,664
I-20 Corridor				6,199						6,199
Airport Terminal			2,641,183							2,641,183
Nonmajor Gov't Funds	\$ 769,899	16,210,921	9,294	1,811,740	\$ 589,042	\$ 624	\$ 1,794,316	\$ 4,480	\$ 665	21,190,981
Transit	2,183,821									2,183,821
Civic Center	90,323			179,923						270,246
Zoo	291,822									291,822
Water				840						840
Sewer				1,981,011			2,500,000			4,481,011
Internal Service Funds	448,305			290,387						738,692
Total	\$ 3,784,170	\$ 16,910,921	\$ 2,650,477	\$ 7,790,297	\$ 589,042	\$ 624	\$ 4,294,316	\$ 4,480	\$ 665	\$ 36,024,992

These transfers resulted from transactions for goods and services among funds, debt service transfers, amounts needed to cover deficits in various Enterprise Funds and for capital improvements.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2013

15. LITIGATION AND CONTINGENCIES

Various lawsuits are pending against the City of Monroe. Except as noted below, attorneys of the City are of the opinion that any judgment rendered in favor of the plaintiff will not materially affect the financial position of the City at April 30, 2013.

The City is a party to various suits involving use of excessive force by police officers, accidents involving City vehicles and/or property and workman's compensation and city employer/employee relations. The City is unable to make an estimate of the possible liability, if any, of these matters at the current time.

16. DEFERRED COMPENSATION PLANS

The City of Monroe offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457, as amended. The plans, available to all employees, permit them to defer a portion of their salaries until future years. Participation in the plans is optional. The City does not make any contributions to the plans. The deferred compensation is not available to employees until termination, retirement or unforeseeable emergency. Deferred compensation is available to employees' beneficiaries in case of death. In accordance with the amended provisions of Code Section 457, all amounts deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants and their beneficiaries. As required by the amended Code Section 457, the City established custodial accounts with a third party administrator who will hold the assets and income of the plans.

Since the assets of the plans are held in a custodial account with a third-party administrator, the assets and liabilities are not presented in the City's financial statements in accordance with GASB 32.

Assets with a fair market value of \$2,169,353 are held by Public Employees Benefit Services Corporation, a deferred compensation center, and assets with a fair market value of \$214,962 are held by ICMA under agreement with the City.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2013

17. ON-BEHALF PAYMENTS

Certain City employees in the City Marshal's office, the Monroe Police Department and the Monroe Fire Department receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No.24, the City has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$2,299,231 and the related expenditures are as follows:

Marshal/Deputy Marshal	\$ 102,923
Monroe Police Department	974,535
Monroe Fire Department	<u>1,135,800</u>
Total	<u>\$ 2,213,258</u>

18. RISK FINANCING ACTIVITIES

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. There were no major changes in insurance coverage for the year ended April 30, 2013. Certain risks of loss, such as surety bonding, transit liability and indemnity, and activities relating to the operations of Chennault Park, Selman Field Golf Course, the Monroe Civic Center, Louisiana Purchase Gardens and Zoo and Monroe Regional Airport are insured through purchase of commercial insurance with deductibles from \$0 to \$25,000 and coverage limits from \$1,000 (surety bonds) to \$64,000,000 (buildings and contents). Other risks of loss, including fleet comprehensive and liability, long-term disability and comprehensive general liability, are entirely self-insured. Workers compensation losses are self insured up to \$250,000 per occurrence, with excess loss policies in force for claims in excess of the self insured retention. There were no settlements that exceeded insurance coverage for the past three years. All of the foregoing risk financing activities are accounted for in the governmental and proprietary fund types. Long-term liabilities that are covered by structured settlements which are not expected to be liquidated with expendable available financial resources in the governmental funds have been recorded in the General Long-term Obligations Account Group at estimated present value. Other long-term claims and judgments payable recorded in the General Long-term Obligations Account Group, primarily disability and workers' compensation claims, are recorded using actuarial methods. Changes in the claims liability for the year ended April 30, 2013, are as follows:

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2013

Balance, April 30, 2012		\$ 8,077,427
Current year claims and changes in estimates		2,161,515
Claims paid		<u>(268,949)</u>
Balance, April 30, 2013		<u>\$ 9,969,993</u>

Included in current year claims and changes in estimates are amounts related to workers' compensation claims for incurred but not reported claims (IBNR). IBNR claims include known loss events which are expected to be presented as claims, unknown loss events that are expected to become claims and expected future developments on claims already reported. Actuarial methods were employed to determine the IBNR reserve at April 30, 2013, which was calculated to be approximately \$2 million and covers claim years since April 30, 1979.

19. SALES TAX COLLECTIONS REMITTED TO OTHER TAXING AUTHORITIES

Act 711 of the 2010 Louisiana legislative session amended LRS 24:51 (B) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions to other parish governmental agencies during fiscal year ended April 30, 2013.

	Total Collections	Collection Cost	Final Distribution
City of West Monroe	\$ 17,473,124	\$ (55,536)	\$ 17,417,588
Town of Sterlington	370,933	(3,137)	367,796
Town of Richwood	264,351	(180)	264,171
Monroe City School Board	26,299,282	(186,959)	26,112,323
Ouachita Parish School Board	40,938,195	(293,436)	40,644,759
Ouachita Parish Police Jury	13,166,872	(41,463)	13,125,409
Ouachita Parish Sheriff Office	<u>3,744,435</u>	<u>(26,705)</u>	<u>3,717,730</u>
Total	<u>\$ 102,257,192</u>	<u>\$ (607,416)</u>	<u>\$ 101,649,776</u>

**20. NONSPENDABLE, RESTRICTED, COMMITTED
AND ASSIGNED FUND BALANCES**

The following Governmental Funds' fund balances are nonspendable, legally restricted, Council committed or assigned for the following purposes:

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2013

<u>Fund</u>	<u>Nonspendable</u>	<u>Amount</u>
Major Funds:		
General Fund	Prepaid expenses and other assets	\$ 283,645
General Fund	Inventories	<u>118,623</u>
Total Major Funds		<u>402,268</u>
Non-major Funds:		
Special Revenue Funds:		
CDBG Loan	Prepaid expenses and other assets	50,225
HOME Program Loans	Prepaid expenses and other assets	252,717
Capital	Prepaid expenses and other assets	<u>482,083</u>
Total Non-major Funds		<u>785,025</u>
Total Nonspendable		<u>\$ 1,187,293</u>

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2013

Fund	Restricted For	Amount
Major Funds		
General Fund	Capital improvements	\$ 1,359,151
Special Revenue-Capital Infrastructure	Debt	8,958,831
	Public works	8,110,482
Capital Project Funds:		
I-20 Corridor	Public works	<u>15,174,500</u>
Total Major Funds		<u><u>33,602,964</u></u>
Non-Major Funds		
Special Revenue Funds		
Fire Department Insurance	Public safety	940,327
Urban Development Action	Planning and urban development	18,190
Rental Rehab	Planning and urban development	179,833
CDBG Economic Development	Planning and urban development	10,835
Emergency Shelter	Planning and urban development	2,040
CDBG Loan	Planning and urban development	81,481
City Prosecuting Attorney	Judicial	150,957
DARE Program	Public safety	81,572
Police Salary Sales Tax	Public safety	100,050
Fire Salary Sales Tax	Public safety	1,310,245
PTFA	Economic development	586
HOME Program Loans	Planning and urban development	212,674
Employees' Benefits	Employees' benefits	1,284,665
MPD K-9 Donations	Public safety	41,213
PTFA-2012	Recreation facilities	514,970
Ouachita Well	Planning and urban development	5,000
Passenger Facility Charge	Public works	736,722
Debt-Service Funds		
I-20 Economic District	Debt	4,305,623
Tower Dr Economic District	Debt	677,591
Sales Tax Bond	Debt	6,594,026
Airport Terminal	Debt	1,717,066
Capital Projects Funds		
N 18th Street Extension	Capital improvements	104,713
Tower Drive	Capital improvements	6,256,134
Airport Industrial Park	Capital improvements	318,270
Street Construction	Capital improvements	265,940
Collection System Improvement	Capital improvements	627,661
Fire/Drainage Improvement	Capital improvements	522,692
Water System Improvements	Capital improvements	3,808,464
US 165 Business Connector	Capital improvements	594,398
Water Meter Replacement	Capital improvements	157,502
Total Non-Major Funds		<u><u>31,621,440</u></u>
Total Restricted		<u><u>\$ 65,224,404</u></u>

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2013

Non-Major Funds

Special Revenue Funds		
Diversion Program	Judicial	\$ 41,011
Drug Seizure Forfeiture	Public safety	49,614
Downtown Economic Development	Economic development	39,503
Admin Economic Development	Economic development	2,027,891
Repairs & Maintenance	Repairs and capital improvements	93,910
Capital	Capital improvements	6,281,900
Demolition	Public works	<u>44,185</u>
Total Assigned		\$ <u>8,578,014</u>

21. PASSENGER FACILITY CHARGE-MONROE REGIONAL AIRPORT

On January 23, 2003, the Monroe Regional Airport (Airport) received approval from the Federal Aviation Administration (FAA) to impose a \$4.50 passenger facility charge (PFC) in accordance with Section 158.29 of the FAA Regulations (Title 14, Code of Federal Regulations, Part 158). On December 20, 2005, the Airport received approval to continue collecting the charge through September 1, 2008. On September 8, 2008, approval was given by the FAA to collect the charge commencing November 1, 2008 through June 1, 2036.

FAA regulations require that PFC revenues be recognized and reported as non-operating revenues in the year the fees are remitted by the air carriers (cash basis of accounting). Likewise, payments to vendors are also reported when disbursed, not when incurred. However, for financial reporting purposes, GAAP requires that these revenues and expenses be recorded on the modified accrual basis of accounting.

FAA regulations also require certain financial statement disclosures with regard to passenger facility charges. Any PFC revenue received, but not yet spent, along with interest income, is classified as restricted net assets on the Statement of Net Assets.

The FAA approved a total collection of \$1,134,672, from April 1, 2003 until January 31, 2006 for three approved projects. On December 20, 2005, the FAA approved collections of \$720,000 for one additional project. Two additional projects were approved September 8, 2008 totaling \$16,400,000.00. These projects as well as the amounts disbursed and the remaining dollars available are as follows:

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2013

Description	Project Amount	Disbursements	Available
Aircraft loading equipment improvement	\$ 504,335	\$ 504,335	\$ -
PFC application professional fees	40,700	40,700	-
Rehabilitate airfield lighting	401,025	401,025	-
Passenger terminal scoping and planning study	413,444	413,444	-
New Passenger Terminal Building	16,200,000	1,726,573	14,473,427
Administrative Costs (Professional Fees)	200,000	41,619	158,382
Total	<u>\$ 17,759,504</u>	<u>\$ 3,127,696</u>	<u>\$ 14,631,808</u>

On September 15, 2009 the Application 08-03-C-00-MLU charge effective date was changed to July 1, 2006 and charge expiration date was changed to January 1, 2035.

Since the inception of the PFC, the Airport has recorded the following revenues / receipts and expenses / disbursements through fiscal year 2012 resulting in a restriction of net assets from passenger facility charges as follows:

	Accrual Basis	Cash Basis
PFC revenues / receipts	\$ 3,814,691	\$ 3,740,494
Interest earnings	49,727	49,760
Total revenues / receipts	<u>3,864,418</u>	<u>3,790,254</u>
Expenses / disbursements for PFC projects	<u>(3,127,696)</u>	<u>(3,127,729)</u>
Net PFC cash, April 30, 2013		\$ 662,525
Net assets restricted for PFC, April 30, 2013	<u>\$ 736,722</u>	

Any remaining funds after the completion of the projects will require a plan for the use of this revenue be submitted to the FAA for review and concurrence.

22. SUBSEQUENT EVENTS

Subsequent to year end, the city issued \$11,700,000 in DEQ loans. The loans were issued at a .95% interest rate.

**Required Supplemental Information
(Part B)**

CITY OF MONROE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2013
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Ad Valorem Tax Revenue				
General property tax	\$ 4,005,311	\$ 4,201,296	\$ 4,117,023	\$ (84,273)
1974 Recreational maintenance taxes	699,608	734,186	728,076	(6,110)
1974 Public safety taxes	394,460	413,948	410,330	(3,618)
1974 Drainage taxes	487,493	511,603	508,185	(3,418)
Capital improvement tax	1,209,429	1,269,237	1,259,415	(9,822)
Police department tax	558,198	585,785	580,780	(5,005)
Fire department tax	558,198	585,782	580,780	(5,002)
Adjudicated property	62,570	13,454	17,404	3,950
Total Ad valorem tax revenue	<u>7,975,267</u>	<u>8,315,291</u>	<u>8,201,993</u>	<u>(113,298)</u>
Sales & use tax revenue				
General sales and use taxes	31,943,378	35,022,191	34,932,439	(89,752)
Total Sales & use tax revenue	<u>31,943,378</u>	<u>35,022,191</u>	<u>34,932,439</u>	<u>(89,752)</u>
Other tax revenue				
Franchise fees	846,600	846,600	928,499	81,899
Beer tax	74,275	74,275	74,805	530
Total Other tax revenue	<u>920,875</u>	<u>920,875</u>	<u>1,003,304</u>	<u>82,429</u>
License and permits				
Liquor licenses	79,895	79,895	83,947	4,052
Occupational licenses	2,421,670	2,421,670	2,546,739	125,069
Video bingo license	2,150	2,150	800	(1,350)
Sound permits		50	100	50
Building permits	90,000	90,000	91,303	1,303
Sewer permits	45,000	45,000	32,246	(12,754)
Plumbing permits	60,000	60,000	44,891	(15,109)
Electrical permits	40,000	40,000	33,924	(6,076)
Gas permits	13,000	13,000	5,168	(7,832)
Heat and air conditioning permits	12,000	12,000	15,222	3,222
Off premise sign permits	1,000	1,000	25	(975)
Culvert/Drainage Project Permit	1,500	1,500	1,690	190
Specs copies		225	225	
Storm Water Permits		1,080	2,565	1,485
Total License and permits	<u>2,766,215</u>	<u>2,767,570</u>	<u>2,858,845</u>	<u>91,275</u>
Intergovernmental - Federal				
Homeland Security			3,727	3,727
Bulletproof Vest Partnership Program	7,536	7,536	6,320	(1,216)
LA Highway Safety Commission	87,480	87,480	115,020	27,540
High Intensity Drug Trafficking Area (HIDTA)	51,606	51,606	51,777	171
COPS Hiring Recovery Program (ARRA)	65,223	182,284	182,284	
AFG-Prevention and Safety		19,423	19,423	
Total Intergovernmental - Federal	<u>211,845</u>	<u>348,329</u>	<u>378,551</u>	<u>30,222</u>
Intergovernmental - State				
Supplemental pay	2,502,000	2,515,241	2,226,499	(288,742)
Total Intergovernmental - State	<u>2,502,000</u>	<u>2,515,241</u>	<u>2,226,499</u>	<u>(288,742)</u>

