

ANNUAL FINANCIAL REPORT

CITY OF MONROE, LOUISIANA



For The Year Ended
April 30, 2012

CITY OF MONROE
Financial Statements
As of and for the Year Ended April 30, 2012

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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 AUDITORS' REPORT

City of Monroe
Monroe, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, the fiduciary funds, and the aggregate remaining fund information of the City of Monroe, Louisiana (the City) as of and for the year ended April 30, 2012, which collectively comprise the City's basic financial statements on pages 15 through 70 as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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 for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

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, the fiduciary funds, and the aggregate remaining fund information of the City as of April 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2012 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 grants. The purpose of that report is to describe the scope of our testing of internal control

City of Monroe
Monroe, Louisiana

over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary information on pages 4 through 12 and pages 72 through 75 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements is required by the Governmental Accounting Standards Board, who 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The accompanying information listed as other supplemental information in the Table of Contents and the Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplemental information is the responsibility of management of the City. Such information (except for the Schedule of Insurance) has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly presented in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Insurance 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. The accompanying PFC Revenue and Disbursement Schedule on page 132 is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Huffman, Ryzdale, & Siggins

(A Professional Accounting Corporation)

October 31, 2012

**Required Supplemental Information
(Part A)**

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2012

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, 2012. 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 \$232.9 million (*net assets*). Of this amount, \$70.2 million represents the portion of net assets which is restricted for capital improvements, debt service and other externally imposed restrictions.
- The government's total net assets increased by approximately \$1.0 million.
- As of the close of the current fiscal year, the City of Monroe's governmental funds reported combined ending fund balances of \$88.8 million, an increase of \$3.0 million in comparison with the prior year. Of this total amount, approximately \$10.8 million is in unassigned fund balance.
- At the end of the current fiscal year, approximately \$725,000 of the General Fund's fund balance was reserved for inventories and prepaid items; and approximately \$1,500,000 was designated as restricted fund balance.
- The City of Monroe's total debt increased by approximately \$5.0 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, 2012

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 assets presents information on all of the City of Monroe's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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, 2012

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 85 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, Sales Tax Bond Debt Service Fund, I-20 Corridor Improvements, and MLU Runway Capital Projects Funds, all of which are considered to be major funds. Data from the other 80 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, 2012

Government-wide Financial Analysis

As noted earlier, net assets 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 \$231 million at the close of the most recent fiscal year.

By far the largest amount of the City of Monroe's net assets (\$184.7 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 Assets
April 30, 2012 and 2011

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>						
Current and other assets	\$ 106,998,438	\$ 102,031,066	\$ 2,140,721	\$ 3,643,177	\$ 109,139,159	\$ 105,674,243
Capital Assets	<u>155,587,360</u>	<u>162,444,547</u>	<u>176,812,909</u>	<u>165,102,012</u>	<u>332,400,269</u>	<u>327,546,559</u>
Total Assets	<u>262,585,798</u>	<u>264,475,613</u>	<u>178,953,630</u>	<u>168,745,189</u>	<u>441,539,428</u>	<u>433,220,802</u>
<u>Liabilities</u>						
Current and other liabilities	21,278,003	18,523,231	2,196,381	2,317,907	23,474,384	20,841,138
Long-term liabilities	<u>182,080,137</u>	<u>177,236,757</u>	<u>3,121,061</u>	<u>3,196,786</u>	<u>185,201,198</u>	<u>180,433,543</u>
Total Liabilities	<u>203,358,140</u>	<u>195,759,988</u>	<u>5,317,442</u>	<u>5,514,693</u>	<u>208,675,582</u>	<u>201,274,681</u>
<u>Net Assets</u>						
Invested in capital assets, net of debt	86,358,247	68,014,304	98,329,451	75,044,159	184,687,698	143,058,463
Restricted	70,168,281	56,118,606			70,168,281	56,118,606
Unrestricted	<u>(97,298,870)</u>	<u>(55,417,285)</u>	<u>75,306,737</u>	<u>88,186,340</u>	<u>(21,992,133)</u>	<u>32,769,055</u>
Total Net Assets	<u>\$ 59,227,658</u>	<u>\$ 68,715,625</u>	<u>\$ 173,636,188</u>	<u>\$ 163,230,499</u>	<u>\$ 232,863,846</u>	<u>\$ 231,946,124</u>

The \$97.3 deficit million in unrestricted net assets 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 \$182 million as well as approximately \$86.3 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, 2012

City of Monroe's Changes in Net Assets
For the years ended April 30, 2012 and 2011

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues						
Charges for services	\$ 22,241,643	\$ 22,275,637	\$ 17,926,083	\$ 18,490,251	\$ 40,167,226	\$ 40,765,888
Operating grants and contributions	6,164,182	5,876,841	1,070,688	607,182	7,234,870	6,484,023
Capital grants and contributions	7,281,978	12,591,009	20,698,670	22,867,569	27,980,648	35,458,578
General revenues						
Property taxes	8,831,465	8,376,272	1,985,735	1,903,919	10,817,200	10,280,191
Sales taxes	59,925,541	57,935,882			59,925,541	57,935,882
Other taxes	1,099,414	908,430			1,099,414	908,430
Other general revenues	911,175	219,125	(684,105)	(25,881)	227,070	193,244
Total revenues	106,455,398	108,183,196	40,997,071	43,843,040	147,452,469	152,026,236
Expenses						
General government	23,859,624	21,826,923			23,859,624	21,826,923
Public safety	33,966,941	34,962,553			33,966,941	34,962,553
Public works	21,116,447	20,026,135			21,116,447	20,026,135
Culture and recreation	4,010,640	4,482,718			4,010,640	4,482,718
Planning and urban development	3,615,611	2,960,383			3,615,611	2,960,383
Economic development	148,241	259,889			148,241	259,889
Interest on long term debt	9,528,069	8,515,729			9,528,069	8,515,729
Intergovernmental	19,651,533	20,763,834			19,651,533	20,763,834
Airport		-	3,426,004	2,429,527	3,426,004	2,429,527
Transit		-	5,297,264	4,788,580	5,297,264	4,788,580
Civic center		-	3,455,183	3,505,619	3,455,183	3,505,619
Zoo		-	1,510,984	1,424,752	1,510,984	1,424,752
Livestock arena		-	7,985,770	-	7,985,770	-
Water		-	8,962,434	7,925,704	8,962,434	7,925,704
Sewer		-		8,358,064	-	8,358,064
Total expenses	115,897,106	113,798,164	30,637,639	28,432,246	146,534,745	142,230,410
Increase in net assets before transfers	(9,441,708)	(5,614,968)	10,359,432	15,410,794	917,724	9,795,826
Transfers	(46,259)	335,225	46,259	(315,075)	-	20,150
Change in net assets	\$ (9,487,967)	\$ (5,279,743)	\$ 10,405,691	\$ 15,095,719	\$ 917,724	\$ 9,815,976

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2012

Governmental Activities (continued)

Expenses are classified by functions/programs. Public safety accounts for approximately \$34.0 million for fiscal year 2012. Other functions such as general government, public works, planning and urban development, culture and recreation and economic development totaled approximately \$52.7 million. The remaining costs represent payments for debt service and intergovernmental expenses totaling approximately \$29.2 million.

The related program revenues for fiscal year 2012 directly related to these expenses totaled \$35.7 million, which resulted in net program expenses of \$80.2 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 million of General Fund revenues.
- Property taxes are the second largest revenue source to the City, generating approximately \$8.4 million of General Fund revenues.

Business-type activities. Business-type activities increased the City of Monroe's net assets by approximately \$10.4 million. Key elements of this increase are as follows:

- Airport increased the City's net assets by approximately \$10.9 million.
- Water Fund activities increased net assets by approximately \$7.0 million.
- Sewer Fund activities decreased net assets by approximately \$3.6 million.
- Monroe Transit System activities decreased the City's net assets by approximately \$2.6 million.
- All other business-type activities decreased net assets by approximately \$2.6 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, 2012

As of the end of the current fiscal year, the City of Monroe's governmental funds reported combined ending fund balances of \$88.8 million, an increase of \$3.3 million in comparison with the prior year. Approximately 80.4% (\$71.4 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 \$17.4 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 \$14.0 million of which approximately \$725,000 is reserved for inventories and prepaid items, and approximately \$1.5 million is restricted fund balance.

The fund balance of the City of Monroe's General Fund increased by approximately \$147,000 during the current fiscal year.

The special revenue funds have a total fund balance of \$29.8 million, of which approximately \$16.6 million is restricted for debt service related to the Capital Infrastructure Fund.

The debt service funds have a total fund balance of \$14.4 million, all of which is restricted for the payment of debt service.

The capital project funds have a fund balance of approximately \$30.6 million all of which is restricted 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 12, 2011, and the final budget amendment was adopted on April 10, 2012.

The total difference between the original General Fund budget and the final amended budget was an increase in appropriations of \$2.5 million and an increase in anticipated revenues of approximately \$1.1 million. The majority of the appropriation increase was due to increases in appropriations for Administration (\$671,000), Public Works (\$611,000), Police (\$442,000), Capital (\$400,000) and Claims & judgments (\$300,000). The increase in anticipated revenues was due to an increase in sales taxes (\$2.2 million) with an offsetting decrease in fees, charges and commissions (\$1.0 million).