CITY OF MONROE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2013
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Fees, charges and commissions				
Sales tax commission - School Board	434,125	434,125	463,939	29,814
Sales tax commission - West Monroe	51,000	51,000	51,000	
Sales tax commission - Police Jury	37,800	37,800	37,800	
Sales tax commission - Sterlington	2,200	2,200	2,560	360
Sales tax commission - Richwood	180	180	180	
Sales tax commission - St Imp	95,260	95,260	100,938	5,678
Sales tax commission - Fire	23,330	23,330	24,729	1,399
Sales tax commission - Police	23,330	23,330	24,729	1,399
Sales tax commission - Ouachita Parish Sheriff's Office	22,000	22,000	25,837	3,837
Sales tax commission - Hotel/Motel	4,000	4,000	4,000	
Signal light reimbursement	183,000	183,000	185,440	2,440
City Court civil fees	180,000	180,000	274,596	94,596
City sanitation service	3,075,000	3,075,000	2,783,299	(291,701)
Cemetery lots	12,190	12,190	17,030	4,840
Grass cutting fees	130,615	130,615	108,340	(22,275)
Ticket review fees	1,530	1,530	1,185	(345)
Copy charges	3,945	3,945	554	(3,391)
NSF fees	15,440	15,440	11,510	(3,930)
Royalty income	2,800	2,800	1,731	(1,069)
Commissions	725	725	712	(13)
American Pint System Fees (BellSouth Commissions)	10,725	10,725	6,945	(3,780)
Online convenience fees	14,500	14,500	24,007	9,507
COBRA admin fees		305	782	477
Postage	10,635	10,635	750	(9,885)
Legal & other professional	112,750	112,750	148,554	35,804
Entergy franchise fees	2,060,315	2,060,315	1,994,313	(66,002)
Community policing fees	80,000	80,000	95,031	15,031
Appearance & surrender fees	60,000	60,000	37,310	(22,690)
Tuition income		18,000	18,000	
Fire reports		110	200	90
Zoning income	68,000	69,834	62,543	(7,291)
Recreation department revenue	58,562	52,346	63,440	11,094
Golf course fees	403,466	403,466	302,480	(100,986)
Street Cut Reimbursements	100,000	100,000	43,415	(56,585)
Demolition	100,000	100,000		(100,000)
Total Fees, charges and commissions	7,377,423	7,391,456	6,917,879	(473,577)
Fines and forfeitures				
City Court fines	554,286	554,286	680,090	125,804
Environmental Court	5,000	5,000	1,450	(3,550)
Parking fines	71,435	71,435	51,140	(20,295)
DWI Prob. Fines	2,000	2,000	2,966	966
False alarms fines	15,000	15,000	10,775	(4,225)
Total Fines and forfeitures	647,721	647,721	746,421	98,700
Use Of money and property				
Rental income-usage fee	11,296	14,600	14,600	
Municipal golf course rent	14,000	14,000	4,800	(9,200)
Building usage fees	41,465	41,465	37,393	(4,072)
Interest income	50,000	50,000	55,878	5,878
Total Use of money and property	116,761	120,065	112,671	(7,394)
Other revenues				
Penalty and interest	27,380	27,380	4,816	(22,564)
Miscellaneous income			383	383
Vending Commissions		511	779	268
Police miscellaneous	60,000	60,000	58,163	(1,837)
Contributions & donations	2,200	2,200		(2,200)
Total Other revenues	89,580	90,091	64,141	(25,950)
Total Revenues	54,551,065	58,138,830	57,442,743	(696,087)

CITY OF MONROE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2013
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current				
Legislative division - Council and staff	375,164	375,164	335,388	39,776
Judicial division	2,383,817	2,389,015	2,439,998	(50,983)
Legal division	717,678	717,678	675,654	42,024
Executive division - Chief executive and staff	943,506	943,687	857,649	86,038
Administration division	9,045,979	10,452,769	9,288,800	1,163,969
Police division	12,814,833	12,832,833	13,063,459	(230,626)
Fire division	11,889,888	11,909,311	12,199,125	(289,814)
Public Works division	8,050,290	8,347,952	9,217,421	(869,469)
Engineering	1,048,695	1,048,695	820,980	227,715
Culture & recreation	3,013,808	3,014,993	2,802,677	212,316
Planning and urban development division	939,857	941,691	899,066	42,625
Debt Service				
General interest expense	156,223	156,223	119,910	36,313
Capital leases	166,092	166,092	166,092	
Civic Center roof	315,000	315,000	315,000	
Claims and judgments	300,000	300,000	252,807	47,193
Capital expenditures	1,241,738	2,838,785	2,339,951	498,834
Total Expenditures	<u>53,402,568</u>	<u>56,749,888</u>	<u>55,793,977</u>	<u>955,911</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,148,497	1,388,942	1,648,766	259,824
OTHER FINANCING SOURCES (USES)				
Sale of assets		62,068	105,058	42,990
Insurance proceeds		4,100	4,100	
Increase in capital leases			1,480,145	1,480,145
Total		<u>66,168</u>	<u>1,589,303</u>	<u>1,523,135</u>
Transfers in				
Admin economic development fund			70,533	70,533
Capital infrastructure fund	766,599	766,599	700,000	(66,599)
Total transfers in	<u>766,599</u>	<u>766,599</u>	<u>770,533</u>	<u>3,934</u>
Transfers out				
Police and fire pension	(372,928)	(372,928)	(368,446)	4,482
Louisiana Purchase Gardens and Zoo	(85,150)	(85,150)	(291,822)	(206,672)
Monroe Transit System	(1,174,434)	(1,174,434)	(2,183,821)	(1,009,387)
Civic Center			(90,323)	(90,323)
Central Shop	(274,916)	(274,916)	(448,305)	(173,389)
DeltaFest		(102,581)	(30,930)	71,651
River Market Operations		(144,579)	(127,360)	17,219
Capital project funds		(7,668)	(243,163)	(235,495)
Total transfers out	<u>(1,907,428)</u>	<u>(2,162,256)</u>	<u>(3,784,170)</u>	<u>(1,621,914)</u>
Total Other Financing Sources (Uses)	<u>(1,140,829)</u>	<u>(1,329,489)</u>	<u>(1,424,334)</u>	<u>(94,845)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES		59,453	224,432	164,979
FUND BALANCE, BEGINNING OF YEAR	<u>13,862,958</u>	<u>14,010,107</u>	<u>14,010,107</u>	
FUND BALANCE, END OF YEAR	<u>\$ 13,862,958</u>	<u>\$ 14,069,560</u>	<u>\$ 14,234,539</u>	<u>\$ 164,979</u>

CITY OF MONROE
Monroe, Louisiana
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Capital Infrastructure Special Revenue Fund
For the Year Ended April 30, 2013
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales Tax -Street Improvement	\$ 13,195,650	\$ 13,195,650	\$ 14,630,826	\$ 1,435,176
Interest income	100,000	100,000	52,954	(47,046)
Total revenues	<u>13,295,650</u>	<u>13,295,650</u>	<u>14,683,780</u>	<u>1,388,130</u>
EXPENDITURES				
Current:				
Public works	923,396	928,121	776,530	151,591
Total expenditures	<u>923,396</u>	<u>928,121</u>	<u>776,530</u>	<u>151,591</u>
EXCESS OF REVENUES OVER EXPENDITURES	12,372,254	12,367,529	13,907,250	1,539,721
OTHER FINANCING SOURCES (USES)				
Transfer In		3,449,664	3,449,664	
Transfers Out	(11,562,599)	(14,562,599)	(16,910,921)	(2,348,322)
Total other financing sources (uses)	<u>(11,562,599)</u>	<u>(11,112,935)</u>	<u>(13,461,257)</u>	<u>(2,348,322)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	809,655	1,254,594	445,993	(808,601)
FUND BALANCE, BEGINNING OF YEAR	<u>18,115,541</u>	<u>16,623,320</u>	<u>16,623,320</u>	
FUND BALANCE, END OF YEAR	<u>\$ 18,925,196</u>	<u>\$ 17,877,914</u>	<u>\$ 17,069,313</u>	<u>\$ (808,601)</u>

OTHER SUPPLEMENTAL INFORMATION

**CITY OF MONROE
REQUIRED SUPPLEMENTARY INFORMATION**

**OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS
APRIL 30, 2013**

<u>Fiscal Year Ending</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
4/30/2013	5/1/2012	\$ -	\$ 45,370,731	\$ 45,370,731	0.0%	\$ 39,530,834	114.8%
4/30/2012	5/1/2011	\$ -	\$ 48,477,341	\$ 48,477,341	0.0%	\$ 34,503,979	140.5%
4/30/2011	5/1/2010	\$ -	\$ 44,820,027	\$ 44,820,027	0.0%	\$ 31,040,776	144.4%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage of Annual OPEB Costs Contributed</u>	<u>Net OPEB Obligation</u>
4/30/2013	\$ 3,364,999	\$ 1,445,233	42.95%	\$ 10,752,007
4/30/2012	\$ 3,799,718	\$ 1,474,711	38.81%	\$ 8,832,240
4/30/2011	\$ 3,688,586	\$ 1,474,711	39.98%	\$ 6,507,233

CITY OF MONROE
Monroe, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2013

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 15,537,661	\$ 13,495,615	\$ 9,937,107	\$ 38,970,383
Receivables	954,249	1,021,340	941,152	2,916,741
Due from other funds	191,302	251,500	4,482,800	4,925,602
Prepaid expenses & other assets, net	785,025			785,025
Total Assets	\$ 17,468,237	\$ 14,768,455	\$ 15,361,059	\$ 47,597,751
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts and retainage payable	\$ 594,694	\$ 1,472,649	\$ 1,649,423	\$ 3,716,766
Due to other funds	1,821,688	1,500	1,440,229	3,263,417
Unearned revenues	3,913			3,913
Other current liabilities	13,453			13,453
Total Liabilities	2,433,748	1,474,149	3,089,652	6,997,549
Fund Balances				
Nonspendable				
Prepaid expenses and other assets	785,025			785,025
Spendable				
Restricted	5,671,360	13,294,306	12,655,774	31,621,440
Assigned	8,578,104			8,578,104
Unassigned (deficit)			(384,367)	(384,367)
Total Fund Balances	15,034,489	13,294,306	12,271,407	40,600,202
Total Liabilities and Fund Balances	\$ 17,468,237	\$ 14,768,455	\$ 15,361,059	\$ 47,597,751

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended April 30, 2013

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES				
Taxes				
Ad valorem		\$ 388,210		\$ 388,210
Sales	\$ 7,168,956	4,297,827		11,466,783
Intergovernmental				
Federal grants	2,221,091		\$ 3,770,787	5,991,878
State grants	1,129,470		1,000,145	2,129,615
Local grants	54,608		140,000	194,608
Fees, charges and commissions for services	1,823,260			1,823,260
Fines and forfeitures	39,172		11,656	50,828
Use of money and property	49,771	46,562	400	96,733
Other revenues	9,003			9,003
Total revenues	<u>12,495,331</u>	<u>4,732,599</u>	<u>4,922,988</u>	<u>22,150,918</u>
EXPENDITURES				
Current				
General government				
Judicial	98,018			98,018
Financial administration	308,366	1,036,022	3,600	1,347,988
Other general government			36,633	36,633
Public safety				
Police	3,439,749			3,439,749
Fire	3,695,933			3,695,933
Public works	109,613		559,992	669,605
Culture and recreation	340,061		175,958	516,019
Planning and urban development	2,092,691			2,092,691
Economic development and assistance	133,961			133,961
Capital outlay	1,758,372		12,020,014	13,778,386
Debt service				
Debt service principle	487,011	9,525,000		10,012,011
Debt service interest	3,264	5,462,678		5,465,942
Total expenditures	<u>12,467,039</u>	<u>16,023,700</u>	<u>12,796,197</u>	<u>41,286,936</u>
Excess (deficiency) of revenues over expenditures	<u>28,292</u>	<u>(11,291,101)</u>	<u>(7,873,209)</u>	<u>(19,136,018)</u>
Other Financing Sources (Uses)				
Insurance proceeds	20,485			20,485
Bond proceeds	4,000,000	77,680,000	3,381,608	85,061,608
Payment to refunding bond escrow-principal		(74,921,476)		(74,921,476)
Payment to refunding bond escrow-interest		(1,376,503)		(1,376,503)
Premium on bond sales		748,250		748,250
Refund of overpayment of sales taxes		(1,053,741)		(1,053,741)
Transfers in	195,610	14,518,402	6,476,969	21,190,981
Transfers out	(2,350,851)	(5,427,105)	(12,342)	(7,790,298)
Total other financing sources (uses)	<u>1,865,244</u>	<u>10,167,827</u>	<u>9,846,235</u>	<u>21,879,306</u>
Net changes in fund balances	1,893,536	(1,123,274)	1,973,026	2,743,288
Fund balances - beginning	<u>13,140,953</u>	<u>14,417,580</u>	<u>10,298,381</u>	<u>37,856,914</u>
Fund balances - ending	<u>\$ 15,034,489</u>	<u>\$ 13,294,306</u>	<u>\$ 12,271,407</u>	<u>\$ 40,600,202</u>

NONMAJOR SPECIAL REVENUE FUNDS

CITY OF MONROE
Monroe, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
April 30, 2013

	Fire Department Insurance	Community Development Block Grant	Urban Development Action	Rental Rehab	CDBG Economic Development	Emergency Shelter	CDBG Home	CDBG Loan	City Prosecuting Attorney
ASSETS									
Cash and cash equivalents	\$ 909,627		\$ 18,190	\$ 134,602	\$ 10,835	\$ 866		\$ 74,476	\$ 154,522
Receivables		\$ 33,121				52,152	\$ 21,160		
Due from other funds	37,795	4,376		45,231				8,437	
Prepaid expenses & other assets, net								50,225	
Total Assets	\$ 947,422	\$ 37,497	\$ 18,190	\$ 179,833	\$ 10,835	\$ 53,018	\$ 21,160	\$ 133,138	\$ 154,522
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts and retainage payable	\$ 7,095	\$ 8,566				\$ 50,880	\$ 1,250		\$ 3,565
Due to other funds		25,802				98	19,126		
Unearned revenues		3,129					784		
Other current liabilities								\$ 1,432	
Total Liabilities	7,095	37,497				50,978	21,160	1,432	3,565
Fund Balances									
Nonspendable									
Prepaid expenses and other assets								50,225	
Spendable									
Restricted	940,327		\$ 18,190	\$ 179,833	\$ 10,835	2,040		81,481	150,957
Assigned									
Total Fund Balances	940,327		18,190	179,833	10,835	2,040		131,706	150,957
Total Liabilities and Fund Balances	\$ 947,422	\$ 37,497	\$ 18,190	\$ 179,833	\$ 10,835	\$ 53,018	\$ 21,160	\$ 133,138	\$ 154,522

CITY OF MONROE
 Monroe, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Special Revenue Funds
 April 30, 2013

	DARE Program	Delta Fest	Diversion Program	Drug Seizure Forfeiture	Metro Share Grant	Police Salary Sales Tax	Fire Salary Sales Tax	PTFA (Economic Dev)	Justice Assistance Grant
ASSETS									
Cash and cash equivalents	\$ 81,572		\$ 41,889	\$ 64,614		\$ 250,000	\$ 1,033,169	\$ 1,039,316	
Receivables	6,670	\$ 1,000				284,971	284,971		\$ 22,287
Due from other funds		12,099							
Prepaid expenses & other assets, net									
Total Assets	\$ 88,242	\$ 13,099	\$ 41,889	\$ 64,614		\$ 534,971	\$ 1,318,140	\$ 1,039,316	\$ 22,287
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts and retainage payable		\$ 13,099		\$ 15,000					
Due to other funds	\$ 6,670		\$ 878			\$ 434,921	\$ 7,895	\$ 1,038,730	\$ 22,287
Deferred revenue									
Other current liabilities									
Total Liabilities	6,670	13,099	878	15,000		434,921	7,895	1,038,730	22,287
Fund Balances									
Nonspendable									
Prepaid expenses and other assets									
Spendable									
Restricted	81,572					100,050	1,310,245	586	
Assigned			41,011	49,614					
Total Fund Balances	81,572		41,011	49,614		100,050	1,310,245	586	
Total Liabilities and Fund Balances	\$ 88,242	\$ 13,099	\$ 41,889	\$ 64,614		\$ 534,971	\$ 1,318,140	\$ 1,039,316	\$ 22,287

CITY OF MONROE
Monroe, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
April 30, 2013

	LETPP	Downtown Economic Develop	Admin Economic Develop	HOME Program Loans	Repairs & Maintenance	Capital	Demolition	CLG Historic Preservation
ASSETS								
Cash and cash equivalents		\$ 39,503	\$ 2,077,891	\$ 225,119	\$ 138,768	\$ 6,696,475	\$ 44,185	
Receivables	\$ 7,632					26,799		
Due from other funds				65		39,901		
Prepaid expenses & other assets, net				252,717		482,083		
Total Assets	\$ 7,632	\$ 39,503	\$ 2,077,891	\$ 477,901	\$ 138,768	\$ 7,245,258	\$ 44,185	
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts and retainage payable			\$ 50,000		\$ 44,858	\$ 381,500		
Due to other funds	\$ 7,632			\$ 552		99,685		
Deferred revenue								
Other current liabilities				11,958				
Total Liabilities	7,632		50,000	12,510	44,858	481,185		
Fund Balances								
Nonspendable								
Prepaid expenses and other assets				252,717		482,083		
Spendable								
Restricted				212,674				
Assigned		\$ 39,503	2,027,891		93,910	6,281,990	\$ 44,185	
Total Fund Balances		39,503	2,027,891	465,391	93,910	6,764,073	44,185	
Total Liabilities and Fund Balances	\$ 7,632	\$ 39,503	\$ 2,077,891	\$ 477,901	\$ 138,768	\$ 7,245,258	\$ 44,185	

CITY OF MONROE
Monroe, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
April 30, 2013

	Homelessness Prevention RRP	Neighborhood Stabilization	Comp Resiliency Program	Employees' Benefits	Downtown Riverfront Market	MPD K-9 Donations	PTFA - 2012	Ouachita Well	Hurricane Isaac
ASSETS									
Cash and cash equivalents		\$ 63		\$ 1,285,266		\$ 34,218	\$ 514,970	\$ 5,000	
Receivables			\$ 42,075	26,799					\$ 70,415
Due from other funds					\$ 12,676	7,250			23,472
Prepaid expenses & other assets, net									
Total Assets		\$ 63	\$ 42,075	\$ 1,312,065	\$ 12,676	\$ 41,468	\$ 514,970	\$ 5,000	\$ 93,887
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts and retainage payable			\$ 7,358		\$ 11,268	\$ 255			
Due to other funds			34,717	\$ 27,400	1,408				\$ 93,887
Deferred revenue									
Other current liabilities		\$ 63							
Total Liabilities		63	42,075	27,400	12,676	255			93,887
Fund Balances									
Nonspendable									
Prepaid expenses and other assets									
Spendable									
Restricted				\$ 1,284,665		\$ 41,213	\$ 514,970	\$ 5,000	
Assigned									
Total Fund Balances				1,284,665		41,213	514,970	5,000	
Total Liabilities and Fund Balances		\$ 63	\$ 42,075	\$ 1,312,065	\$ 12,676	\$ 41,468	\$ 514,970	\$ 5,000	\$ 93,887

CITY OF MONROE
 Monroe, Louisiana
Combining Balance Sheet
 Nonmajor Governmental Funds
 Special Revenue Funds
 April 30, 2013

	ARFF Vehicle Purchase	Passenger Facility Charge	Special Revenue Total
ASSETS			
Cash and cash equivalents		\$ 662,525	\$ 15,537,661
Receivables		74,197	954,249
Due from other funds			191,302
Prepaid expenses & other assets, net			785,025
Total Assets		\$ 736,722	\$ 17,468,237
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts and retainage payable			\$ 594,694
Due to other funds			1,821,688
Deferred revenue			3,913
Other current liabilities			13,453
Total Liabilities			2,433,748
Fund Balances			
Nonspendable			
Prepaid expenses and other assets			785,025
Spendable			
Restricted		\$ 736,722	5,671,360
Assigned			8,578,104
Total Fund Balances		736,722	15,034,489
Total Liabilities and Fund Balances		\$ 736,722	\$ 17,468,237

CITY OF MONROE
 Monroe, Louisiana
 Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Special Revenue Funds
 For the Year Ended April 30, 2013

	Fire Department Insurance	Community Development Block	Urban Development Action	Rental Rehab	CDBG Economic Development	Emergency Shelter	CDBG Home	CDBG Loan	City Prosecuting Attorney
REVENUES									
Taxes									
Sales									
Intergovernmental									
Federal grants		\$ 794,695				\$ 161,661	\$ 563,446		
State grants	\$ 165,790								
Local grants									
Fees, charges and commissions for services								\$ 12,385	
Fines and Forfeitures									\$ 5,651
Use of money and property								1,861	
Other revenues								101	
Total Revenues	<u>165,790</u>	<u>794,695</u>				<u>161,661</u>	<u>563,446</u>	<u>14,347</u>	<u>5,651</u>
EXPENDITURES									
Current									
General government									
Judicial									
Financial administration									
Public safety									
Police									
Fire	41,369								
Public works									
Culture and recreation									
Planning and urban development		794,695				165,293	563,446		
Economic development and assistance									
Capital outlay									
Debt service									
Debt service principle									
Debt service interest									
Total Expenditures	<u>41,369</u>	<u>794,695</u>				<u>165,293</u>	<u>563,446</u>		
Excess (deficiency) of revenues over expenditures	<u>124,421</u>					<u>(3,632)</u>		<u>14,347</u>	<u>5,651</u>
Other Financing Sources (Uses)									
Bond Proceeds									
Insurance Proceeds									
Transfers in									
Transfers out									
Total other financing sources (uses)									
Net changes in fund balances	124,421					(3,632)		14,347	5,651
Fund balances - beginning	815,906		\$ 18,190	\$ 179,833	\$ 10,835	5,672		117,359	145,306
Fund balances - ending	<u>\$ 940,327</u>		<u>\$ 18,190</u>	<u>\$ 179,833</u>	<u>\$ 10,835</u>	<u>\$ 2,040</u>		<u>\$ 131,706</u>	<u>\$ 150,957</u>

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended April 30, 2013

	<u>DARE Program</u>	<u>Delta Fest</u>	<u>Diversion Program</u>	<u>Drug Seizure Forfeiture</u>	<u>Metro Share Grant</u>	<u>Police Salary Sales Tax</u>	<u>Fire Salary Sales Tax</u>	<u>PTFA</u>	<u>Justice Assistance Grant</u>
REVENUES									
Taxes									
Sales						\$ 3,584,478	\$ 3,584,478		
Intergovernmental									
Federal grants									\$ 24,152
State grants	\$ 23,720								
Local grants		\$ 1,000							
Fees, charges and commissions for services		18,410	\$ 40,850						
Fines and forfeitures				\$ 33,521					
Use of money and property						1,205	4,499	\$ 7,290	
Other revenues									
Total Revenues	<u>23,720</u>	<u>19,410</u>	<u>40,850</u>	<u>33,521</u>		<u>3,585,683</u>	<u>3,588,977</u>	<u>7,290</u>	<u>24,152</u>
EXPENDITURES									
Current									
General government									
Judicial			98,018						
Financial administration									
Public safety									
Police	23,720			22,065		3,361,652			24,152
Fire							3,654,564		
Public works									
Culture and recreation		50,369							
Planning and urban development					4,500				
Economic development and assistance									
Capital outlay				30,900					
Debt service									
Debt service principle									
Debt service interest									
Total Expenditures	<u>23,720</u>	<u>50,369</u>	<u>98,018</u>	<u>52,965</u>	<u>4,500</u>	<u>3,361,652</u>	<u>3,654,564</u>		<u>24,152</u>
Excess (deficiency) of revenues over expenditures		<u>(30,959)</u>	<u>(57,168)</u>	<u>(19,444)</u>	<u>(4,500)</u>	<u>224,031</u>	<u>(65,587)</u>	<u>7,290</u>	
Other Financing Sources (Uses)									
Bond Proceeds									
Insurance Proceeds									
Transfers in		30,930							
Transfers out								(1,038,730)	
Total other financing sources (uses)		<u>30,930</u>						<u>(1,038,730)</u>	
Net changes in fund balances		(29)	(57,168)	(19,444)	(4,500)	224,031	(65,587)	(1,031,440)	
Fund balances - beginning	81,572	29	98,179	69,058	4,500	(123,981)	1,375,832	1,032,026	
Fund balances - ending	<u>\$ 81,572</u>	<u>\$ 29</u>	<u>\$ 41,011</u>	<u>\$ 49,614</u>	<u>\$ 4,500</u>	<u>\$ 100,050</u>	<u>\$ 1,310,245</u>	<u>\$ 586</u>	

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended April 30, 2013

	LETPP	Downtown Economic Develop	Admin Economic Develop	HOME Program Loans	Repairs & Maintenance	Capital	Demolition	CLG Historic Preservation
REVENUES								
Taxes								
Sales								
Intergovernmental								
Federal grants	\$ 7,632							\$ 898
State grants								
Local grants		\$ 29,050						
Fees, charges and commissions for services			\$ 88,861	65		\$ 628,169	\$ 45,160	
Fines and Forfeitures								
Use of money and property			10,182	\$ 8,518	\$ 1,317	14,044		
Other revenues				461				
Total Revenues	7,632	29,050	99,043	9,044	1,317	642,213	45,160	898
EXPENDITURES								
Current								
General government								
Judicial								
Financial administration					285,850	22,516		
Public safety								
Police	4,332							
Fire								
Public works							975	
Culture and recreation						75,897		1,246
Planning and urban development								
Economic development and assistance		16,095	113,366					
Capital outlay	3,300				57,502	727,388		
Debt service								
Debt service principle						487,011		
Debt service interest						3,264		
Total Expenditures	7,632	16,095	113,366		343,352	1,316,076	975	1,246
Excess (deficiency) of revenues over expenditures		12,955	(14,323)	9,044	(342,035)	(673,863)	44,185	(348)
Other Financing Sources (Uses)								
Bond Proceeds						4,000,000		
Insurance Proceeds					20,485			
Transfers in								348
Transfers out			(204,172)		(4,473)	(418,536)		
Total other financing sources (uses)			(204,172)		16,012	3,581,464		348
Net changes in fund balances		12,955	(218,495)	9,044	(326,023)	2,907,601	44,185	
Fund balances - beginning		26,548	2,246,386	456,347	419,933	3,856,472		
Fund balances - ending		\$ 39,503	\$ 2,027,891	\$ 465,391	\$ 93,910	\$ 6,764,073	\$ 44,185	

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended April 30, 2013

	Homelessness Prevention RRP	Neighborhood Stabilization	Comp Resiliency Program	Employees' Benefits	Downtown Riverfront Market	MPD K-9 Donations	PTFA - 2012	Ouchita Well	Hurricane Isaac
REVENUES									
Taxes									
Sales									
Intergovernmental									
Federal grants	\$ 195	\$ 413,308	\$ 144,189		\$ 24,767				\$ 110,915
State grants						\$ 17,958		\$ 6,600	
Local grants				\$ 539,308	46,040				
Fees, charges and commissions for services									
Fines and Forfeitures									
Use of money and property					8,441				
Other revenues									
Total Revenues	195	413,308	144,189	539,308	79,248	17,958		6,600	110,915
EXPENDITURES									
Current									
General government									
Judicial									
Financial administration									
Public safety									
Police						3,828			
Fire									103,320
Public works					206,608			1,600	
Culture and recreation							4,341		
Planning and urban development	11,760	413,308	144,189						
Economic development and assistance									
Capital outlay							24,089		
Debt service									
Debt service principle									
Debt service interest									
Total Expenditures	11,760	413,308	144,189		206,608	3,828	28,430	1,600	103,320
Excess (deficiency) of revenues over expenditures	(11,565)			539,308	(127,360)	14,130	(28,430)	5,000	7,595
Other Financing Sources (Uses)									
Bond Proceeds									
Insurance Proceeds									36,972
Transfers in					127,360				(44,567)
Transfers out				(290,373)					
Total other financing sources (uses)				(290,373)	127,360				(7,595)
Net changes in fund balances	(11,565)			248,935		14,130	(28,430)	5,000	
Fund balances - beginning	11,565			1,035,730		27,083	543,400		
Fund balances - ending				\$ 1,284,665		\$ 41,213	\$ 514,970	\$ 5,000	