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, 2012, amounts to approximately \$332 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, 2012

City of Monroe Capital Assets
(Net of Accumulated Depreciation)
April 30, 2012 and 2011

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Land	\$ 19,714,255	\$ 19,714,255	\$ 5,542,940	\$ 5,542,940	25,257,195	25,257,195
Buildings and improvements	39,411,283	39,411,283	63,269,629	34,219,068	102,680,912	73,630,351
Equipment and furniture	26,713,282	26,409,064	18,625,853	18,028,680	45,339,135	44,437,744
Construction in progress	4,973,825	4,420,047	22,326,589	36,952,235	27,300,414	41,372,282
Infrastructure	162,475,580	160,395,874	174,352,142	174,191,289	336,827,722	334,587,163
Zoo animals	-	-	62,813	89,838	62,813	89,838
Total	253,288,225	250,350,523	284,179,966	269,024,050	537,468,191	519,374,573
Less: accumulated depreciation	(97,700,865)	(87,905,976)	(107,367,057)	(103,969,782)	(205,067,922)	(191,875,758)
Total Net Capital Assets	<u>\$155,587,360</u>	<u>\$162,444,547</u>	<u>\$176,812,909</u>	<u>\$165,054,268</u>	<u>\$332,400,269</u>	<u>\$327,498,815</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 \$7.0 million.
- Expenditures for a variety of street construction projects totaled \$2.8 million for the year.
- Construction on general infrastructure and general capital asset projects of approximately \$180,000.
- Improvement projects at the airport totaled approximately \$12.0 million.

**City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2012**

**City of Monroe Outstanding Debt
April 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Tax Increment Bonds	\$ 18,955,000	\$ 9,705,000			\$ 18,955,000	\$ 9,705,000
Certificates of Indebtedness	645,000	950,000			645,000	950,000
Sales Tax Bonds	44,447,619	45,870,000			44,447,619	45,870,000
Utility Revenue Bonds	38,843,807	40,771,952	\$ 1,976,723	\$ 2,086,663	40,820,530	42,858,615
Airport Revenue Bonds	18,210,000	18,590,000			18,210,000	18,590,000
Refunding Bonds	45,367,991	47,698,919			45,367,991	47,698,919
Claims and Judgments	8,077,427	7,554,804			8,077,427	7,554,804
Capital Lease	1,915,854	1,973,496			1,915,854	1,973,496
Notes Payable	487,011	1,114,804			487,011	1,114,804
Compensated Absences	5,821,714	5,797,826	1,144,338	1,110,123	6,966,052	6,907,949
Other Post-Employment	8,832,240	6,507,233			8,832,240	6,507,233
Total	\$ 191,603,663	\$ 186,534,034	\$ 3,121,061	\$ 3,196,786	\$ 194,724,724	\$ 189,730,820

The City of Monroe's total debt increased by approximately \$5.0 million (2.6%) during the current fiscal year.

Economic Factors and Next Year's Budgets and Rates

Looking forward, the City of Monroe has some challenges concerning its water, sewer and drainage services. Administration continues to seek funding sources for upgrading and maintaining its facilities and infrastructure in those areas. Also, pension rates continue to rise. Sales taxes continue to increase, however, as new businesses open in Monroe and current businesses expand. In late 2012, the City of Monroe will see the opening of its River Market facility, designed to emulate the outdoor markets seen in cities such as New Orleans. This facility is located in downtown Monroe and is expected to draw business interests to this area. The I-20 Corridor continues to experience growth. The reopening of the motor speedway on the south side of I-20 has renewed business interest in that area as well.

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 Assets
April 30, 2012

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 80,616,801	\$ 4,518,232	\$ 85,135,033	\$ 1,604,162
Investments				41,160
Receivables	15,454,232	3,264,646	18,718,878	52,120
Internal balances	5,849,356	(5,849,356)		
Inventories	487,531	113,195	600,726	
Prepaid expenses	827,827	94,034	921,861	17,834
Bond issuance costs	3,762,693		3,762,693	
Capital assets, net	155,587,358	176,812,879	332,400,237	185,178
Total Assets	262,585,798	178,953,630	441,539,428	1,900,454
LIABILITIES				
Accounts payables and accrued expenses	8,340,936	653,741	8,994,677	93,687
Accrued payroll related liabilities	1,054,159	2,500	1,056,659	
Deferred revenues	151,106	34,386	185,492	
Bond premium	544,346			
Due to other agencies	46,210		46,210	
Deposits due others		1,505,755	1,505,755	
Customer deposits	1,810		1,810	
Other current liabilities	16,530		16,530	
Accrued interest payable	1,599,380		1,599,380	
Noncurrent Liabilities				
Due within one year	9,523,528	148,800	9,672,328	16,305
Due in more than one year	182,080,135	2,972,261	185,052,396	20,513
Total Liabilities	203,358,140	5,317,443	208,131,237	130,505
NET ASSETS				
Invested in capital assets, net of related debt	86,358,247	98,329,451	184,687,698	148,360
Restricted for				
Debt service	22,332,006		22,332,006	
Capital improvements	32,921,407		32,921,407	
Externally imposed restrictions	14,914,868		14,914,868	
Unrestricted	(97,298,870)	75,306,736	(21,992,134)	1,621,589
Total Net Assets	\$ 59,227,658	\$ 173,636,187	\$ 232,863,845	\$ 1,769,949

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, 2012

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	Total	
Primary government								
Governmental activities								
General government	\$ 23,859,624	\$17,063,945	\$ 1,000	\$ 160,167	\$ (6,634,512)		\$ (6,634,512)	
Public safety	33,966,941	166,031	3,668,336	71,283	(30,061,291)		(30,061,291)	
Public works	21,116,447	3,496,454	63,300	6,588,013	(10,968,680)		(10,968,680)	
Culture and recreation	4,010,640	555,579			(3,455,061)		(3,455,061)	
Planning and urban development	3,615,611	329,213	55,907	225,263	(3,005,228)		(3,005,228)	
Economic development and assistance	148,241	630,421	2,350,015	237,252	3,069,447		3,069,447	
Debt service interest	9,157,232		25,624		(9,131,608)		(9,131,608)	
Capital lease interest	111,652				(111,652)		(111,652)	
Judgments	259,185				(259,185)		(259,185)	
Intergovernmental expenditures	19,651,533				(19,651,533)		(19,651,533)	
Total governmental activities	115,897,106	22,241,643	6,164,182	7,281,978	(80,209,303)		(80,209,303)	
Business-type activities								
Airport	3,426,004	1,952,251		12,396,996		\$ 10,923,243	10,923,243	
Transit	5,297,264	626,017	1,065,688	1,015,219		(2,590,340)	(2,590,340)	
Civic Center	3,455,183	1,812,927				(1,642,256)	(1,642,256)	
Zoo	1,510,984	272,348	5,000	221,405		(1,012,231)	(1,012,231)	
Water	7,985,770	8,764,784		6,220,628		6,999,642	6,999,642	
Sewer	8,962,434	4,497,756		844,422		(3,620,256)	(3,620,256)	
Total business-type activities	30,637,639	17,926,083	1,070,688	20,698,670		9,057,802	9,057,802	
Total primary government	146,534,745	40,167,726	7,234,870	27,980,648	(80,209,303)	9,057,802	(71,151,501)	
Component units								
City Court	\$ 318,915	\$ 316,291						\$ (2,624)
City Marshal	357,027	275,707						(81,320)
Total component units	\$ 675,942	\$ 591,998						\$ (83,944)
Ad valorem tax					\$ 8,831,465	\$ 1,985,735	\$ 10,817,200	
Sales tax					59,925,541		59,925,541	
Other taxes					1,099,414		1,099,414	
Interest and investment earnings					207,819	2,182	210,001	7,783
Gain (Loss) on sale of capital assets					183,828	(647,677)	(463,849)	16,166
Loss on abandonment of projects					(48,739)	(38,610)	(87,349)	
Miscellaneous					78,089		78,089	
Transfers					(46,259)	46,259		
Insurance refund					490,178		490,178	
Total general revenues and separate line items					70,721,336	1,347,889	72,069,225	23,949
Changes in net assets					(9,487,967)	10,405,691	917,724	(59,995)
Net assets - beginning					68,715,625	163,230,496	231,946,121	1,829,944
Net assets - ending					\$ 59,227,658	\$ 173,636,187	\$232,863,845	\$ 1,769,949

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, 2012

	Major Funds						Total	
	General	Special Revenue		Debt Service		Capital Projects		
			Capital Infrastructure	Sales Tax Bond	I-20 Corridor	MLU Runway		Other
ASSETS								
Cash and cash equivalents	\$ 5,605,112	\$ 15,514,095	\$ 6,573,476	\$ 18,225,963	\$ 58,707	\$ 30,494,318	\$ 76,471,671	
Receivables (net)	4,151,076	1,129,714		2,262,202	1,864,005	4,788,484	14,195,481	
Advances from other funds	5,093,334						5,093,334	
Due from other funds	985,825				4,097	2,535,018	3,524,940	
Inventories	442,929						442,929	
Prepaid expenses & other assets, net	282,866					544,961	827,827	
Total Assets	\$ 16,561,142	\$ 16,643,809	\$ 6,573,476	\$ 20,488,165	\$ 1,926,809	\$ 38,362,781	\$ 100,556,182	
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts and retainage payable	\$ 1,714,004	\$ 14,289	\$ 686,155	\$ 158,354	\$ 1,924,961	\$ 3,803,562	\$ 8,301,325	
Accrued liabilities	456,330						456,330	
Due to other funds	201,493	6,201		6,199		2,555,025	2,768,918	
Deferred revenue	131,188					19,918	151,106	
Due to other agencies	46,210						46,210	
Other current liabilities	1,810				1,848	14,682	18,340	
Total Liabilities	2,551,035	20,490	686,155	164,553	1,926,809	6,393,187	11,742,229	
Fund Balances								
Nonspendable								
Prepaid expenses and other assets	282,866					507,852	790,718	
Inventories	442,929						442,929	
Spendable								
Restricted	1,555,353	16,623,319	5,887,321	20,323,612		25,778,676	70,168,281	
Committed								
Assigned						6,651,080	6,651,080	
Unassigned (deficit)	11,728,959					(968,014)	10,760,945	
Total Fund Balances	14,010,107	16,623,319	5,887,321	20,323,612		31,969,594	88,813,953	
Total Liabilities and Fund Balances	\$ 16,561,142	\$ 16,643,809	\$ 6,573,476	\$ 20,488,165	\$ 1,926,809	\$ 38,362,781	\$ 100,556,182	

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, 2012

Fund balances - total governmental funds		\$ 88,813,953
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	\$ 249,584,173	
Less: accumulated depreciation	<u>(96,359,249)</u>	153,224,924
Assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds		
Bond issuance costs		3,762,693
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	312,891	
Receivable - Sales tax increment - Tower Drive	77,821	
Receivable - Sales tax	123,981	
Receivable - Capital grants	<u>744,060</u>	1,258,753
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	(1,599,380)	
Bonds payable	(168,313,807)	
Deferred amount on refunding bonds	1,844,390	
Bond premium	(544,346)	
Compensated absences payable	(5,821,714)	
Obligation under capital leases	(1,915,854)	
Note payable	(487,011)	
Claims and judgments payable	(8,077,428)	
Other post-employment benefits	<u>(8,832,241)</u>	(193,747,391)
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	4,145,130	
Inventories	44,602	
Capital assets, net	2,362,434	
Accounts payable and accrued expenses	<u>(637,440)</u>	5,914,726
Net assets of governmental activities		<u>\$ 59,227,658</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, 2012

	Major Funds						Total
	Special Revenue		Debt Service		Capital Projects		
	General	Capital Infrastructure	Sales Tax Bond	I-20 Corridor	MLU Runway	Other	
REVENUES							
Taxes							
Ad valorem	\$ 8,424,302					\$ 397,698	\$ 8,822,000
Other	1,099,413						1,099,413
Sales	33,917,672	\$ 14,188,067				11,683,198	59,788,937
Licenses, permits, and assessments	2,868,503						2,868,503
Intergovernmental							
Federal grants	1,178,227				\$ 1,965,575	5,774,044	8,917,846
State grants	2,317,023				103,454	2,980,951	5,401,428
Local grants						87,800	87,800
Fees, charges and commissions for services	7,002,073					1,878,596	8,880,669
Fines and Forfeitures	708,133					21,826	729,959
Use of money and property	148,100	39,815	\$ 46,322	\$ 8,535		87,853	330,625
Other revenues	86,275					596,140	682,415
Total Revenues	57,749,721	14,227,882	46,322	8,535	2,069,029	23,508,106	97,609,595
EXPENDITURES							
Current							
General government							
Legislative	360,809						360,809
Judicial	3,093,725					87,120	3,180,845
Executive	826,086						826,086
Financial administration	9,064,106		603,506			142,619	9,810,231
Other general government						27,342	27,342
Public safety							
Police	13,256,712					3,832,688	17,089,400
Fire	12,949,803					3,157,965	16,107,768
Public works	9,789,898	771,949		520,818	650	227,221	11,310,536
Culture and recreation	2,951,565					526,159	3,477,724
Planning and urban development	898,711					2,557,790	3,456,501
Economic development and assistance				22,208		367,428	389,636
Capital outlay	689,847			189,779	1,875,027	20,612,145	23,366,798
Debt service							
Debt service principle	305,000		5,660,060			3,287,793	9,252,853
Debt service interest	35,625		4,237,225			2,696,857	6,969,707
Capital lease principle	237,443						237,443
Capital lease interest	111,652						111,652
Judgments	259,185						259,185
Total Expenditures	54,830,167	771,949	10,500,791	732,805	1,875,677	37,523,127	106,234,516
Excess (deficiency) of revenues over expenditures	2,919,554	13,455,933	(10,454,469)	(724,270)	193,352	(14,015,021)	(8,624,921)
Other Financing Sources (Uses)							
Bond proceeds			14,690,000	10,000,000		10,241,915	34,931,915
Payment to refunding bond escrow-principal			(22,845,000)				(22,845,000)
Payment to refunding bond escrow-interest			(1,546,166)				(1,546,166)
Capital leases	179,801						179,801
Sale of assets	188,226						188,226
Premium on bond sales				269,986		387,948	657,934
Transfers in	1,323,628		20,148,546			11,277,002	32,749,176
Transfers out	(4,954,238)	(16,416,755)		(61,993)		(11,730,910)	(33,163,896)
Insurance premium refund	490,178						490,178
Total Other Financing Sources (Uses)	(2,772,405)	(16,416,755)	10,447,380	10,207,993		10,175,955	11,642,168
Net changes in fund balances	147,149	(2,960,822)	(7,089)	9,483,723	193,352	(3,839,066)	3,017,247
Fund balances - beginning	13,862,958	19,584,141	5,894,410	10,485,062	(193,352)	35,808,660	85,441,879
Fund balances - ending	\$ 14,010,107	\$ 16,623,319	\$ 5,887,321	\$ 19,968,785		\$ 31,969,594	\$ 88,459,126

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, 2012

Net change in fund balances - total governmental funds		\$ 3,017,247
<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 \$19,651,533 capital contributions to business activities)	\$ 3,867,295	
Depreciation expense	<u>(10,220,586)</u>	(6,353,291)
<p>The net effect of various miscellaneous transactions involving capital assets, such as sales and trade-ins:</p>		
Proceeds for sales	(188,226)	
Gain (loss) on sales	183,828	(4,398)
Loss on abandonment of project	<u>(48,738)</u>	(48,738)
<p>Some revenues will not be collected for several months after year-end they are not considered "available" revenues in the governmental funds.</p>		
Property tax revenue - General Fund	(242,396)	
Property tax revenue - Airport Debt Service Fund	(8,652)	
Sales tax increment - I-20 Corridor	12,253	
Sales tax increment - Tower Drive	369	
Sales tax receivable	123,981	
Capital grants CY	744,061	
Capital grants PY	<u>(1,779,524)</u>	(1,149,908)
<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	1,038,852	
Amortization of bond issuance costs	(520,296)	
Deferred bond premium	(657,934)	
Amortization of bond premium	113,588	
Principal payments	31,470,060	
Proceeds for bonds and certificates	(34,931,915)	
Proceeds from capital lease	(179,801)	
Capital lease payments	<u>865,236</u>	(2,802,210)
<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	1,202,858	
Current year amortization	<u>(624,549)</u>	578,309
<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	53,470	
Compensated absences payable	(23,888)	
Claims and judgments payable	<u>(522,622)</u>	(493,040)
<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>		
		(2,325,007)
<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>93,069</u>
Change in net assets of governmental activities		<u>\$ (9,487,967)</u>

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

CITY OF MONROE
 Monroe, Louisiana
 Statement of Net Assets
 Proprietary Funds
 April 30, 2012

	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	\$ 117,681	\$ 900	\$ 10,500	\$ 2,500	\$ 4,361,623	\$ 25,028	\$ 4,518,232	\$ 4,145,131
Receivables (net)	177,110	39,650	24,753	20,753	1,870,661	1,131,719	3,264,646	
Due from other funds		82,642					82,642	
Inventories		95,394			17,801		113,195	44,602
Prepaid expenses & other assets, net	8,767	80	80,366	3,471	1,350		94,034	
Total current assets	303,558	218,666	115,619	26,724	6,251,435	1,156,747	8,072,749	4,189,733
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	24,627,336	3,056,404	9,965,375	3,168,784	30,082	532,586	41,380,567	3,406,242
Other improvements	18,279,937	167,393	3,000,399		50,000	391,334	21,889,063	
Furniture & Equipment	2,247,666	3,257,916	1,388,669	399,949	3,189,116	3,793,681	14,276,997	125,851
Vehicles		4,348,825					4,348,825	126,958
Infrastructure	9,462,815				38,341,776	126,547,551	174,352,142	
Construction in progress	12,528,834				8,727,868	1,069,887	22,326,589	
Zoo animals				62,813			62,813	
Accumulated depreciation	(11,422,940)	(6,536,882)	(10,305,487)	(2,705,161)	(23,553,919)	(52,842,667)	(107,367,057)	(1,341,617)
Total noncurrent assets	59,927,152	4,441,894	5,042,496	926,385	26,899,075	79,575,877	176,812,879	2,362,434
Total assets	60,230,710	4,660,560	5,158,115	953,109	33,150,510	80,732,624	184,885,628	6,552,167

(continued)

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

CITY OF MONROE
Monroe, Louisiana
Statement of Net Assets (Concluded)
Proprietary Funds
April 30, 2012