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended April 30, 2013

	<u>ARFF Vehicle</u>	<u>Passenger</u>	<u>Special</u>
	<u>Purchase</u>	<u>Facility</u>	<u>Revenue Total</u>
		<u>Charge</u>	
REVENUES			
Taxes			
Sales			\$ 7,168,956
Intergovernmental			
Federal grants			2,221,091
State grants	\$ 915,193		1,129,470
Local grants			54,608
Fees, charges and commissions for services		\$ 404,012	1,823,260
Fines and Forfeitures			39,172
Use of money and property		855	49,771
Other revenues			9,003
	<u>915,193</u>	<u>404,867</u>	<u>12,495,331</u>
EXPENDITURES			
Current			
General government			
Judicial			98,018
Financial administration			308,366
Public safety			
Police			3,439,749
Fire			3,695,933
Public works		5,318	109,613
Culture and recreation			340,061
Planning and urban development			2,097,191
Economic development and assistance			129,461
Capital outlay	915,193		1,758,372
Debt service			
Debt service principle			487,011
Debt service interest			3,264
	<u>915,193</u>	<u>5,318</u>	<u>12,467,039</u>
Excess (deficiency) of revenues over expenditures		<u>399,549</u>	<u>28,292</u>
Other Financing Sources (Uses)			
Bond Proceeds			4,000,000
Insurance Proceeds			20,485
Transfers in			193,610
Transfers out		(350,000)	(2,350,851)
		<u>(350,000)</u>	<u>1,863,244</u>
Net changes in fund balances		49,549	1,893,536
Fund balances - beginning		<u>687,173</u>	<u>13,140,953</u>
Fund balances - ending		<u>\$ 736,722</u>	<u>\$ 15,034,489</u>

NONMAJOR DEBT SERVICE FUNDS

CITY OF MONROE
Monroe, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
Debt Service Funds
April 30, 2013

	<u>I-20 Economic District</u>	<u>Tower Dr Economic District</u>	<u>Police and Fire Pension</u>	<u>Sales Tax</u>	<u>Airport Terminal</u>	<u>Debt Service Total</u>
ASSETS						
Cash and cash equivalents	\$ 4,326,132	\$ 443,791		\$ 7,014,434	\$ 1,711,258	\$ 13,495,615
Receivables	781,732	233,800			5,808	1,021,340
Due from other funds	251,500					251,500
Total Assets	<u>\$ 5,359,364</u>	<u>\$ 677,591</u>		<u>\$ 7,014,434</u>	<u>\$ 1,717,066</u>	<u>\$ 14,768,455</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	1,053,741			\$ 418,908		\$ 1,472,649
Due to other funds				1,500		1,500
Total Liabilities	<u>1,053,741</u>			<u>420,408</u>		<u>1,474,149</u>
Fund Balances						
Restricted for debt service	<u>\$ 4,305,623</u>	<u>\$ 677,591</u>		<u>6,594,026</u>	<u>\$ 1,717,066</u>	<u>13,294,306</u>
Total Fund Balances	<u>4,305,623</u>	<u>677,591</u>		<u>6,594,026</u>	<u>1,717,066</u>	<u>13,294,306</u>
Total Liabilities and Fund Balances	<u>\$ 5,359,364</u>	<u>\$ 677,591</u>		<u>\$ 7,014,434</u>	<u>\$ 1,717,066</u>	<u>\$ 14,768,455</u>

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Debt Service Funds
For the Year Ended April 30, 2013

	<u>I-20 Economic District</u>	<u>Tower Dr Economic District</u>	<u>Police and Fire Pension</u>	<u>Sales Tax</u>	<u>Airport Terminal</u>	<u>Debt Service Total</u>
REVENUES						
Taxes						
Ad valorem					\$ 388,210	\$ 388,210
Sales	\$ 3,377,686	\$ 920,141				4,297,827
Use of money and property	1,122	1,110	\$ 20	\$ 43,408	902	46,562
Total Revenues	<u>3,378,808</u>	<u>921,251</u>	<u>20</u>	<u>43,408</u>	<u>389,112</u>	<u>4,732,599</u>
EXPENDITURES						
Current						
General government						
Financial administration	298,391	182,714		554,917		1,036,022
Debt service						
Debt service principle	1,870,000	450,000	355,000	6,440,000	410,000	9,525,000
Debt service interest	<u>1,025,552</u>	<u>295,959</u>	<u>17,927</u>	<u>3,218,527</u>	<u>904,713</u>	<u>5,462,678</u>
Total Expenditures	<u>3,193,943</u>	<u>928,673</u>	<u>372,927</u>	<u>10,213,444</u>	<u>1,314,713</u>	<u>16,023,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>184,865</u>	<u>(7,422)</u>	<u>(372,907)</u>	<u>(10,170,036)</u>	<u>(925,601)</u>	<u>(11,291,101)</u>
Other Financing Sources (Uses)						
Bond proceeds	20,530,000	8,290,000		48,860,000		77,680,000
Payment to refunding bond escrow-principal	(19,970,000)	(9,200,000)		(45,751,476)		(74,921,476)
Payment to refunding bond escrow-interest	(484,575)	(127,360)		(764,568)		(1,376,503)
Premium on bond sales				748,250		748,250
Refund of overpaid sales taxes	(1,053,741)					(1,053,741)
Transfers in			368,445	13,210,921	939,036	14,518,402
Transfers out			<u>(719)</u>	<u>(5,426,386)</u>		<u>(5,427,105)</u>
Total other financing sources (uses)	<u>(978,316)</u>	<u>(1,037,360)</u>	<u>367,726</u>	<u>10,876,741</u>	<u>939,036</u>	<u>10,167,827</u>
Net changes in fund balances	(793,451)	(1,044,782)	(5,181)	706,705	13,435	(1,123,274)
Fund balances - beginning	<u>5,099,074</u>	<u>1,722,373</u>	<u>5,181</u>	<u>5,887,321</u>	<u>1,703,631</u>	<u>14,417,580</u>
Fund balances - ending	<u>\$ 4,305,623</u>	<u>\$ 677,591</u>	<u></u>	<u>\$ 6,594,026</u>	<u>\$ 1,717,066</u>	<u>\$ 13,294,306</u>

NONMAJOR CAPITAL PROJECTS FUNDS

CITY OF MONROE
Monroe, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Funds
April 30, 2013

	<u>FTA Capital Grants</u>	<u>N. 18TH Street Extension</u>	<u>Tower Drive</u>	<u>Airport Industrial Park</u>	<u>Street Construction</u>	<u>Collection System Improvement</u>	<u>Fire/Drainage Improvement</u>	<u>Riverfront Project</u>	<u>Water System Improvements</u>
ASSETS									
Cash and cash equivalents		\$ 104,713	\$ 6,916,527	\$ 318,270	\$ 335,522	\$ 710,189	\$ 522,692		\$ 548,673
Receivables	\$ 24,895							\$ 25,734	
Due from other funds				3,436				35,600	3,298,388
Total Assets	<u>\$ 24,895</u>	<u>\$ 104,713</u>	<u>\$ 6,916,527</u>	<u>\$ 321,706</u>	<u>\$ 335,522</u>	<u>\$ 710,189</u>	<u>\$ 522,692</u>	<u>\$ 61,334</u>	<u>\$ 3,847,061</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts and retainage payable			\$ 660,393	\$ 3,436	\$ 69,582	\$ 82,528			\$ 38,597
Due to other funds	\$ 24,895							\$ 61,334	
Total Liabilities	<u>24,895</u>		<u>660,393</u>	<u>3,436</u>	<u>69,582</u>	<u>82,528</u>		<u>61,334</u>	<u>38,597</u>
Fund Balances									
Spendable									
Restricted for capital improvements		\$ 104,713	6,256,134	318,270	265,940	627,661	\$ 522,692		3,808,464
Unassigned (deficit)									
Total Fund Balances		<u>104,713</u>	<u>6,256,134</u>	<u>318,270</u>	<u>265,940</u>	<u>627,661</u>	<u>522,692</u>		<u>3,808,464</u>
Total Liabilities and Fund Balances	<u>\$ 24,895</u>	<u>\$ 104,713</u>	<u>\$ 6,916,527</u>	<u>\$ 321,706</u>	<u>\$ 335,522</u>	<u>\$ 710,189</u>	<u>\$ 522,692</u>	<u>\$ 61,334</u>	<u>\$ 3,847,061</u>

CITY OF MONROE
Monroe, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Funds
April 30, 2013

	<u>Civic Center Improvements</u>	<u>US 165 Business</u>	<u>Water Meter Replacement</u>	<u>Louisville Enhancement Phase I</u>	<u>Kansas Lane Connector</u>	<u>Ouachita Scenic Trails</u>	<u>ARRA-Lamy Lane</u>	<u>ARRA- Washington Street</u>	<u>ARRA-Walnut Drive</u>
ASSETS									
Cash and cash equivalents			\$ 431,458	\$ 46,038			\$ 584	\$ 388	\$ 2,053
Receivables					\$ 449,834	\$ 2,814			
Due from other funds	\$ 888,730				150,000				
Total Assets	<u>\$ 888,730</u>	<u>\$ 431,458</u>	<u>\$ 46,038</u>	<u>\$ 599,834</u>	<u>\$ 2,814</u>	<u>\$ 584</u>	<u>\$ 388</u>	<u>\$ 2,053</u>	
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts and retainage payable	\$ 3,711	\$ 273,956		\$ 190,141		\$ 584	\$ 388	\$ 2,053	
Due to other funds	290,621		\$ 46,038	583,936	\$ 2,814				
Other current liabilities									
Total Liabilities	<u>294,332</u>	<u>273,956</u>	<u>46,038</u>	<u>774,077</u>	<u>2,814</u>	<u>584</u>	<u>388</u>	<u>2,053</u>	
Fund Balances									
Spendable									
Restricted for capital improvements	594,398	157,502							
Unassigned (deficit)					(174,243)				
Total Fund Balances	<u>594,398</u>	<u>157,502</u>			<u>(174,243)</u>				
Total Liabilities and Fund Balances	<u>\$ 888,730</u>	<u>\$ 431,458</u>	<u>\$ 46,038</u>	<u>\$ 599,834</u>	<u>\$ 2,814</u>	<u>\$ 584</u>	<u>\$ 388</u>	<u>\$ 2,053</u>	

CITY OF MONROE
 Monroe, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Capital Projects Funds
 April 30, 2013

	<u>MLU Runway</u>	<u>ARRA-Energy Efficiency BG</u>	<u>North Ramp Rehab & Extension</u>	<u>Wildlife Study/Proximity</u>	<u>Community Center Roof Repair</u>	<u>GOHSEP Community Center Repairs</u>	<u>DeSiard Street Beautification</u>	<u>LA 594 Turn Lanes</u>	<u>Taxiways ADEFHJ Rehab MLU</u>
ASSETS									
Cash and cash equivalents									
Receivables	\$ 227,575			\$ 15,020				\$ 26,069	\$ 169,211
Due from other funds	3			1		\$ 470		6,487	
Total Assets	<u>\$ 227,578</u>			<u>\$ 15,021</u>		<u>\$ 470</u>		<u>\$ 32,556</u>	<u>\$ 169,211</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts and retainage payable	\$ 224,122		\$ 2,822						\$ 63,973
Due to other funds	3,456		109,327	\$ 15,021		\$ 470		\$ 32,556	105,238
Total Liabilities	<u>227,578</u>		<u>112,149</u>	<u>15,021</u>		<u>470</u>		<u>32,556</u>	<u>169,211</u>
Fund Balances									
Spendable									
Restricted for capital improvements									
Unassigned (deficit)			(112,149)						
Total Fund Balances			<u>(112,149)</u>						
Total Liabilities and Fund Balances	<u>\$ 227,578</u>			<u>\$ 15,021</u>		<u>\$ 470</u>		<u>\$ 32,556</u>	<u>\$ 169,211</u>

CITY OF MONROE
Monroe, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Funds
April 30, 2013

	Louisville Enhancement Phase 2	Jackson St Enhancement Ph 1	Security Fence Upgrade MLU	Security Fence Relocation MLU	Windsboro Rd Enhancement	DRU Gustav/Ike Storm Water	Taxiway G Rehab MLU	Capital Projects Total
ASSETS								
Cash and cash equivalents								\$ 9,937,107
Receivables								941,152
Due from other funds		\$ 9,530			\$ 5,710	\$ 84,445		4,482,800
Total Assets		<u>\$ 9,530</u>			<u>\$ 5,710</u>	<u>\$ 84,445</u>		<u>\$ 15,361,059</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts and retainage payable		\$ 9,530	\$ 766	\$ 779	\$ 5,710		\$ 16,352	\$ 1,649,423
Due to other funds			37,198	42,880		\$ 84,445		1,440,229
Total Liabilities		<u>9,530</u>	<u>37,964</u>	<u>43,659</u>	<u>5,710</u>	<u>84,445</u>	<u>16,352</u>	<u>3,089,652</u>
Fund Balances								
Spendable								
Restricted for capital improvements								12,655,774
Unassigned (deficit)			(37,964)	(43,659)			(16,352)	(384,367)
Total Fund Balances			<u>(37,964)</u>	<u>(43,659)</u>			<u>(16,352)</u>	<u>12,271,407</u>
Total Liabilities and Fund Balances		<u>\$ 9,530</u>			<u>\$ 5,710</u>	<u>\$ 84,445</u>		<u>\$ 15,361,059</u>

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Projects Funds
For the Year Ended April 30, 2013