	Business - Type Activities - Enterprise Funds										Governmental Activities - Fund
	Major Funds										
	Monroe Regional Airport	Monroe Transit System	Monroe Civic Center	Louisiana Purchase Gardens & Zoo	Water Fund	Sewer Fund	Enterprise Total	Enterprise Fund	Enterprise Fund	Enterprise Fund	
LIABILITIES											
Current liabilities											
Accounts and retainage payable	24,746	134,515	32,039	34,496	207,658	222,782	656,236			39,611	597,829
Accrued liabilities											
Advances from other funds	9,199			802	829,470	5,093,334	5,093,334			838,669	34,386
Due to other funds											
Deferred revenue			33,584								
Customer deposits, net			422		1,505,333		1,505,755				
Total current liabilities	33,945	134,515	66,045	35,298	2,542,461	5,316,116	8,128,380			637,440	
Noncurrent liabilities											
Notes payable - DEQ	50,036	400,913	56,675	78,555	206,971	1,976,722	1,976,722				
Compensated absences						351,188	1,144,338				
Total noncurrent liabilities	50,036	400,913	56,675	78,555	206,971	2,327,910	3,121,060				
Total liabilities	83,981	535,428	122,720	113,853	2,749,432	7,644,026	11,249,440			637,440	
NET ASSETS											
Unrestricted	60,146,729	4,125,132	5,035,395	839,256	30,401,078	73,888,598	173,636,188			5,914,727	
Total net assets	\$ 60,146,729	\$ 4,125,132	\$ 5,035,395	\$ 839,256	\$ 30,401,078	\$ 73,888,598	\$ 173,636,188			\$ 5,914,727	

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

CITY OF MONROE
Monroe, Louisiana
Statement of Revenues, Expenses, and
Changes in Fund Net Assets
Proprietary Funds
For the Year Ended April 30, 2012

	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								
Charges for services								\$ 9,109,601
Rent and fees	\$ 1,465,239		\$ 327,658	\$ 3,500			\$ 1,796,397	
Fares		\$ 587,529					587,529	
Advertising	2,359	30,436	17,728				50,523	
Ticket sales and other			1,140,268				1,140,268	
Admissions				210,715			210,715	
Concessions and rides			324,046	44,547			368,593	
Water sales					\$ 8,764,784		8,764,784	
Sewerage fees						\$ 4,497,756	4,497,756	
Other operating revenue	136,420	8,052	3,227	18,586			166,285	
Air Industrial Park rent	348,233						348,233	
Total operating revenues	1,952,251	626,017	1,812,927	277,348	8,764,784	4,497,756	17,931,083	9,109,601
Operating expenses								
Benefits paid to participants								7,681,754
Salaries, wages, and benefits	755,560	2,438,424	978,727	935,247	3,159,937	2,060,484	10,328,379	812,167
Materials, repairs, and supplies	320,557	1,436,760	160,901	247,752	2,054,218	1,305,593	5,525,783	12,802
Utilities and communications	242,282	107,697	443,186	82,050	753,368	681,646	2,310,229	32,334
Depreciation and amortization	1,750,221	665,072	515,650	88,447	1,119,700	4,188,066	8,327,156	95,934
Shop expenses								727,833
Insurance	10,150	385,721	117,400	11,281			524,552	
Promoter's expenses			866,869	25,199			892,068	
Other operating expenses	347,234	263,589	372,450	121,008	878,547	656,808	2,639,636	22,497
Total operating expenses	3,426,004	5,297,263	3,455,183	1,510,984	7,965,770	8,892,599	30,547,803	9,385,321
Operating income (loss)	(1,473,753)	(4,671,246)	(1,642,256)	(1,233,636)	799,014	(4,394,843)	(12,616,720)	(275,720)
Nonoperating revenues (expenses)								
Operating grants	31,918	2,080,907					2,112,825	
Gain (loss) on sale of assets	(299,263)				(348,414)	(38,610)	(686,287)	
Interest income			1,091	1,091			2,182	330
Interest expense						(69,836)	(69,836)	
Property taxes			992,867	992,868			1,985,735	
Total nonoperating revenues (expenses)	(267,345)	2,080,907	993,958	993,959	(348,414)	(108,446)	3,344,619	330
Income (loss) before contributions and transfers	(1,741,098)	(2,590,339)	(648,298)	(239,677)	450,600	(4,503,289)	(9,272,101)	(275,390)
Other financing sources (uses)								
Capital contributions	12,365,078			221,405	6,220,628	844,422	19,651,533	
Transfers in		1,875,804	289,763	145,440			2,311,007	368,458
Transfers out	(400,003)				(1,864,745)		(2,264,748)	
Change in net assets	10,223,977	(714,535)	(358,535)	127,168	4,806,483	(3,658,867)	10,425,691	93,068
Total net assets - beginning	49,922,752	4,839,667	5,393,930	712,088	25,614,595	76,747,464	163,230,496	5,821,659
Total net assets - ending	\$ 60,146,729	\$ 4,125,132	\$ 5,035,395	\$ 839,256	\$ 30,421,078	\$ 73,088,597	\$ 173,656,187	\$ 5,914,727

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, 2012

	Business Type Activities - Enterprise Funds						Governmental Activities -	
	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	\$ 1,794,504	\$ 813,665	\$ 1,748,909	\$ 255,112	\$ 8,214,823	\$ 4,136,625	\$ 16,963,638	\$ 9,109,602
Cash payments to suppliers for goods and services	(904,850)	(2,300,330)	(2,006,913)	(503,897)	(4,942,894)	(1,150,206)	(11,809,090)	(8,771,437)
Cash payments to employees for services and benefits	(800,993)	(2,362,674)	(989,634)	(911,617)	(3,176,458)	(2,052,791)	(10,294,167)	(812,167)
Net cash provided by (used for) operating activities	88,661	(3,849,339)	(1,247,638)	(1,160,402)	95,471	933,628	(5,139,619)	(474,002)
Cash flows from noncapital financing activities								
Operating grants	31,920	1,065,688					1,097,608	
Ad valorem taxes			992,867	992,868			1,985,735	
Transfers in		1,875,804	289,763	145,440			2,311,007	368,458
Transfers out	(400,003)				(1,864,745)		(2,264,748)	
Net cash provided by (used for) noncapital financing activities	(368,083)	2,941,492	1,282,630	1,138,308	(1,864,745)		3,129,602	368,458
Cash flows from capital and related financing activities								
Capital Grants		1,015,219					1,015,219	
Acquisition of capital assets	(12,430,960)	(107,372)	(36,583)	(200,402)	(6,350,722)	(1,598,274)	(20,724,313)	
Cash contributed by City of Monroe	12,365,078			221,405	6,220,628	844,422	19,651,533	
Principal paid on debt						(109,940)	(109,940)	
Interest paid on debt						(69,835)	(69,835)	
Net cash provided by (used for) financing activities	(65,882)	907,847	(36,583)	21,003	(130,094)	(933,627)	(237,336)	
Cash flows from investing activities								
Interest received on investments			1,091	1,091				330
Net cash provided by investing activities			1,091	1,091				330
Net increase (decrease) in cash and cash equivalents	(345,304)		(500)		(1,899,368)		(2,245,172)	(105,214)
Cash and cash equivalents, May 1, 2011	462,985	900	11,000	2,500	6,260,991	25,028	6,763,404	4,250,345
Cash and cash equivalents, April 30, 2012	\$ 117,681	\$ 900	\$ 10,500	\$ 2,500	\$ 4,361,623	\$ 25,028	\$ 4,518,232	\$ 4,145,131
Reconciliation of operating income to net cash provided by (used for) operating activities								
Operating (loss)	\$ (1,473,753)	\$ (4,671,246)	\$ (1,642,256)	\$ (1,233,636)	\$ 799,014	\$ (4,394,842)	\$ (12,616,719)	\$ (275,720)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities								
Depreciation and amortization	1,750,221	665,072	515,650	88,447	1,119,700	4,188,066	8,327,156	95,934
Change in assets and liabilities								
Accounts receivable	(157,748)	26,308	(3,122)	877	(592,659)	(402,261)	(1,128,605)	(290,309)
Due from other funds		161,340				41,130	202,470	
Inventories		5,180			11,384		16,564	(5,043)
Prepaid expenses	538	(80)	(10,193)	970	(1,350)		(10,115)	
Accounts payable	10,192	(94,626)	(27,834)	(11,156)	(54,440)	77,316	(100,548)	6,834
Due to other funds	4,645	(17,037)	(8,408)	(6,424)	(1,212,359)	1,416,528	176,945	(5,698)
Deferred revenue			(60,568)	(23,113)			(83,681)	
Customer deposits					42,699		42,699	
Compensated absences	(45,434)	75,750	(10,907)	23,633	(16,518)	7,691	34,215	
Net cash provided by (used for) operating activities	\$ 88,661	\$ (3,849,339)	\$ (1,247,638)	\$ (1,160,402)	\$ 95,471	\$ 933,628	\$ (5,139,619)	\$ (474,002)

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

CITY OF MONROE
Monroe, Louisiana
Statement of Net Assets
Fiduciary Funds
April 30, 2012

	Police Pension and Relief Fund	Bus Drivers' 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	\$ 114,813	\$ 32,299	\$ 1,314,617	\$ 1,461,729	\$ 1,400,745	\$ 6,453
Accounts receivable		60	42,885	42,945	209	10
Total assets	<u>114,813</u>	<u>32,359</u>	<u>1,357,502</u>	<u>1,504,674</u>	<u>1,400,954</u>	<u>6,463</u>
LIABILITIES						
Current liabilities						
Accounts payable			297,549	297,549	176,989	
Due to others			1,059,953	1,059,953	1,223,965	6,463
Total liabilities			<u>1,357,502</u>	<u>1,357,502</u>	<u>1,400,954</u>	<u>6,463</u>
Net Assets						
Restricted for retirement benefits	<u>114,813</u>	<u>32,359</u>		<u>147,172</u>		
Total net assets	<u>\$ 114,813</u>	<u>\$ 32,359</u>		<u>\$ 147,172</u>		

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

CITY OF MONROE
Monroe, Louisiana
Statement of Changes in Net Assets
Fiduciary Funds
For the Year Ended April 30, 2012

	Police Pension and Relief Fund	Bus Drivers' Pension and Relief Fund
	<u> </u>	<u> </u>
ADDITIONS		
Investment income		
Interest	\$ 479	\$ 42
Total additions	<u> 479</u>	<u> 42</u>
DEDUCTIONS		
Benefits paid	1,673	6,860
Administrative expense	118	
Total deductions	<u> 1,791</u>	<u> 6,860</u>
Changes in net assets held for pension benefits	(1,312)	(6,818)
Net assets, beginning of year	<u> 116,125</u>	<u> 39,177</u>
Net assets, end of year	<u> \$ 114,813</u>	<u> \$ 32,359</u>

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

CITY OF MONROE
Monroe, Louisiana
Combining Statement of Net Assets
All Discreetly Presented Component Units
April 30, 2012

	<u>City Court of Monroe</u>	<u>Monroe City Marshal</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,598,427	\$ 5,735	\$ 1,604,162
Investments		41,160	41,160
Prepaid expenses	16,759	1,075	17,834
Accounts receivable	30,443	21,677	52,120
Total current assets	<u>1,645,629</u>	<u>69,647</u>	<u>1,715,276</u>
Capital assets, net of accumulated depreciation	<u>97,861</u>	<u>87,317</u>	<u>185,178</u>
Total assets	<u>1,743,490</u>	<u>156,964</u>	<u>1,900,454</u>
LIABILITIES			
Current liabilities			
Accounts payable	49,517	44,170	93,687
Noncurrent liabilities			
Obligation under capital lease			
Due within one year		16,305	16,305
Due in more than one year		20,513	20,513
Total liabilities	<u>49,517</u>	<u>80,988</u>	<u>130,505</u>
Net Assets			
Invested in capital assets, net of related debt	97,861	50,499	148,360
Unrestricted	<u>1,596,112</u>	<u>25,477</u>	<u>1,621,589</u>
Total net assets	<u>\$ 1,693,973</u>	<u>\$ 75,976</u>	<u>\$ 1,769,949</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, 2012

	<u>City Court of Monroe</u>	<u>Monroe City Marshal</u>	<u>Total</u>
EXPENDITURES			
Judiciary			
Personal services	\$ (1,367,872)	\$ (869,311)	\$ (2,237,183)
Operating services	(276,890)	(415,197)	(692,087)
Materials and supplies	(27,796)	(12,519)	(40,315)
Travel and other	(56,814)	(5,430)	(62,244)
Depreciation	(33,453)	(34,733)	(68,186)
Other		(5,558)	(5,558)
Interest		(2,368)	(2,368)
Total expenditures	<u>(1,762,825)</u>	<u>(1,345,116)</u>	<u>(3,107,941)</u>
PROGRAM REVENUES			
Fees, charges, and court costs:			
Marshal's fees		254,715	254,715
Court costs	142,947		142,947
Civil fees	38,860		38,860
Probation fees	82,967		82,967
Reinstatement fees	750		750
Bond forfeitures	15,370		15,370
Other charges for services	35,397	20,992	56,389
Total program revenues	<u>316,291</u>	<u>275,707</u>	<u>591,998</u>
Net program expense	(1,446,534)	(1,069,409)	(2,515,943)
GENERAL REVENUES			
Intergovernmental - City of Monroe	1,443,910	988,089	2,431,999
Investment earnings	7,742	41	7,783
Bond forfeitures		16,166	16,166
Total general revenues	<u>1,451,652</u>	<u>1,004,296</u>	<u>2,455,948</u>
Changes in net assets	5,118	(65,113)	(59,995)
NET ASSETS			
Beginning of year	<u>1,688,855</u>	<u>141,089</u>	<u>1,829,944</u>
End of year	<u>\$ 1,693,973</u>	<u>\$ 75,976</u>	<u>\$ 1,769,949</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, 2012

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, 2012

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, 2012

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, 2012

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, 2012

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. The Sales Tax Bond Debt Service Fund is considered a major fund.

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 Capital Project Fund is 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. The following Enterprise funds are considered major funds: Monroe Regional Airport, Monroe Civic Center, Water and Sewer.

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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2012

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

In accordance with the provisions of GASB Statement 20, the City has elected not to apply FASB statements and interpretations issued after November 30, 1989, to proprietary activities unless they are adopted by the GASB.

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.

CITY OF MONROE
Monroe, Louisiana

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

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, 2012, the City adopted a budget for the General Fund and all Special Revenue Funds.

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

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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 average 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.

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.

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

Prior to 1985, the City had not maintained capital asset records on a current basis. Subsequently, the City completed reconstructing its capital asset records. In those cases where it was not feasible to determine the original actual cost the assets were recorded at estimated cost derived by price level adjusting current replacement cost. It was not considered practicable to determine the source of investment in capital assets prior to April 28, 1972.

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, 2012, 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 ASSETS/FUND BALANCE:

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

1. Invested in Capital assets, Net of Related Debt – 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 Assets – Consists of net assets less related liabilities reported in the government-wide statement of net assets that are subject to constraints on their use by creditors, grantors, contributors or legislature.
3. Unrestricted Net Assets - Represent net assets not appropriate for expenditures or legally segregated for a specific future use.

The City implemented the provisions of Governmental Accounting Standards Board Statement No. 54, which redefined how fund balances are presented in fund financial statements for the year ended April 30, 2012. In 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.

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.

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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.

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.

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2. FUND DEFICITS

The following funds have deficit fund balances at April 30, 2012. These deficits in the Special Revenue funds will be cleared by future event and sales tax revenues. The deficit in the Kansas Lane Connector Capital Project fund will be cleared by future grants.

Delta Fest	\$99,971
Police Salary Sales Tax	123,982
Kansas Lane Connector	744,061

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, 2012.

At April 30, 2012, the City has cash and cash equivalents, totaling \$86,596,762, (including \$1,461,728 in fiduciary funds) as follows:

Petty cash	\$ 19,410
Demand deposits	57,532,486
Money market funds	<u>29,044,866</u>
Total	<u>\$ 86,596,762</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, 2012, are secured, as follows:

Bank balances	\$ <u>66,188,461</u>
Federal deposit insurance	\$ 4,433,693
Pledged securities (uncollateralized)	<u>64,146,334</u>
Total	<u>\$ 68,580,027</u>

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The money market accounts are utilized for the daily investment of idle cash of the City. The account is 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, 2012.

Under state law, the City may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The City did not have investments at April 30, 2012.

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

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

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

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5. RECEIVABLES

Accounts receivable of \$17,503,010 at April 30, 2012, are comprised of the following:

Fund Type	Taxes - Ad Valorem	Taxes - Sales	Grants	Accounts	Other	Total
MAJOR FUNDS						
General	\$ 175,572	\$ 2,783,496	\$ 172,615	\$ 971,384	\$ 48,010	\$ 4,151,077
Capital Infrastructure	-	1,129,645	-	-	69	1,129,714
I-20 Corridor	-	-	2,262,202	-	-	2,262,202
MLU Runway	-	-	1,864,005	-	-	1,864,005
Airport	-	-	-	177,110	-	177,110
Transit	-	-	39,650	-	-	39,650
Civic Center	20,753	-	-	4,000	-	24,753
Zoo	20,753	-	-	-	-	20,753
Water	-	-	-	1,870,661	-	1,870,661
Sewer	-	-	22,239	1,109,298	182	1,131,719
NONMAJOR FUNDS						
Special Revenues	-	553,526	639,524	66,141	-	1,259,191
Debt Service	8,301	1,144,252	-	-	-	1,152,553
Capital Projects	-	-	2,290,432	86,305	-	2,376,737
Agency	-	-	-	42,885	-	42,885
TOTAL	<u>\$ 225,379</u>	<u>\$ 5,610,919</u>	<u>\$ 7,290,667</u>	<u>\$ 4,327,784</u>	<u>\$ 48,261</u>	<u>\$ 17,503,010</u>

The allowance for doubtful accounts was \$531,039 as of April 30, 2012.

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6. CHANGES IN CAPITAL ASSETS

The following schedule presents changes in capital assets for the year ended April 30, 2012.