	<u>FTA Capital Grants</u>	<u>N. 18TH Street Extension</u>	<u>Tower Drive</u>	<u>Airport Industrial Park</u>	<u>Street Construction</u>	<u>Collection System Improve</u>	<u>Fire/Drainage Improvement</u>	<u>Riverfront Project</u>	<u>Water System Improvements</u>
REVENUES									
Intergovernmental									
Federal grants									
State grants								\$ 300,659	
Local grants								140,000	
Use of money and property			\$ 2,552	\$ 2,012		\$ 4,589	\$ 2,503		
Other revenues				400					
Total Revenues			<u>2,552</u>	<u>2,412</u>		<u>4,589</u>	<u>2,503</u>	<u>440,659</u>	
EXPENDITURES									
Current									
Financial administration						3,600			
Other general government									
Public works						20,300			\$ 523,937
Culture and recreation									
Capital outlay			2,926,972		\$ 458,920	1,219,236	22,050	562,097	849,795
Total Expenditures			<u>2,926,972</u>		<u>458,920</u>	<u>1,243,136</u>	<u>22,050</u>	<u>562,097</u>	<u>1,373,732</u>
Excess (deficiency) of revenues over expenditures			(2,924,420)	2,412	(458,920)	(1,238,547)	(19,547)	(121,438)	(1,373,732)
Other Financing Sources (Uses)									
Bond proceeds			2,300,000			1,081,608			
Premium on bond sales									
Transfers in			3,000,000					35,600	1,778,530
Transfers out									
Total other financing sources (uses)			<u>5,300,000</u>			<u>1,081,608</u>		<u>35,600</u>	<u>1,778,530</u>
Net changes in fund balances			2,375,580	2,412	(458,920)	(156,939)	(19,547)	(85,838)	404,798
Fund balances - beginning	\$ 104,713	3,880,554	315,858	724,860	784,600	542,239	85,838	3,403,666	
Fund balances - ending	<u>\$ 104,713</u>	<u>\$ 6,256,134</u>	<u>\$ 318,270</u>	<u>\$ 265,940</u>	<u>\$ 627,661</u>	<u>\$ 522,692</u>			<u>\$ 3,808,464</u>

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Projects Funds
For the Year Ended April 30, 2013

	<u>Civic Center Improvements</u>	<u>US 165 Business Connector</u>	<u>Water Meter Replacement</u>	<u>Louisville Enhancement Phase 1</u>	<u>Kansas Lane Connector</u>	<u>Ouachita Scenic Trails</u>	<u>ARRA- Lamy Lane</u>	<u>ARRA- Washington Street</u>	<u>ARRA-Walnut Drive</u>
REVENUES									
Intergovernmental									
Federal grants				\$ 243,527	\$ 5,988	\$ 5			
State grants				44,434					
Local grants									
Use of money and property									
Other Revenues									
Total Revenues				<u>287,961</u>	<u>5,988</u>	<u>5</u>			
EXPENDITURES									
Current									
Financial administration									
Other general government									
Public works									
Culture and recreation	\$ 4,508								
Capital outlay		\$ 381,827	\$ 931,532	311,124	511,337				
Total Expenditures	<u>4,508</u>	<u>381,827</u>	<u>931,532</u>	<u>311,124</u>	<u>511,337</u>				
Excess (deficiency) of revenues over expenditures	<u>(4,508)</u>	<u>(381,827)</u>	<u>(931,532)</u>	<u>(23,163)</u>	<u>(505,349)</u>	<u>5</u>			
Other Financing Sources (Uses)									
Bond proceeds									
Premium on bond sales									
Transfers in	624	888,730	15,350		325,355				
Transfers out				(6,137)		(5)			
Total other financing sources (uses)	<u>624</u>	<u>888,730</u>	<u>15,350</u>	<u>(6,137)</u>	<u>325,355</u>	<u>(5)</u>			
Net changes in fund balances	<u>(3,884)</u>	<u>506,903</u>	<u>(916,182)</u>	<u>(29,300)</u>	<u>(179,994)</u>				
Fund balances - beginning	<u>3,884</u>	<u>87,495</u>	<u>1,073,684</u>	<u>29,300</u>	<u>5,751</u>				
Fund balances - ending		<u>\$ 594,398</u>	<u>\$ 157,502</u>		<u>\$ (174,243)</u>				

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Projects Funds
For the Year Ended April 30, 2013

	<u>MLU Runway</u>	<u>ARRA-Energy Efficiency BG</u>	<u>North Ramp Rehab & Extension</u>	<u>Wildlife Study/Proximity</u>	<u>Community Center Roof Repair</u>	<u>GOHSEP Community Center Rep</u>	<u>DeSiard Street Beautification</u>	<u>LA 594 Turn Lanes</u>	<u>Taxiways ADEFHJ Rehab MLU</u>
REVENUES									
Intergovernmental									
Federal grants	\$ 2,494,842	\$ 385,733	\$ 578,546	\$ 49,768				\$ 12,378	
State grants	131,308		64,283	2,619		\$ 101,838			\$ 355,004
Local grants									
Use of money and property									
Other Revenues									
Total Revenues	<u>2,626,150</u>	<u>385,733</u>	<u>642,829</u>	<u>52,387</u>		<u>101,838</u>		<u>12,378</u>	<u>355,004</u>
EXPENDITURES									
Current									
General government									
Financial administration									
Other general government				36,633					
Public works				15,755					
Culture and recreation					\$ 171,450				
Capital outlay	2,626,155	390,206	\$ 10,918			102,308	\$ 10,285	15,472	355,004
Total Expenditures	<u>2,626,155</u>	<u>390,206</u>	<u>10,918</u>	<u>52,388</u>	<u>171,450</u>	<u>102,308</u>	<u>10,285</u>	<u>15,472</u>	<u>355,004</u>
Excess (deficiency) of revenues over expenditures	<u>(5)</u>	<u>(4,473)</u>	<u>631,911</u>	<u>(1)</u>	<u>(171,450)</u>	<u>(470)</u>	<u>(10,285)</u>	<u>(3,094)</u>	
Other Financing Sources (Uses)									
Bond proceeds									
Premium on bond sales									
Transfers in	5	4,473	1	1	171,450	470	10,285	9,294	
Transfers out								(6,200)	
Total other financing sources (uses)	<u>5</u>	<u>4,473</u>	<u>1</u>	<u>1</u>	<u>171,450</u>	<u>470</u>	<u>10,285</u>	<u>3,094</u>	
Net changes in fund balances			<u>631,912</u>						
Fund balances - beginning			<u>(744,061)</u>						
Fund balances - ending			<u>\$ (112,149)</u>						

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Projects Funds
For the Year Ended April 30, 2013

	<u>Louisville Enhancement Phase 2</u>	<u>Jackson St Enhancement Phase 1</u>	<u>Security Fence Upgrade MLU</u>	<u>Security Fence Relocation MLU</u>	<u>Winnsboro Rd Enhancement</u>	<u>DRU Gustav/Ike Storm Water</u>	<u>Taxway G Rehab MLU</u>	<u>Capital Projects Total</u>
REVENUES								
Intergovernmental								
Federal grants								\$ 3,770,787
State grants								1,000,145
Local grants								140,000
Use of money and property								11,656
Other Revenues								400
Total Revenues								4,922,988
EXPENDITURES								
Current								
General government								3,600
Financial administration								36,633
Other general government								559,992
Public works								175,958
Culture and recreation								12,020,014
Capital outlay	\$ 57,456	\$ 49,220	\$ 37,964	\$ 43,659	\$ 45,680	\$ 84,445	\$ 16,352	12,020,014
Total Expenditures	57,456	49,220	37,964	43,659	45,680	84,445	16,352	12,796,197
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(57,456)</i>	<i>(49,220)</i>	<i>(37,964)</i>	<i>(43,659)</i>	<i>(45,680)</i>	<i>(84,445)</i>	<i>(16,352)</i>	<i>(7,873,209)</i>
Other Financing Sources (Uses)								
Bond proceeds								3,381,608
Premium on bond sales								
Transfers in	57,456	49,220			45,680	84,445		6,476,969
Transfers out								(12,342)
Total other financing sources (uses)	57,456	49,220			45,680	84,445		9,846,235
Net changes in fund balances			(37,964)	(43,659)			(16,352)	1,973,026
Fund balances - beginning								10,298,381
Fund balances - ending			\$ (37,964)	\$ (43,659)			\$ (16,352)	\$ 12,271,407

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Net Position
Internal Service Funds
April 30, 2013

	Employees' Group Insurance	Central Shop	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 3,557,623		\$ 3,557,623
Due from other funds	27,400	\$ 2,580	29,980
Inventories		38,733	38,733
Total Current assets	3,585,023	41,313	3,626,336
Noncurrent assets			
Capital assets, net of accumulated depreciation			
Land		45,000	45,000
Buildings and improvements		3,406,242	3,406,242
Furniture & Equipment		266,044	266,044
Accumulated depreciation		(1,437,943)	(1,437,943)
Total Noncurrent assets		2,279,343	2,279,343
Total Assets	3,585,023	2,320,656	5,905,679
LIABILITIES			
Current liabilities			
Accounts and retainage payable		24,834	24,834
Accrued liabilities	640,428		640,428
Due to other funds		665	665
Total Current liabilities	640,428	25,499	665,927
Total Liabilities	640,428	25,499	665,927
NET POSITION			
Unrestricted	2,944,595	2,295,157	5,239,752
Total Net Position	\$ 2,944,595	\$ 2,295,157	\$ 5,239,752

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Net Position
Internal Service Funds
For the Year Ended April 30, 2013

	Employees'		
	Group		
	Insurance	Central Shop	Total
Operating revenues			
Charges for Services	<u>\$ 7,232,004</u>	<u>\$ 1,291,673</u>	<u>\$ 8,523,677</u>
Total operating revenues	<u>7,232,004</u>	<u>1,291,673</u>	<u>8,523,677</u>
Operating expenses			
Benefits paid to participants	8,125,084		8,125,084
Salaries, wages, and benefits		836,748	836,748
Materials, repairs, and supplies		13,467	13,467
Utilities and communications		31,594	31,594
Depreciation and amortization		94,223	94,223
Shop expenses		816,312	816,312
Other operating expenses		<u>22,883</u>	<u>22,883</u>
Total operating expenses	<u>8,125,084</u>	<u>1,815,227</u>	<u>9,940,311</u>
Operating income (loss)	<u>(893,080)</u>	<u>(523,554)</u>	<u>(1,416,634)</u>
Nonoperating revenues (expenses)			
Gain or loss on sales of assets		3,632	3,632
Total nonoperating revenues (expenses)		<u>3,632</u>	<u>3,632</u>
Income (loss) before contributions and transfer	<u>(893,080)</u>	<u>(519,922)</u>	<u>(1,413,002)</u>
Other Financing Sources (Uses)			
Transfers in	290,373	448,319	738,692
Transfers out		<u>(665)</u>	<u>(665)</u>
Total other financing sources (uses)	<u>290,373</u>	<u>447,654</u>	<u>738,027</u>
Change in net position	<u>(602,707)</u>	<u>(72,268)</u>	<u>(674,975)</u>
Total net position - Beginning	<u>3,547,302</u>	<u>2,367,425</u>	<u>5,914,727</u>
Total net position - Ending	<u>\$ 2,944,595</u>	<u>\$ 2,295,157</u>	<u>\$ 5,239,752</u>

CITY OF MONROE
Monroe, Louisiana
Proprietary Fund Type - Internal Service Funds
Combining Schedule of Cash Flows
For the Year Ended April 30, 2013.

	<u>Employees'</u> <u>Group</u> <u>Insurance</u>	<u>Central</u> <u>Shop</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from customers	\$ 7,204,604	\$ 1,289,093	\$ 8,493,697
Cash payments to suppliers for goods and services	(8,082,485)	(892,499)	(8,974,984)
Cash payments to employees for services and benefits	<u>(877,881)</u>	<u>(836,748)</u>	<u>(836,748)</u>
Net cash provided by (used for) operating activities	<u>(877,881)</u>	<u>(440,154)</u>	<u>(1,318,035)</u>
Cash flows from noncapital financing activities			
Transfers in	290,373	448,319	738,692
Transfers out	<u>(665)</u>	<u>(665)</u>	<u>(665)</u>
Net cash provided by noncapital financing activities	<u>290,373</u>	<u>447,654</u>	<u>738,692</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	<u>(7,500)</u>	<u>(7,500)</u>	<u>(7,500)</u>
Net cash provided by (used for) financing activities	<u>(7,500)</u>	<u>(7,500)</u>	<u>(7,500)</u>
Net increase (decrease) in cash and cash equivalents	(587,508)		(579,343)
Cash and cash equivalents, May 1, 2012	<u>4,145,131</u>		<u>4,145,131</u>
Cash and cash equivalents, April 30, 2013	<u>\$ 3,557,623</u>		<u>\$ 3,565,788</u>
Reconciliation of operating income to net cash provided by (used for) operating activities			
Operating Income (loss)	\$ (893,080)	\$ (523,554)	\$ (1,416,634)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation		94,223	94,223
Changes in assets and liabilities			
Due from other funds	(27,400)	(2,580)	(29,980)
Inventories		5,868	5,868
Accounts payable	42,599	(14,776)	27,823
Due to other funds		665	665
Net cash provided by (used for) operating activities	<u>\$ (877,881)</u>	<u>\$ (440,154)</u>	<u>\$ (1,318,035)</u>

OTHER MISCELLANEOUS SCHEDULES

CITY OF MONROE
Monroe, Louisiana

**SCHEDULE OF ASSESSED VALUATION
AND AD VALOREM PROPERTY TAX LEVY
FOR THE 2012 TAX ROLL**

Assessed Valuation	<u>\$ 390,660,992</u>
Tax Rate per thousand dollars (Mills)	<u>27.15</u>
Gross Tax Levy	\$ 10,606,446
Plus: Adjustments	138,431
Adjusted Tax Levy	<u>\$ 10,744,877</u>
Tax Collected	
2012 Tax Roll	\$ 10,629,123
Prior Years Tax Rolls	16,325
Total	<u>\$ 10,645,448</u>

ALLOCATION OF TAXES COLLECTED	<u>MILLS</u>	
General Fund	10.65	\$ 4,154,096
Recreation Center Maintenance	1.88	732,763
Public Safety	1.06	412,973
Drainage Maintenance	1.31	511,452
City Court Bonds		10
Civic Center Complex	2.50	975,259
Louisiana Purchase Gardens & Zoo	2.50	975,259
Capital Improvements	3.25	1,267,518
Police Department	1.50	584,520
Fire Department	1.50	584,520
Airport Improvements	1.00	390,703
Street Maintenance		1,504
Grasscutting Collections		22,925
Demolition Collections		31,946
Total	<u>27.15</u>	<u>\$ 10,645,448</u>