	Balance <u>April 30, 2011</u>	Additions	Retirements	Balance <u>April 30, 2012</u>
Governmental Funds:				
Land	\$ 19,669,255	\$ -	\$ -	\$ 19,669,255
Construction in progress	9,700	160,167	-	169,867
CIP-Infrastructure	<u>4,410,353</u>	<u>4,784,257</u>	<u>(4,390,646)</u>	<u>4,803,964</u>
Total capital assets not being depreciated	<u>24,089,308</u>	<u>4,944,424</u>	<u>(4,390,646)</u>	<u>24,643,086</u>
Depreciable assets:				
Buildings and improvements	34,775,088	-	-	34,775,088
Equipment and Furniture	26,156,255	830,248	(526,030)	26,460,473
Infrastructure	160,395,874	2,079,706	-	162,475,580
School buildings	<u>1,229,953</u>	<u>-</u>	<u>-</u>	<u>1,229,953</u>
Total capital assets being depreciated	222,557,170	2,909,954	(526,030)	224,941,094
Less: accumulated depreciation	<u>(86,660,295)</u>	<u>(10,220,586)</u>	<u>521,632</u>	<u>(96,359,249)</u>
Total capital assets being depreciated, net	<u>135,896,875</u>	<u>(7,310,632)</u>	<u>(4,398)</u>	<u>128,581,845</u>
Total governmental funds capital assets, net	<u>159,986,183</u>	<u>(2,366,208)</u>	<u>(4,395,044)</u>	<u>153,224,931</u>
Internal Service Fund:				
Land	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>45,000</u>
Depreciable assets:				
Buildings and improvements	3,406,242	-	-	3,406,242
Furniture and vehicles	<u>252,809</u>	<u>-</u>	<u>-</u>	<u>252,809</u>
Total capital assets being depreciated	3,659,051	-	-	3,659,051
Less: accumulated depreciation	<u>(1,245,682)</u>	<u>(95,934)</u>	<u>-</u>	<u>(1,341,616)</u>
Total capital assets being depreciated, net	<u>2,413,369</u>	<u>(95,934)</u>	<u>-</u>	<u>2,317,435</u>
Total Internal Service Fund capital assets, net	<u>2,458,369</u>	<u>(95,934)</u>	<u>-</u>	<u>2,362,435</u>
Total governmental activities capital assets, net	<u>\$ 162,444,552</u>	<u>\$ (2,462,142)</u>	<u>\$ (4,395,044)</u>	<u>\$ 155,587,366</u>

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	Balance April 30, 2011	Additions	Retirements	Balance April 30, 2012
Business-type activities:				
Nondepreciable assets:				
Land	\$ 5,542,940	\$ -	\$ -	\$ 5,542,940
Construction in progress	36,999,976	19,094,206	(33,767,593)	22,326,589
Zoo animals	89,838	9,450	(36,475)	62,813
Total capital assets not being depreciated	42,632,754	19,103,656	(33,804,068)	27,932,342
Depreciable assets:				
Buildings/Improvements	34,219,067	31,102,959	(2,052,397)	63,269,629
Infrastructure	174,191,289	2,665,271	(2,504,418)	174,352,142
Equipment	18,028,683	1,743,605	(1,146,435)	18,625,853
Total capital assets being depreciated	226,439,039	35,511,835	(5,703,250)	256,247,624
Less: accumulated depreciation	(103,969,782)	(8,327,156)	4,929,881	(107,367,057)
Total capital assets being depreciated, net	122,469,257	27,184,679	(773,369)	148,880,567
Total business-type activities capital assets, net	\$ 165,102,011	\$ 46,288,335	\$ (34,577,437)	\$ 176,812,909

In general capital assets, retirements of Construction in Progress (CIP) – Infrastructure include \$2,262,202 for an I-20 project that was a cooperative endeavor agreement with the Ouachita Parish Police Jury. As of April 30, 2012 the entire amount has been recorded as a receivable from Ouachita Parish Police Jury. An additional \$48,738 was incurred in the I-20 Capital Project fund for planning and engineering expense and was recorded as CIP in a prior year but was determined during the current year that it will not become a project and therefore has been written off as an expense in the Statement of Activities under “Loss on abandonment of project.” In proprietary fund capital assets, \$38,610 was recorded as CIP in prior years for a sewer project but is also being retired under the same circumstances and is expensed the same way in the business type activities.

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

Governmental Activities:

General Government	\$ 807,458
Public Safety	770,266
Public Works	8,042,163
Culture and Recreation	600,699
Internal Service Fund	95,934
Total depreciation expense - governmental activities	<u>\$ 10,316,520</u>

Business-Type Activities:

Airport	\$ 1,750,221
Transit	665,072
Civic Center	515,650
Zoo	88,447
Water Fund	1,119,700
Sewer Fund	4,188,066
Total depreciation expense - business-type activities	<u>\$ 8,327,156</u>

The Central Shop and Warehouse land and building is carried on the City's balance sheet within the Internal Service Fund. At April 30, 2012, 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.

The Louisiana Purchase Gardens and Zoo enterprise fund carries its investment in animals on a separate line of its balance sheet. The cost shown on the balance sheet relates only to animals that were purchased, donated or traded. Animals born in the zoo have no cost attributed to them. Also, the zoo has a number of bird specimens which are covered by the Migratory Bird Treaty (MBT). Certain birds under the MBT have no cost associated with them because they may not be bought or sold.

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 \$2,362,032 for the year ended April 30, 2012.

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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, 2012.

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, 2012.

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 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, 2012, as follows: Policemen's, \$114,813 and Bus Drivers', \$32,299.

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.

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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, 2012, 2011, and 2010 were \$2,935,988; \$2,513,744; and \$2,305,662 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.

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

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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, 2012, 2011, and 2010 were \$1,987,888; \$1,655,380; and \$1,244,994; 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.

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, 2012, 2011, and 2010 were \$2,491,732; \$2,309,648; and \$1,072,449, 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.

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9. HEALTH CARE BENEFITS

During the year ended April 30, 2012, the City paid \$6,904,613 in expenses in connection with providing benefits to a total of 1,102 participants. The cost is broken down as follows:

Active Employees	\$ 5,092,217
Retired Employees	1,786,800
COBRA	<u>25,596</u>
Total	<u>\$ 6,904,613</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 238 retirees receive benefits under this plan. These retirees reimbursed the City for \$714,720 for fiscal year 2012 for their portion of health care benefits.

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 Fiscal Year Ending April 30, 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. Effective with the Fiscal Year beginning 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). The funding policy is not to fund the Annual Required Contribution (ARC) except to the extent of the current year's retiree funding costs.

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In Fiscal Year Ending April 30, 2012, the City of Monroe's portion of health care funding cost for retired employees totaled \$1,474,711. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the table on the following page.

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 Actuarial Accrued Liability (AAL). 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 total ARC for the fiscal year beginning May 1, 2011 is \$3,915,742, as set forth below:

		<u>Medical</u>	
Normal Cost	\$	1,220,117	
30-year UAL amortization amount		<u>2,695,626</u>	
Annual required contribution (ARC)	\$	<u>3,915,742</u>	

Net Post-employment Benefit Obligation (Asset). The table below shows the City of Monroe's Net (OPEB) Obligation (Asset) for fiscal year ending April 30, 2012:

		<u>Medical</u>
1. Beginning Net OPEB Obligation (Asset) 5/1/2011		\$ 6,507,233
2. Annual required contribution		3,915,742
3. Interest on Net OPEB Obligation (Asset): .04 X [1]		260,289
4. ARC Adjustment: [1]/17.292		<u>376,314</u>
5. OPEB Cost: [2]+[3]-[4]		3,799,718
6. Contribution		-
7. Current year retiree premium		<u>1,474,711</u>
8. Change in Net OPEB Obligation: [5]-[6]-[7]		<u>2,325,007</u>
9. Ending Net OPEB Obligation: (Asset) 4/30/2012: [1]+[8]		<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 (asset):

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical	April 30, 2012	\$ 3,799,718	38.81%	\$ 8,832,240

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Funded Status and Funding Progress. In the fiscal year ending April 30, 2012, the City of Monroe made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of April 30, 2012, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$48,477,341, 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. Since the plan was not funded in fiscal year 2011/2012, the entire actuarial accrued liability of \$48,477,341 was unfunded.

		<u>Medical</u>
Actuarial Accrued Liability (AAL)	\$	48,477,341
Actuarial Value of Plan Assets		-
Unfunded Act. Accrued Liability (UAAL)	\$	<u>48,477,341</u>
Funded Ratio (Act. Val. Assets/AAL)		0%
Covered Payroll (active plan members)	\$	34,503,979
UAAL as a percentage of covered payroll		71%

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.

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

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 13%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 - 25	20.0%
26 - 40	15.0%
41 - 54	12.0%
55+	8.0%

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. 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. 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.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

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

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

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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.

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 addition, the City entered into lease agreements for equipment to be used at Chennault Golf Course. The original amount of the obligation was \$279,594 and bears interest at 7.3%.

Fiscal Years Ended April 30:	Future Minimum Lease Payments
2013	\$ 326,104
2014	302,725
2015	256,719
2016	252,396
2017	257,106
2018-2021	1,022,672
	<u>2,417,722</u>
Less: Amounts representing Interest	(501,868)
Present Value of Future Minimum Lease Payments	<u>\$ 1,915,854</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, 2012:

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	Long-Term Obligations	Proprietary Funds	Total
Long-term obligations, May 1, 2011	\$ 186,534,034	\$ 3,196,786	\$ 189,730,820
Additions	40,548,030	962,861	41,510,891
Retirements	(35,478,401)	(1,038,586)	(36,516,987)
Long-term obligations, April 30, 2012	<u>\$ 191,603,663</u>	<u>\$ 3,121,061</u>	<u>\$ 194,724,724</u>

Long-term obligations outstanding at April 30, 2012, are comprised of the following:

	Issue	Maturity Date	Interest Rate	Balance Outstanding
<i>General Long-Term Obligations</i>				
<u>Tax Increment Bonds</u>				
Tower Drive	2007	3/1/2025	4.375% - 5.00%	\$ 9,200,000
I-20 Development Series 2011	2011	3/1/2025	2.00% - 5.00%	9,755,000
Total Tax Increment Bonds				<u>18,955,000</u>
<u>Certificates of Indebtedness</u>				
Certificates of Indebtedness (Civic Center Roof)	2004C	10/1/2014	3.75%	<u>645,000</u>
<u>Sales Tax Bonds</u>				
Series 2002 (Streets/Sewer)	2002	7/1/2026	4.70% - 7.00%	915,000
Series 2002A (Fire/Drainage)	2002A	7/1/2027	4.625% - 4.80%	150,000
Series 2003 (Streets)	2003	7/1/2027	3.50% - 5.50%	17,445,000
Series 2006	2006	7/1/2028	3.45%	2,670,000
Series 2011	2011	7/1/2020	2.00% - 5.00%	9,580,000
Deferred amount of refunding	2011			(316,769)
Series 2011A	2011	7/1/2027	3.19%	14,690,000
Deferred amount of refunding	2011			(685,612)
Total Sales Tax Bonds				<u>44,447,619</u>
<u>Refunding Bonds</u>				
Series 1998A (Fire and Police Pension)	1998	3/1/2013	5.05%	355,000
Series 2007A	2007	7/1/2026	4.002%	24,640,000
Deferred amount of refunding	2007			(215,106)
Series 2008 I-20 Development	2008	3/1/2025	4.00% - 5.50%	21,215,000

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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%	\$ 18,210,000
<u>Other</u>				
Claims and Judgments	None	None	None	8,077,427
Capital Leases	2000	4/30/2021	4.75-5.59%	1,915,854
Notes payable	2007	11/15/2012	3.88%	487,011
Accrued Vacation and Sick Pay	None	None	None	5,821,714
Other post employment benefits	None	None	None	8,832,240
Total Other				25,134,246
Total general long-term obligations				\$ 191,603,663

Proprietary Funds

<u>Utility Revenue Bonds</u>				
Series 2001 - DEQ	2001	6/1/2022	3.95%	\$ 1,976,723
<u>Other</u>				
Accrued Vacation and Sick Pay	None	None	None	1,144,338
Total proprietary funds				\$ 3,121,061

Long-Term Obligation

Paying Fund

General obligation bonds:

Refunding Bonds, 2003

(City Court and Jail Improvements)

City Court and Jail Improvements Debt Service Fund

Tax increment bonds:

Tower Drive

I-20 Development

Tower Drive Debt Service Fund

I-20 Debt Service Fund

Certificates of indebtedness:

Taxable Refunding Certificates

(Civic Center Roof)

General Fund

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Long-Term Obligation	Paying Fund
Sales tax bonds:	
2002 Series (Sewer and Streets)	Sales Tax Bond Debt Service Fund
2002A Series (Fire and Drainage)	Sales Tax Bond Debt Service Fund
2003 Series (Streets)	Sales Tax Bond Debt Service Fund
2006 Series	Sales Tax Bond Debt Service Fund
2011 Series	Sales Tax Bond Debt Service Fund
2011A Series	Sales Tax Bond Debt Service Fund
Refunding Bonds:	
Series 1998A (Fire and Police Pension)	General Fund
Series 2007A	Sales Tax Bond Debt Service Fund
Series 2008 (I-20 Development)	I-20 Debt Service Fund
Utility revenue bonds:	
Series 2001 (DEQ)	Sales Tax Bond Debt Service Fund
Series 2003 (DEQ)	Sales Tax Bond Debt Service Fund
Series 2005 (DEQ)	Sales Tax Bond Debt Service Fund
Series 2008 (DEQ)	Sales Tax Bond Debt Service Fund
Airport revenue bonds:	
Series 2009 Airport Bonds	Airport Bond Debt Service Fund
Capital Lease Obligations:	
Equipment	General Fund
Notes Payable	
Equipment	General Fund
Utility Revenue Bonds:	
Series 2001 (DEQ Sewer)	Sewer Enterprise 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, 2012, including interest payments of \$64,609,928 are as follows:

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Year Ended April 30,	G.O. Bonds Cert. of Indebt.	Revenue Bonds	Tax Increment	DEQ Revolving Loan	Other	Total
2013	\$ 339,188	\$ 6,078,899	\$ 1,957,637	\$ 4,126,468	\$ 5,721,264	\$ 18,223,456
2014	342,375	5,089,557	1,962,168	4,125,469	4,839,216	16,358,785
2015	-	5,122,371	1,956,868	4,125,992	4,790,003	15,995,234
2016	-	5,143,561	1,958,619	4,123,024	4,798,544	16,023,748
2017	-	5,175,957	1,954,781	4,121,271	4,803,742	16,055,751
2018-2022	-	24,125,454	9,784,749	20,605,402	25,170,981	79,686,586
2023-2027	-	25,639,164	5,880,388	9,096,550	15,229,829	55,845,931
2028-2032	-	10,590,054	-	-	-	10,590,054
2033-2038	-	6,784,576	-	-	-	6,784,576
2039	-	1,739,202	-	-	-	1,739,202
Total	\$ 681,563	\$ 95,488,795	\$ 25,455,210	\$ 50,324,176	\$ 65,353,579	\$ 237,303,323

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.

Series 2011 Sales Tax Bonds Refinancing (Series 2002)

On September 8, 2011, the City issued \$9.58 million of Sales Tax Revenue Refunding Bonds with interest rates ranging over the life of the bonds from 2.00% to 5.00%. The proceeds borrowed as well as \$387,948 in reoffering premium were used as follows: \$235,859 in underwriting fees and other issuance costs, \$56,226 in bond insurance premium, \$38,320 in surety bond, and \$9,707,662 in an escrow fund to defease the Series 2002 Sales Tax bonds (on July 1, 2012).

Series 2011A Sales Tax Bonds Refinancing (2002A)

On December 8, 2011, the City issued \$14.69 million of Sales Tax Revenue Refunding Bonds with an interest rates of 3.19%. The proceeds borrowed as well as \$271,137 existing sinking funds are being used as follows: \$274,143 in fees and other issuance costs and \$14,683,504 in an escrow fund to defease the Series 2002A Sales Tax bonds (on July 1, 2012).

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13. INTERFUND RECEIVABLES AND PAYABLES

Individual fund balances due from/to other funds at April 30, 2012, are as follows:

	Interfund Receivable			
	General	MLU Runway	Nonmajor Governmental Funds	Transit Total
Interfund Payable				
General			\$ 101,493	\$ 101,493
Capital Infrastructure	\$ 6,201			6,201
I-20 Corridor			6,199	6,199
MLU Runway				-
Nonmajor Governmental Funds	834,909	\$ 4,097	1,533,377	\$ 2,455,025
Airport	9,198			9,198
Water Fund	35,517		793,949	829,466
Sewer Fund	5,093,334			5,093,334
Total	\$ 5,979,159	\$ 4,097	\$ 2,435,018	\$ 8,500,916

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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Notes To The Financial Statements
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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, 2012:

	Transfers Out					Total
	General	Capital Infrastructure	I-20 Corridor	Governmental Funds	Airport	
Transfers In						
General	\$ 1,050,253	\$ 277,892				\$ 1,328,145
Sales Tax Bond	10,180,598	9,967,948				20,148,546
Nonmajor Governmental Funds	\$ 2,289,289	\$ 61,993	\$ 1,479,587	\$ 400,003	\$ 1,864,745	11,281,521
Transit	1,875,804					1,875,804
Civic Center	279,763		10,000			289,763
Zoo	145,440					145,440
Internal Service Funds	368,458					368,458
Total	\$ 4,958,754	\$ 16,416,755	\$ 61,993	\$ 11,735,427	\$ 400,003	\$ 1,864,745
						\$ 35,437,677

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.

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Notes To The Financial Statements
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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, 2012.

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.

During the year ended April 30, 2012, the Legislative Auditor commenced an investigation of alleged payroll fraud within the Engineering Department. A report of their findings was issued December 2011. The report contained numerous findings and deficiencies. The City's response is included in the report.

Two councilmen were convicted of bribery and racketeering in federal court. Request for new trial was ultimately denied and the convictions stand. Former councilmen are now appealing their convictions.

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 \$2,025,994 are held by Public Employees Benefit Services Corporation, a deferred compensation center, and assets with a fair market value of \$219,323 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, 2012

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	\$ 108,914
Monroe Police Department	1,066,927
Monroe Fire Department	<u>1,123,390</u>
Total	<u>\$ 2,299,231</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, 2012. 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, 2012, are as follows:

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2012

Balance, April 30, 2011		\$ 7,554,804
Current year claims and changes in estimates		780,206
Claims paid		<u>(257,583)</u>
Balance, April 30, 2012		<u>\$ 8,077,427</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, 2012, 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, 2012.