GENERAL BONDED DEBT SUPPORTED BY TAX LEVY

Airport	<u>\$ 17,800,000</u>
---------	----------------------

PERCENT OF BONDED DEBT TO ASSESSED VALUATION 4.56%

CITY OF MONROE
Monroe, Louisiana
SCHEDULE OF TAXES RECEIVABLE
AS OF APRIL 30, 2013

<u>Tax Year</u>	<u>Balance at April 30, 2012 (gross)</u>	<u>2012 Tax Roll</u>	<u>Supplemental Assessments</u>	<u>Cancellations And Other Adjustments</u>	<u>Collections</u>	<u>Balance at 4/30/13</u>	<u>Allowance For Uncollectible Taxes</u>	<u>Estimated Collectible Taxes at 4/30/13</u>
Previous years				\$ 3,621	\$ (3,621)			
2005				62	(62)			
2006	\$ 2,514				(102)	\$ 2,412.00	\$ (2,387.88)	\$ 24.12
2007	55,960				(101)	55,859	(55,300)	559
2008	13,513				(438)	13,075	(12,421)	654
2009	104,455				(465)	103,990	(93,591)	10,399
2010	285,738				(4,574)	281,164	(253,048)	28,116
2011	307,226				(6,962)	300,264	(240,211)	60,053
2012		\$ 10,606,446	\$ 232,251	(93,820)	(10,629,123)	115,754	(57,877)	57,877
Totals	\$ 769,406	\$ 10,606,446	\$ 232,251	\$ (90,137)	\$ (10,645,448)	\$ 872,518	\$ (714,836)	\$ 157,682

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ALLOCATION OF FUNDS	<u>Balance at April 30, 2012 (net)</u>	<u>Balance at April 30, 2013 (net)</u>	<u>Applicable Millages at 4/30/13</u>	<u>Applicable Millages as % of Total Millages</u>
General Fund	\$ 175,572	\$ 122,836	21.15	77.90%
Enterprise Funds:				
Airport	8,301	5,808	1.00	3.68%
Civic Center	20,753	14,519	2.50	9.21%
La. Purchase Gardens & Zoo	20,753	14,519	2.50	9.21%
Totals	\$ 225,379	\$ 157,682	27.15	100.00%

CITY OF MONROE
 Monroe, Louisiana
 Schedule of Insurance
 April 30, 2013
 (Unaudited)

INSURER	ASSETS COVERED	RISK COVERED	LIMITS OF COVERAGE	DEDUCTIBLE	EXPIRATION DATE
Ace Property & Casualty	Monroe Municipal Airport	General Aggregate	\$10,000,000	N/A	4/7/2014
		Property damage liability	10,000,000	N/A	
		Single limit bodily injury	10,000,000	N/A	
		Personal & advertising injury	10,000,000	N/A	
		Malpractice Aggregate Limit	10,000,000	N/A	
		Medical expense limit (any one person)	1,000	N/A	
		Fire damage	100,000	N/A	
		Hangarkeeper's liability			
		Each aircraft	10,000,000	1,000	
		Each occurrence	10,000,000	1,000	
Non-owned Aircraft liability limit	10,000				
James Rivers Insurance Co	Black Bayou	General Aggregate	2,000,000	5,000	7/30/2013
		Products included			
		Personal Injury	1,000,000		
		Each Occurrence	1,000,000		
		Fire Damage	50,000		
Allianz Global Corporate & Speciality	Communication Tower	Fire, Vandalism, Explosion, & Collapse	191,435	1,000	10/28/2013
				5000/lightning	
Scottsdale Insurance Company	Chennault Park & Golf Course	General liability			5/23/2013
		General Aggregate	2,000,000		
		Prod/Comp Ops Aggregate	2,000,000		
		Personal & advertising injury	1,000,000	500	
		Each occurrence	1,100,000	500	
		Medical Payments	5,000		
Great Amer. Insurance Co.	Golf Carts/Equipment	Commercial Inland Marine	445,813	500	6/12/2013
Travelers	Employees @various locations	Dishonesty Bond	100,000		12/15/2013
Travelers Property Casualty	David Barnes	Surety bond coverage as secretary-treasurer and tax collector of the City of Monroe & Ouachita Parish Police Jury, respectively	50,000	N/A	4/1/2014
Travelers Property Casualty	David Barnes	Surety bond as collector of sales and use tax of the city school board of Monroe & Ouachita Parish School Board	50,000	N/A	4/1/2014
Travelers Property Casualty	David Barnes	Surety bond as collector for the City of West Monroe	50,000	N/A	4/1/2014

CITY OF MONROE
 Monroe, Louisiana
 Schedule of Insurance
 April 30, 2013
 (Unaudited)

INSURER	ASSETS COVERED	RISK COVERED	LIMITS OF COVERAGE	DEDUCTIBLE	EXPIRATION DATE
Travelers Property Casualty	David Barnes	Surety bond as secretary-treasurer of City of Monroe	100,000	N/A	4/1/2014
St. Paul Surety	David Barnes	Surety bond as tax collector for Town of Richwood & Town of Sterlington	100,000	N/A	4/1/2014
Liberty Mutual	Various Bldgs.	Blanket Real Property Blanket Personal Property Blanket Extra Expense	74,685,180 10,653,502 500,000	10,000	1/15/2014
Travelers	Monroe Civic Center	Blanket Building Coverage	45,082,220	5,000	8/16/2013
First Financial Insurance Corporation	Monroe Civic Center	General Liability: General-aggregate Products-completed operations aggregate Personal and advertising injury limit Each occurrence Fire Damage Limit Medical Expense Limit Liquor Liability	2,000,000 2,000,000 1,000,000 1,000,000 100,000 5,000 1,000,000	10,000	3/1/2014
Axis Insurance Company	La Purchase Gardens & Zoo	Commercial General Liability General Aggregate Products- Completed Operations Aggregate Limit Personal & Advertising Injury Limit Each Occurrence Limit Damage to Premises Rented to You	5,000,000 3,000,000 1,000,000 1,000,000 500,000		8/20/2013
St. Paul's Travelers	Monroe Transit System	General liability Personal & advertising injury Each Occurrence Limit	5,000,000 5,000,000 5,000,000	2,500	10/1/2013
ACE American Insurance Company	Excess Workers Comp & Employers Liability	Each Accident Each Employee or Disease Employer's Liability Insurance Including Stop Gap Self-insured Retention per occurrence	Statutory Statutory 1,000,000 	1,000,000	5/1/2013
Western World	Fire Department Mobile Unit	Combined Liability	1,000,000		8/21/2013

CITY OF MONROE
 Monroe, Louisiana
 Schedule of Insurance
 April 30, 2013
 (Unaudited)

INSURER	ASSETS COVERED	RISK COVERED	LIMITS OF COVERAGE	DEDUCTIBLE	EXPIRATION DATE
USF	Fire Dept. Mobile Unit	Liability General Aggregate Fire Damage Each Occurrence Personal Injury	1,000,000 50,000 1,000,000 1,000,000		8/21/2013
Great American Insurance	Fire Department Mobile Unit	Liability	33,574	500	8/21/2013
Capitol Specialty Insurance Corp	Welcome to Monroe Sign	General Liability General Aggregate Limit Each Occurrence Limit Medical Expense Limit Fire Damage	2,000,000 1,000,000 5,000 100,000		1/24/2014
Lloyd's, London	Cooly House	Building	200,000		8/15/2013
Specialty Risk Associates	DEDD Events	General Liability Each Occurrence Damage to rented property Medical Expense Any one person Personal and advertising injury General Aggregate Products	1,000,000 50,000 5,000 1,000,000 2,000,000 2,000,000		2/25/2014

CITY OF MONROE
Monroe, Louisiana

SCHEDULE OF LONG-TERM OBLIGATIONS
FOR THE YEAR ENDED APRIL 30, 2013

Issue Dates	Interest Rates	Original Amount	Balance April 30, 2012	Issued	Retired	Balance April 30, 2013	Principal Maturity Schedule For Future Years
GOVERNMENTAL ACTIVITIES							
Tax Increment Bonds:							
Tower Drive	2007	4.375% - 5.00%	\$ 11,770,000	\$ 9,200,000	\$ 9,200,000		
Tower Drive Series 2012	2012	2.71%	10,590,000		450,000	\$ 10,140,000	\$725,000 - \$975,000 to March 1, 2025
Deferred Amount of Refunding	2012		281,610	\$ 10,590,000	281,610	46,935	234,675
I-20 Development Series 2008 Refunding	2008	4.00% - 5.50%	26,365,000	21,215,000		21,215,000	
Deferred Amount of Refunding	2008		(1,462,775)	(626,903)		626,903	
I-20 Development Series 2011	2011	2.00% - 5.00%	10,000,000	9,755,000		625,000	\$640,000 - \$935,000 to March 1, 2025
I-20 Development Series 2012	2012	2.71%	20,530,000		20,530,000	20,530,000	\$1,475,000 - \$1,975,000 to March 1, 2025
Deferred Amount of Refunding	2012		165,597	165,597	27,599	137,998	
Total Tax Increment Bonds			78,239,432	39,543,097	31,567,207	40,172,673	
Certificates of Indebtedness:							
Certificates of Indebtedness-Civic Center Roof	2004C	3.75%	2,550,000	645,000		330,000	\$330,000 due April 1, 2014
Total Certificates of Indebtedness			2,550,000	645,000	315,000	330,000	
Sales Tax Bonds:							
Series 2002 (Streets/Sewer)	2002	4.70% - 7.00%	26,000,000	915,000		915,000	
Series 2002A (Fire/Drainage)	2002A	4.625% - 4.80%	15,000,000	150,000		150,000	
Series 2003 (Streets)	2003	3.50% - 5.50%	22,400,000	17,445,000		17,445,000	
Series 2006	2006	3.45%	3,000,000	2,670,000		120,000	2,550,000 \$120,000 - \$205,000 to July 1, 2028
Series 2007A Refunding	2007	4.002%	29,340,000	24,640,000		1,265,000	23,375,000 \$1,330,000 - \$3,280,000 to July 1, 2026
Deferred Amount of Refunding	2007		(1,290,626)	(215,106)		215,106	
Series 2008	2008	0.95%	14,000,000	7,652,332	1,081,608	645,000	8,088,940 \$650,000 - \$765,000 to July 1, 2030
Series 2011 Refunding	2011	2.00% - 5.00%	9,580,000	9,580,000		105,000	9,475,000 \$1,080,000 - \$1,320,000 to July 1, 2020
Deferred Amount of Refunding	2011		(880,123)	(316,769)		63,354	(253,415)
Series 2011A Refunding	2011	3.19%	14,690,000	14,690,000		25,000	14,665,000 \$255,000 - \$1,780,000 to July 1, 2027
Deferred Amount of Refunding	2011		(822,735)	(685,612)		137,123	(548,489)
Series 2012 Refunding	2012	2.00% - 4.00%	16,860,000		16,860,000	330,000	16,530,000 \$95,000 - \$1,740,000 to July 1, 2027
Deferred Amount of Refunding	2012		(282,628)	(282,628)	47,105	(235,523)	
Series 2012A Refunding	2012	2.89%	32,000,000		32,000,000	32,000,000	\$1,775,000 - \$2,575,000 to June 1, 2027
Deferred Amount of Refunding	2012		39,657	(39,657)	6,610	(33,047)	
Total Sales Tax Bonds			180,133,545	76,524,845	49,619,323	20,530,702	105,613,466
Refunding Bonds:							
Series 1998A (Fire and Police Pension)	1998	5.05%	7,565,000	355,000		355,000	
Total Refunding Bonds			7,565,000	355,000	355,000	355,000	
Utility Revenue Bonds:							
Series 2001 - DEQ (Sewer)	2001	3.95%	24,500,000	16,643,277		16,643,277	
Series 2003 - DEQ (Sewer)	2003	3.95%	10,000,000	6,890,000		6,890,000	
Series 2005 DEQ	2005	3.95%	11,000,000	7,658,198		7,658,198	
Total Utility Revenue Bonds			45,500,000	31,191,475	31,191,475		
Airport Revenue Bonds:							
Series 2009 Airport Bonds	2009	3.00% - 5.5%	19,250,000	18,210,000		410,000	17,800,000 \$410,000 - \$1,280,000 to February 1, 2039
Total Airport Revenue Bonds			19,250,000	18,210,000	410,000	17,800,000	
Other:							
Claims and Judgments				8,077,427	2,161,515	268,949	9,969,993
Capital Leases		3.49%-7.30%		1,915,854	1,480,145	260,014	3,135,985
Notes payable	2007	3.88%		487,011		487,011	\$134,654 - \$420,563 to November 1, 2022
Notes payable	2013	1.87%	4,000,000		4,000,000		4,000,000 \$770,634 - \$829,915 to March 15, 2018
Accrued Vacation and Sick Pay				5,821,714	1,551,268	1,504,058	5,868,924
Other post employment benefits				8,832,240	3,365,000	1,445,233	10,752,007
Total Other			4,000,000	25,134,246	12,557,928	3,265,265	33,726,909
TOTAL GOVERNMENTAL ACTIVITIES			337,237,977	191,603,663	93,744,458	87,705,073	197,643,048
SEWER DEPARTMENT							
Utility Revenue Bonds:							
Series 2001 - DEQ	2001	3.95%	2,500,000	1,976,723		1,976,723	
Total Sales Tax Bonds			2,500,000	1,976,723	1,976,723	1,976,723	
ALL DEPARTMENTS							
Other:							
Accrued Vacation and Sick Pay				1,144,338	736,951	819,593	1,061,696
TOTAL BUSINESS TYPE ACTIVITIES			\$ 2,500,000	\$ 3,121,061	\$ 736,951	\$ 2,796,316	\$ 1,061,696

CITY OF MONROE
Monroe, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES

As of and For the Year Ended April 30, 2013

COMPENSATION PAID TO COUNCIL MEMBERS

The schedule of compensation paid to council members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the council members is included in the legislative expenditures of the General Fund. In accordance with Section 2-05 of the Home Rule Charter of the City of Monroe, the council, through Ordinance 10312, has set compensation of council members at \$1,000 per month. In addition to the compensation paid all council members, the chairperson of the council receives an additional \$500 per month to perform the duties of that office.

City of Monroe
Schedule of Compensation Paid to Council Members
For the Year Ended April 30, 2013

	<u>District</u>	<u>Compensation</u>
Dr. Ray Armstrong-Vice Chairman	1	\$ 4,154
Jay Marx	1	11,769
Gretchen Ezernack	2	12,000
Betty Blakes	3	4,154
Arthur Gilmore	3	9,024
Ellen Hill	3	7,938
Glenda Smith-Starr	4	7,938
Kenneth Wilson	4	4,154
Eddie Clark-Chairman	5	13,846
		<u>\$ 74,977</u>

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

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)
Francis I. Huffman, CPA
Philip A. Ragsdale, CPA
David Ray Soignier, CPA, MBA, CGMA

John Herman, CPA
Lynn Andries, CPA, CGMA
Esther Atteberry, CPA
Lori Woodard, MBA, CPA, CGMA, CITP

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

City of Monroe
Monroe, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe (the City), as of and for the year ended April 30, 2013, and the related notes to the financial statements, which collectively comprise The City's basic financial statements and have issued our report thereon dated October 31, 2013. Our report includes a reference to other auditors who audited the financial statements of certain discretely presented component units, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The City's internal control. Accordingly, we do not express an opinion on the effectiveness of The City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**City of Monroe
Monroe, Louisiana**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing*.

We noted certain other matters that we reported to management of the City of Monroe in a separate letter dated October 31, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the jurors, others within the entity, federal awarding agencies and pass-through entities, and other entities granting funds to the City, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under provisions of Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Huffman, Huffman, Royal, & Simpson

(A Professional Accounting Corporation)
October 31, 2013

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED OMB CIRCULAR A-133

City of Monroe
Monroe, Louisiana

Report on Compliance for Each Major Federal Program

We have audited City of Monroe's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended April 30, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2013.

City of Monroe
Monroe, Louisiana

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of management, the jurors, others within the entity, 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 these specified parties. However, under provisions of Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Suffey Huffman, Registered Accountants

(A Professional Accounting Corporation)
October 31, 2013

City of Monroe, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended April 30, 2013

Federal Grantor / Pass-Through Grantor / Program Title	CFDA No.	Pass-Through Grant Number	Grant Identification Number	Federal Expenditures
U. S. Department of Housing and Urban Development				
Direct:				
Community Development Block Grant	14.218	N/A	B-10-MC-22-0005	\$ 70,104
Community Development Block Grant	14.218	N/A	B-11-MC-22-0005	485,392
Community Development Block Grant	14.218	N/A	B-12-MC-22-005	239,199
CDBG Subtotal				794,695
Home Investment Partnership Grant	14.239	N/A	M-09-MC-22-0206	330,215
Home Investment Partnership Grant	14.239	N/A	M-10-MC-22-0206	194,347
Home Investment Partnership Grant	14.239	N/A	M-11-MC-22-0206	38,884
Home Investment Partnership Grant Subtotal				563,446
Pass-Through Programs:				
LA Dept of Social Services/Office of Community Services:				
Emergency Shelter Grants Program	14.231	698351	N/A	88,886
Emergency Shelter Grants Program	14.231	702576	N/A	72,775
Emergency Shelter Grants Program Subtotal				161,661
LA Dept of Social Services/Office of Community Services:				
Homeless Prevention Rapid Rehousing Program	14.257	685502	N/A	195
LA Housing Finance Agency:				
Neighborhood Stabilization Program	14.228	HD09	B-08-DN-22-0001	413,308
State of LA Div of Administration/OCD/DRU				
Comprehensive Resiliency Pilot Program-CAT 1	14.218	6972 69	N/A	106,835
Comprehensive Resiliency Pilot Program-CAT 2	14.218	6991 07	N/A	37,355
Total U. S. Department of Housing and Urban Development				2,077,494
U. S. Department of Justice				
Direct:				
Office of Justice Program (JAG)	16.738	N/A	2010-DJ-BX-1623	1,406
Office of Justice Program (JAG)	16.738	N/A	2011-DJ-BX-3338	5,432
Office of Justice Program (JAG)	16.738	N/A	2012-DJ-BX-1048	17,314
ARRA - COPS Oriented Policing Services	16.710	N/A	2009RKWX0386	182,284
Bulletproof Vest Partnership Program 2011	16.607	N/A	N/A	6,321
Total U. S. Department of Justice				212,757
U. S. Department of Transportation				
Direct:				
Airport Improvement Program:				
Airport Terminal; ARFF & Wildlife	20.106	N/A	3-22-0033-028-2010	49,768
MLJ Rehab Runway 14/32; Rehab Taxiway C: Remove Obstructions	20.106	N/A	3-22-0033-029-2011	2,494,842
North Ramp Rehab and Expansion Phase I- Reconstruct Apron	20.106	N/A	3-22-0033-030-2012	578,546
Federal Transit Authority Program:				
ARRA - Federal Transit Formula Grants	20.507	N/A	LA-96-X009-00	122,816
Federal Transit Formula Grants	20.507	N/A	LA-90-0039-00	2,399
Federal Transit Formula Grants	20.507	N/A	LA-90-X337-00	308,017
Federal Transit Formula Grants	20.507	N/A	LA-90-X352-03	1,335,304
Job Access Reverse Commute Program	20.516	N/A	LA-90-X380-00	417,261

City of Monroe, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended April 30, 2013

Federal Grantor / Pass-Through Grantor / Program Title	CFDA No.	Pass-Through Grant Number	Grant Identification Number	Federal Expenditures
Pass-Through Programs:				
LA Dept of Culture, Recreation & Tourism Recreational Trails Program	20.219	08LRT-OCH-0101	745-37-0005	5
LA Highway Safety Commission Alcohol Impairment Driving Countermeasures Incentive Grant	20.600	2012-30-46FFY13	N/A	76,480
State and Community Highway Safety	20.601	2012-30-46FFY13	N/A	38,540
LA Dept of Transportation and Development New Freedom Program	20.521	NF57-37-13	LA-57-X011	206,838
Kansas Lane Connector Highway Planning & Construction	20.205	700-37-0125	STP-3705(500)	5,989
Highway Planning & Construction	20.205	H.000159	HD00159 & ENH-3706(508)	243,527
Highway Planning & Construction	20.205	742-37-0030		12,378
Job Access Reverse Commute Program	20.516	JA37-37-13	LA-37-X013	65,124
Job Access Reverse Commute Program	20.516	JA37-37-13	LA-37-X023	37,338
Total U. S. Department of Transportation				<u>5,995,172</u>
U.S. Department of Energy				
Direct:				
ARRA - Energy Efficiency and Conservation Block Grant	81.128	N/A	DE-SC0002998	<u>385,733</u>
Environmental Protection Agency				
Pass-Through Programs:				
LA Dept of Environmental Quality Capitalization Grants for Clean Water State Revolving Funds	66.458	N/A	N/A	1,081,608
Total Environmental Protection Agency				<u>1,081,608</u>
U. S. Department of Homeland Security				
Direct:				
Assistance to Firefighters Grant	97.044	N/A	EMW-2009-FO02328	19,423
Transportation Security Administration	97.090	N/A	HSTS0213HSLR252	121,261
Pass-Through Programs:				
LA Governor's Office of Homeland Security & Emergency Preparedness	97.067	0	2010-SS-TD-0043	7,632
Disaster Grants-Public Assistance (Hurricane Gustav)	97.036	N/A	FEMA-1786-DR-LA	3,727
Disaster Grants-Public Assistance (Hurricane Isaac)	97.036	N/A	FEMA-4080-DR-LA	110,915
Total U. S. Department of Homeland Security				<u>262,957</u>
U.S. Department of the Interior- National Park Service				
Pass-Through Programs:				
LA Dept of Culture, Recreation & Tourism Historic Preservation Fund Grants-in-Aid	15.904	11-HP-11	22-11-31925	898
Total U.S. Depart of the Interior- National Park Service				<u>898</u>
U.S. Department of Health and Human Services				
Pass-Through Programs:				
Jefferson Parish Sheriff's Office/West Monroe Police Department Drug Free Community Support Program Grants	93.276	G12GC0001A	N/A	51,777
Total U.S. Department of Health and Human Services				<u>51,777</u>
Total Federal Expenditures				<u>\$ 10,068,396</u>

See Notes to Schedule of Expenditures of Federal Awards

CITY OF MONROE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED APRIL 30, 2013

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance of the City of Monroe (the City) for the year ended April 30, 2013. All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed-through other government agencies.

Note 2 - Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's primary government financial statements.

Note 3 - Loans Outstanding

The City has loans outstanding under Federal loan or loan guarantee award programs of \$287,465 at April 30, 2013

Note 4 - Relationship of the Schedule of Expenditures of Federal Awards to the Primary Government Financial Statements

The following reconciliation is provided to help the reader of the City's financial statements and supplementary information relate such information to the Schedule of Expenditures of Federal Awards for the year ended April 30, 2013:

	Federal Awards	Nonoperating Revenues - Operating Grants	Other Financing Sources	Total
Revenues				
General Fund	\$ 378,551	\$ -	\$ -	\$ 378,551
Special Revenue Funds	2,221,091	-	-	2,221,091
Capital Projects Funds	3,770,788	-	1,081,608	4,852,396
Enterprise Funds	-	2,495,097	-	2,495,097
Total per Financial Statements	6,370,430	2,495,097	1,081,608	9,947,135
Plus Expense Reimbursements	121,261	-	-	121,261
Total per Schedule of Expenditures of Federal Awards	\$ 6,491,691	\$ 2,495,097	\$ 1,081,608	\$ 10,068,396

CITY OF MONROE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED APRIL 30, 2013

Note 5 - Funds Provided to Subrecipients

Of the Federal expenditures presented on this schedule, the City provided \$917,446 through the Community Development Block Grants, Home Investment Partnership Grants and the Emergency Shelter Grant Programs to subrecipients.

CITY OF MONROE
Monroe, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2013

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes No

Type of auditors' report on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 501(a) of Circular A-133? Yes No

CITY OF MONROE
Monroe, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2013

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.239	Home Investment Partnership Grant
20.106	Airport Improvement Program
20.507	Federal Transit Formula Grants
20.516	Job Access Reverse Commute Program
20.521	New Freedom Program
81.128	ARRA – Energy Efficiency and Conservation Block Grant

Dollar threshold used to distinguish between Type A and Type B programs was \$302,172

Auditee qualified as low-risk auditee? Yes No

Section II. Findings related to the financial statements that are required to be reported under *Government Auditing Standards*:

NONE

Section III: Findings and questioned costs for Federal Awards, including those specified by OMB Circular A-133.

NONE

CITY OF MONROE
Monroe, Louisiana
Summary Status of Prior Year Findings and Questioned Costs
For the Year Ended April 30, 2013

12-01 Sewer Fund Deficits

A recommendation was made that the City should create and implement a definitive plan for the Sewer Fund to operate independently of the General Fund and repay the \$5.1 million owed to the General Fund in the very near future. It was also recommended that the City create a detailed analysis of both operating revenues and expenses of the Sewer Fund and create a revenue stream sufficient to cover operating expenses.

Status

The City is in its second year of its three year plan to eliminate the debt and will continue transferring funds to cover the cash deficiency within 3 years.

Management Letter

Misappropriation of Assets

It was recommended that the City should continue to be diligent in monitoring the efficiency of internal controls to ensure they are operating correctly and allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

Status

The City continues to monitor its internal controls to ensure they are operating correctly. The City continues to strengthen its internal controls and update systems so that such instances are detected in a timely manner.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

City of Monroe
Monroe, Louisiana

Compliance

We have audited the compliance of the City of Monroe (the City) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), for its passenger facility charge program for the year ended April 30, 2013.

Management's Responsibility

Management is responsible for compliance with the requirements of the laws and regulations of the Passenger Facility Charge Program (the Program).

Auditors' Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit. We conducted our audit 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 the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on the Passenger Facility Charge Program

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended April 30, 2013.

**City of Monroe
Monroe, Louisiana**

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on compliance in order to determine the auditing procedures that are appropriate under the circumstances for the purpose of expressing our opinion on compliance and to test and report on the internal control compliance in accordance with the Guide but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

Passenger Facility Charge Revenues and Disbursements Schedule

We have audited the basic financial statements of the City of Monroe as of and for the year ended April 30, 2013, and the related notes to the financial statements and have issued our report thereon dated October 31, 2013 which includes a reference to the report of other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompany Passenger Facility Charge Revenues and Disbursements Schedule for the year ended April 30, 2013 as required by the Guide is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally

**City of Monroe
Monroe, Louisiana**

accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on compliance and internal control over compliance is solely to describe the scope of our testing of compliance and internal control and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

This report is intended for the information and use of the City's management, and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Steffens Huffman Reynolds & Engineers

(A Professional Accounting Corporation)

October 31, 2013

**PFC Revenue and Disbursement Schedule
Monroe Regional Airport
For the Year Ended April 30, 2013**

	<u>FY-12</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>	<u>FY-13</u>	<u>Program Total</u>
	<u>Program Total</u>	<u>May-July</u>	<u>Aug-Oct</u>	<u>Nov-Jan</u>	<u>Feb-Apr</u>	<u>Total</u>	<u>Program Total</u>
Revenue							
Collections	\$ 3,324,374	75,091	137,821	104,872	98,336	416,120	\$ 3,740,493
Interest, net of service charges	48,905	247	244	179	151	822	49,727
Total Revenue, net of service charges	<u>3,373,279</u>	<u>75,338</u>	<u>138,066</u>	<u>105,051</u>	<u>98,487</u>	<u>416,941</u>	<u>3,790,220</u>
Disbursements							
Application 03-01-C-00-MLU-001	504,334						504,334
Application 03-01-C-00-MLU-002	40,700						40,700
Application 03-01-C-00-MLU-003	401,025						401,025
Application 06-02-C-00-MLU-002	413,444						413,444
Application 08-03-C-00-MLU-001	1,376,573	35,000	105,000	105,000	105,000	350,000	1,726,573
Application 08-03-C-00-MLU-002	36,335			5,284		5,284	41,619
Total Disbursements	<u>2,772,411</u>	<u>35,000</u>	<u>105,000</u>	<u>110,284</u>	<u>105,000</u>	<u>355,284</u>	<u>3,127,695</u>
Net PFC Revenue	<u>600,868</u>	<u>40,338</u>	<u>33,066</u>	<u>(5,233)</u>	<u>(6,513)</u>	<u>61,658</u>	<u>662,525</u>
PFC Account Balance (cash basis)	\$ <u>600,868</u>	\$ <u>641,205</u>	\$ <u>674,271</u>	\$ <u>669,038</u>	\$ <u>662,525</u>	\$ <u>662,525</u>	\$ <u>662,525</u>

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MANAGEMENT LETTER

To the Honorable Mayor and City Council
City of Monroe
Monroe, Louisiana

In planning and performing our audit of the financial statements of the City of Monroe (the City) for the year ended April 30, 2013, we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the financial statements and not to provide assurance on the internal control structure or overall compliance with laws and regulations.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated October 31, 2013 on the financial statements of the City.

CENTRAL WAREHOUSE INVENTORY DISCREPANCIES

Overview

One of the functions of Central Warehouse (the Warehouse) is to purchase materials and supplies, storing the supplies for later "sale" and distribution to other City departments.

Ideally, when a department is ready to purchase an item from the Warehouse, a designated individual from that department will complete a request for the stocked goods electronically through the New World computer software (New World) which is then forwarded to the Warehouse for processing. Upon receiving the order, the Warehouse will perform a series of steps in New World which will eventually result in delivery of the goods to the requesting department and posting of the transaction to the department's respective expense account (s).

Subsequent to our physical inventory count at the Warehouse for the year ended April 30, 2013, we selected 15 inventory items for testing and noted issues as follows:

A. Failure to Update Unit Cost for Inventory Items

For the items in our sample, we traced unit cost as stated in the "Physical Inventory Cost Report" (Cost Report) to unit cost as of the most recent vendor invoice available as of year end. For all 15 items tested, unit cost as stated in the Cost Report did not agree to the unit cost of the respective vendor invoices. After several meetings with Accounting, MIS, and Central Warehouse Management and employees, we learned that the Warehouse has not been entering current unit costs into New World as new invoices are received, which resulted in

dated unit costs for all items in our sample. Upon further meetings, it was determined that Warehouse management and employees have not been entering updated prices into New World correctly. Instead of entering updated unit costs into the "Standard Cost" field of the "Inventory Module," current prices were only being entered into the "Contract Module" of New World which has no effect on unit cost calculated in the Cost Report and no effect on prices charged to departments for purchases.

Further, we noted that failure to properly enter current invoice prices into New World caused two problems. First, unit cost for all inventory items in our sample taken from the cost report were not current costs which resulted in inaccurate inventory valuation. Secondly, when purchasing items from the Warehouse, departments are charged at the amount in the "Standard Cost" field of the "Inventory Module" at the time the transaction is posted. When the "Standard Cost" field is not updated as new invoices arrive, departments are charged at out of date prices. Therefore, we reviewed departmental purchase histories for several commodity codes in our sample and noted several instances where departments were either over or under charged for Warehouse purchases due to incorrect prices being charged.

Considering that all 15 items in our sample (100%) had incorrect unit costs assigned in New World, it is probable that many other or possibly even the majority of Warehouse inventory items could have incorrect unit costs assigned, as well.

B. Computer Orders and Walk-ins

As stated in the "Overview" section above, the departmental purchase of Warehouse items should initiate, ideally, with a designated individual or individuals within the department requesting the stocked goods electronically through New World. However, we noted that most departments do not adhere to this practice. Rather, departments (with the exception of a few) generally obtain items from the Warehouse by simply "walking-in" the Warehouse and verbally requesting items on the spot. Warehouse employees must then execute the order for the department from start to finish in New World.

Walk-in transactions create a greater opportunity for human error with respect to accounting for departmental purchases. For walk-ins, the Warehouse employee (s) have to enter the correct departmental information and select each item and quantity in New World. On the other hand, a request that is initiated electronically in New World by the ordering department will generally result in the correct department being charged for the purchase and for the correct item (s) and quantity to be delivered.

Additionally, an employee with unrestricted access to Warehouse inventory and the ability to initiate an order for Warehouse items in New World could misappropriate inventory items and simply charge the items to a particular department. Such an event could go undetected if the purchases were charged to a department whose management does not frequently review his or her department's purchase history.

C. Extended Sessions in New World

Upon reviewing transaction history in New World, we noted several departmental purchases from the Warehouse that had general ledger posting dates prior to the actual transaction dates. It was determined that this was caused by Warehouse employees' staying logged-in to New World for extended periods of times. For example, we noted one New World session that lasted, at a minimum, nine days. The Warehouse's failure to logoff from New World, at least daily, could cause accounting issues at year end as general ledger dates for purchases would fall out of sync with actual transaction dates. Additionally, failing to logoff creates opportunities for unauthorized access to New World.

D. Quantity Variances in Physical Inventory Cost Report

The Cost Report we received from the Warehouse dated 5/2/2013 contained a significant number of variances between "Quantity on Hand" and "Quantity Counted." In total, we noted variances with 196 of the 254 or 77% of active Warehouse items tested.

E. Policies and Procedures

The Warehouse has no written policies and procedures outlining rules, guidelines, or the procedures to implement such for day-to-day activities and operations. Failure to develop and implement policies and procedures signifies a deficiency in internal control.

Recommendation

A. Failure to Update Unit Cost for Warehouse Inventory Items

We recommend that Warehouse management request additional training from Management Information Systems (MIS) to become more proficient with using New World and, in particular, to learn how to update the Standard Cost field of the Inventory Module. Likewise, the Standard Cost field should be updated in New World as soon as a new invoice is received to ensure that each Warehouse inventory item reflects the most current invoice price available at the time.

Additionally, Warehouse management should periodically review inventory to ensure that items on hand do in fact reflect current invoice prices and that departments are being charged the correct prices for all items purchased from the Warehouse.

B. Computer Orders and Walk-ins

We recommend that departments initiate all Warehouse item purchases by first requesting the items in New World within the respective department, and walk-in purchases should be reserved for emergency situations only.

Warehouse management should authorize all walk-in transactions in New World and only in the event an emergency situation arises. Likewise, New World privileges of Warehouse employees should be restricted, with respect to departmental purchases of Warehouse inventory items, to processing orders already initiated in New World by other departments.

We also recommend that any department that is unfamiliar with ordering Warehouse items through New World should request training from MIS to ensure the department has the ability to properly initiate a request for stocked goods and to properly follow-up on the transaction.

C. Extended Sessions in New World

We recommend that Warehouse management take the necessary steps to ensure that all Warehouse computers are logged-off and are password protected when not in use. Additionally, management should ensure that all New World sessions at the Warehouse are ended, at least daily.

D. Quantity Variances in Physical Inventory Cost Report

We recommend that Warehouse management take a more active role in physical inventory counts and in the overall maintenance of inventory records to ensure that errors and variances are eliminated.

E. Policies and Procedures

We recommend that Warehouse management design and implement written policies and procedures to encompass all facets of Warehouse operations.

Management's Corrective Action Plan

A. Failure to Update Unit Cost for Warehouse Inventory Items

Personnel will begin updating unit costs for items in the inventory module.

B. Computer Orders and Walk-ins

The divisions not utilizing the online warehouse ordering system will be trained by the end of the year. This should reduce the number of walk in traffic.

C. Extended Sessions in New World

This issue has already been addressed with personnel. All purchasing and warehouse personnel have been instructed to log off every day.

D. Quantity Variances in Physical Inventory Cost Report

Warehouse personnel will be retrained on entering receipt of merchandise and the recording of sales. Management will stress the importance of accuracy data entry. The Purchasing Director now conducts limited interim inventory counts and full inventory counts twice a year to monitor effectiveness.

E. Policies and Procedures

The purchasing director will write a policies and procedures manual for the warehouse.

**B. J. WASHINGTON BOXING AND FITNESS COMMUNITY CENTER
MEMBERSHIP FEES**

Ordinance number 10,762 supplementing Section 25-64 of the Monroe City Code under Parks, Recreation and Boating states, in part, "Section 25-64 of the Monroe City Code is supplemented as follows: Fees for the use of the B. J. Washington Community Center in the amount of \$25.00 per month for participation in non-competitive training in boxing and a \$50.00 registration fee per year with USA Boxing as a competitive boxer and \$10.00 per month membership fees; and for those who use the facility only for fitness and workout lessons the fee is \$10.00 per month."

We reviewed activity for B. J. Washington Community Center (the Center) for the year ended April 30, 2013, due to a sharp decline in the Center's boxing and fitness revenues during fiscal year 2013. In fiscal 2013, boxing and fitness revenues at the Center amounted to \$50, a decline of \$235 or 470% in comparison to the prior year. The \$50 in revenues consisted of 5 monthly memberships at \$10.00 per month all collected on April 3, 2013, and forwarded to Benoit Community Center for deposit on April 4, 2013. It should be noted that no boxing and fitness membership fees were collected for 11 of 12 months of fiscal 2013 or in the first 6 months of the subsequent fiscal year.

We observed the Center's sign-in sheets for all months of fiscal year 2013 and noted several instances where adults received membership privileges free-of-charge. For instance, one of the adults in particular was not charged membership fees for 6 consecutive months, signing-in at the Center for a total of 61 days (occasionally visiting twice on the same day). In addition, 4 other adults were given membership privileges free-of-charge for at least the month prior to their payments in April, 2013. These patrons signed-in at the Center on 20 different occasions.

It should be noted that we only searched for instances of failure to charge adults membership fees as management of the Center, as well as various administration personnel of the City, advised us that children under the age of 18 are not to be charged to use the Center—rather, only adults are charged. Therefore, we were highly conservative during our review of sign-in sheets, only including those we were confident were signatures of adults. It should also be noted that we observed many signatures from the sign-in sheets that appeared to be those of adults, although we cannot conclude with certainty this was the case. However, assuming that the sign in sheets did contain names of children under the age of 18, it appears the number of patrons not being charged is many more than just the adults. There doesn't appear to be any exception for children in the fee schedules adopted by the City Council. We noted at least 330 names on the sign in sheets (using the highest daily count for each month) for the year ended April 30, 2013 not being charged the required membership fee. At \$10 per patron as called for in the fee schedule this would amount to at least \$3,300 of lost revenue to the

center. The failure to collect assessed fees could also possibly be a violation of Section 7, Article 14 of the Louisiana Constitution which prohibits, in part, the donation of public funds.

Recommendation

We recommend that management of B. J. Washington Community Center review and charge membership fees in accordance with applicable ordinances and fee schedules of the City of Monroe.

Management's Corrective Action Plan

We have prepared an updated Ordinance to submit at the next City Council meeting that will exclude fees for kids 17 and under and establish new Fitness Training fees for high school athletic programs. It will also note that no adult participants will be assisted by the Center staff to sign up for affiliation with the USA Boxing Association (assistance was ceased in 2010) Funds went directly to USABA from persons who asked for assistance. At no time were these funds co-mingled with City of Monroe funds.

B. J. Washington will begin to use two sign-in sheets: one for paying participants and one for non-paying participants (visitors, vendors, etc).

UNCOLLECTED RENTAL FEES

On August 31, 2006 the City entered into an agreement to lease the Forsythe Park Municipal Golf Course (MUNY) with all improvements to a local limited liability company. The term of the lease was for 4 years commencing on May 1, 2006 and expiring on April 30, 2010. The lease payments range from \$1,000 per month for the first year increasing by \$1,000 per month each year to \$1,300 per month for the final year.

The agreement contains provisions for the tenant to renew the lease but no such renewal was executed. In addition, the agreement called for rent of \$1,300 per month in the final year, however only \$1,200 has been billed to the tenant since May, 2010. The agreement does have hand written notations changing the number of renewal periods, the length of each renewal period and the rental amounts. However, nothing indicates that these notations are intended to be a renewal of the agreement agreed to by both parties. Section 9 of the agreement states that this agreement may not be modified, discharged or changed in any respect whatsoever (emphasis added), except by a further agreement in writing duly executed by the City and tenant. It should be noted that the agreement also provides that if renewal option is exercised, the lease payment shall be adjusted in accord with the Consumer Price Index. It appears that no such adjustment has ever been made.

At April 30, 2013 the tenant was in arrears in the amount of \$9,600 and as of the date of the audit report an additional \$7,200 has been added for a total past due amount of \$16,800. No rental payments have been received by the City since August, 2012.

Recommendation

The City should initiate legal proceedings to collect this outstanding debt.

Management's Corrective Action Plan

The City will initiate legal proceedings to collect this outstanding debt.

AVAILABILITY OF DOCUMENTATION

Repeated requests for documentation by the auditors were filled with documentation that was often outdated or incomplete. For example, multiple revised spreadsheets were provided supporting capital asset and long-term debt activities. In addition, supporting documentation for the various federal programs were still being produced into October. Each time new documentation was received, considerable time was needed to analyze and determine the accuracy of the documentation.

Having to repeatedly request the same information not only demonstrates a weakness in controls, but also results in an inordinate amount of time and expense for both the City and auditor in completing the audit.

Recommendation

We recommend management provide complete accurate documentation to auditors in a timely manner.

Management's Corrective Action Plan

The City will review its audit process, which includes target dates for submitting data to the audit team. The City will strive to have complete and accurate documentation for the auditors in a timely manner.

MISAPPROPRIATION OF ASSETS

City personnel discovered that an employee had apparently misappropriated parking lot receipts of the Monroe Regional Airport during December, 2012. Parking lot receipts for five days totaling \$2,690 were not deposited into the bank. The employee prepared deposit slips, daily receipt reports and journal entries to record the receipts but none of the funds were deposited and the deposit slips were not validated by the bank. The Monroe Police Department was notified and the individual was arrested and charged with felony theft and malfeasance in office. The case is ongoing and the District Attorney is seeking full restitution from the employee.

Recommendation:

Since the City discovered this in a timely manner through their normal controls they should continue monitoring the efficiency of the internal controls to ensure they are operating correctly to allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements or misappropriations on a timely basis.

Management's Corrective Action Plan:

The City will continue to be diligent in its monitoring of potential theft transactions, cash or otherwise. When appropriate, employees will be prosecuted and restitution will be sought. The City will continue to monitor its internal controls and make improvements as warranted.

Shuffery Huffman, Registered Accountant

(A Professional Accounting Corporation)

October 31, 2013