	Total Collections	Collection Cost	Final Distribution
City of West Monroe	\$ 17,413,678	\$ (51,000)	\$ 17,362,678
Town of Sterlington	414,834	(2,863)	411,971
Town of Richwood	233,438	(180)	233,258
Monroe City School Board	25,477,152	(180,211)	25,296,941
Ouachita Parish School Board	38,988,128	(264,599)	38,723,529
Ouachita Parish Police Jury	11,773,093	(37,800)	11,735,293
Ouachita Parish Sheriff Office	<u>3,311,681</u>	<u>(22,851)</u>	<u>3,288,831</u>
Total	<u>\$ 97,612,004</u>	<u>\$ (559,504)</u>	<u>\$ 97,052,500</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, 2012

Fund	Nonspendable	Amount
Major Funds:		
General Fund	Prepaid expenses and other assets	\$ 282,866
General Fund	Inventories	<u>442,929</u>
Total Major Funds		<u>725,795</u>
Non-major Funds:		
Special Revenue Funds:		
Community Development Block Grant	Prepaid expenses and other assets	2,755
CDBG Home	Prepaid expenses and other assets	2,755
CDBG Loan	Prepaid expenses and other assets	59,822
HOME Program Loans	Prepaid expenses and other assets	282,533
Capital	Prepaid expenses and other assets	165,497
Capital Projects Funds:		
Airport Terminal	Prepaid expenses and other assets	<u>31,599</u>
Total Non-major Funds		<u>544,961</u>
Total Nonspendable		<u>\$ 1,270,756</u>

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2012

Fund	Restricted For	Amount
Major Funds		
General Fund	Capital improvements	\$ 1,555,353
Special Revenue-Capital Infrastructure	Debt	7,914,428
	Public works	8,708,891
Debt Service-Sales Tax Bond	Debt	5,887,321
Capital Project-I-20 Corridor	Public works	20,323,612
Total Major Funds		<u>44,389,605</u>
Non-Major Funds		
Special Revenue Funds		
Fire Department Insurance	Public safety	815,906
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	5,672
CDBG Loan	Planning and urban development	57,538
City Prosecuting Attorney	Judicial	145,306
DARE Program	Public safety	81,572
Metro Share Grant	Planning and urban development	4,500
Fire Salary Sales Tax	Public safety	1,375,832
PTFA	Economic development	1,032,026
HOME Program Loans	Planning and urban development	173,814
Homelessness Prevention RRP	Planning and urban development	11,564
Employees' Benefits	Employees' benefits	1,035,731
MPD K-9 Donations	Public safety	27,083
PTFA-2012	Recreation facilities	543,400
Passenger Facility Charge	Public works	687,173
Debt-Service Funds		
I-20 Economic District	Debt	5,099,074
Tower Dr Economic District	Debt	1,722,373
Police and Fire Pension	Debt	5,181
Airport Terminal	Debt	1,703,631
Capital Projects Funds		
N 18th Street Extension	Capital improvements	104,713
Tower Drive	Capital improvements	3,880,554
Airport Industrial Park	Capital improvements	315,858
Street Construction	Capital improvements	724,860
Collection System Improvement	Capital improvements	784,599
Fire/Drainage Improvement	Capital improvements	542,239
Riverfront Project	Capital improvements	85,839
Water System Improvements	Capital improvements	3,403,666
Civic Center Improvements	Capital improvements	3,884
US 165 Business Connector	Capital improvements	87,495
Water Meter Replacement	Capital improvements	1,073,684
Louisville Enhancement	Capital improvements	29,300
Kansas Lane Connector	Capital improvements	5,751
Total Non-Major Funds		<u>25,778,676</u>
Total Restricted		<u>\$ 70,168,281</u>

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2012

Fund	Assigned	Amount
Non-Major Funds		
Special Revenue Funds		
Diversion Program	Judicial	\$ 98,179
Drug Seizure Forfeiture	Public safety	69,058
Downtown Economic Development	Economic development	26,548
Admin Economic Development	Economic development	2,246,386
Repairs & Maintenance	Repairs and capital improvements	419,933
Capital	Capital improvements	3,790,976
Total Assigned		\$ 6,651,080

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, 2012

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	1,376,573	14,823,427
Administrative Costs (Professional Fees)	200,000	36,335	163,665
Total	<u>\$ 17,759,504</u>	<u>\$ 2,772,412</u>	<u>\$ 14,987,092</u>

On September 15, 2009 the following changes occurred:

- Application 02-01-C-00-MLU was reduced from \$720,000.00 to \$413,444.00 due to completion of project on March 31, 2009.
- Application 03-01-C-01-MLU-001 was reduced from \$641,748 to \$504,335 due to completion of project on February 1, 2005.
- Application 03-01-C-01-MLU-003 was reduced from \$452,224 to \$401,025 due to completion of project on January 1, 2004.
- Application 03-01-C-01-MLU charge expiration date was changed to July 2005.
- Application 06-02-C-00-MLU charge expiration date was changed to July 1, 2006.
- Application 08-03-C-00-MLU charge effective date was changed to July 1, 2006 and charge expiration date was changed to February 1, 2034.

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	\$ 3,410,679	\$ 3,324,374
Interest earnings	48,905	48,905
Total revenues / receipts	<u>3,459,584</u>	<u>3,373,279</u>
Expenses / disbursements for PFC projects	<u>(2,772,411)</u>	<u>(2,772,411)</u>
Net PFC cash, April 30, 2012		\$ <u>600,868</u>
Net assets restricted for PFC, April 30, 2012	<u>\$ 687,173</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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2012

22. SUBSEQUENT EVENTS

Subsequent to year end, the city refunded DEQ loans 1-4, with a combined outstanding balance of \$31,006,535. The DEQ loans were issued at 3.95% interest rate. The new \$32,000,000 sales tax bonds are issued at 2.89% with no extension of the repayment time.

Required Supplemental Information
(Part B)

CITY OF MONROE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2012
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Ad Valorem Tax Revenue				
General property tax	\$ 3,965,606	\$ 4,033,138	\$ 4,229,124	\$ 195,986
1974 Recreational maintenance taxes	692,599	711,433	746,012	34,579
1974 Public safety taxes	390,508	400,955	420,443	19,488
1974 Drainage taxes	482,609	496,554	520,663	24,109
Capital improvement tax	1,197,313	1,230,610	1,290,418	59,808
Police department tax	552,606	567,505	595,092	27,587
Fire department tax	552,606	567,505	595,090	27,585
Adjudicated property	100,000	28,000	27,460	(540)
Total Ad valorem tax revenue	7,933,847	8,035,700	8,424,302	388,602
Sales & use tax revenue				
General sales and use taxes	30,783,863	32,955,000	33,917,672	962,672
Total Sales & use tax revenue	30,783,863	32,955,000	33,917,672	962,672
Other tax revenue				
Franchise fees	832,895	832,895	1,012,685	179,790
Beer tax	74,275	74,275	86,728	12,453
Total Other tax revenue	907,170	907,170	1,099,413	192,243
License and permits				
Liquor licenses	80,535	80,535	80,818	283
Occupational licenses	2,513,125	2,513,125	2,558,372	45,247
Video bingo license	4,110	1,814	1,814	
Sound permits	-	225	300	75
Building permits	84,000	84,000	78,986	(5,014)
Sewer permits	44,000	44,000	23,744	(20,256)
Plumbing permits	55,000	55,000	46,930	(8,070)
Electrical permits	38,400	38,400	47,832	9,432
Gas permits	12,400	12,400	8,590	(3,810)
Heat and air conditioning permits	8,000	14,309	18,867	4,558
Off premise sign permits	1,000	1,000		(1,000)
Culvert/Drainage Project Permit	1,175	1,175	2,075	900
Specs copies			175	175
Total License and permits	2,841,745	2,845,983	2,868,503	22,520
Intergovernmental - Federal				
Homeland Security			314,767	314,767
AFG-Staffing for Adequate Fire & Emergency Response (SAFER)	110,886	110,886	102,152	(8,734)
LA Highway Safety Commission	73,136	73,136	104,551	31,415
High Intensity Drug Trafficking Area (HIDTA)	67,000	57,000	51,256	(5,744)
COPS Hiring Recovery Program (ARRA)	391,338	391,338	395,616	4,278
AFG-Prevention and Safety		206,281	209,885	3,604
Total Intergovernmental - Federal	642,360	838,641	1,178,227	339,586
Intergovernmental - State				
Other state grants			17,792	17,792
Supplemental pay	2,514,000	2,502,000	2,299,231	(202,769)
Total Intergovernmental - State	2,514,000	2,502,000	2,317,023	(184,977)

CITY OF MONROE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2012
(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	444,810	10,685
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	2,863	663
Sales tax commission - Richwood	180	180	180	
Sales tax commission - St Imp	95,000	95,000	97,886	2,886
Sales tax commission - Fire	23,065	23,065	23,981	916
Sales tax commission - Police	23,065	23,065	23,981	916
Sales tax commission - Ouachita Parish Sheriff's Office	19,250	19,250	22,850	3,600
Sales tax commission - Hotel/Motel	4,000	4,000	4,000	
Signal light reimbursement	183,000	183,000	184,220	1,220
City Court civil fees	180,000	180,000	196,637	16,637
City sanitation service	3,070,000	3,070,000	2,825,143	(244,857)
Cemetery lots	12,190	16,000	16,000	
Grass cutting fees	130,615	130,615	117,495	(13,120)
Video bingo	1,081,600			
Ticket review fees	770	787	1,062	275
Copy charges		1,690	3,103	1,413
NSF fees	11,300	11,300	13,064	1,764
Royalty income	2,800	2,800	2,928	128
Commissions		188	697	509
American Pmt System Fees (BellSouth Commissions)	14,130	8,320	8,155	(165)
Online convenience fees		6,492	13,670	7,178
COBRA admin fees			304	304
Postage	11,550	11,550	5,390	(6,160)
Legal & other professional	112,750	112,750	80,769	(31,981)
Entergy franchise fees	1,997,200	1,997,200	2,187,991	190,791
Community policing fees	108,289	88,289	96,545	8,256
Appearance & surrender fees	60,000	50,000	39,535	(10,465)
Tuition income		2,183	2,183	
Fire reports		531	546	15
Zoning income	65,000	65,000	53,404	(11,596)
Recreation department revenue	59,639	54,587	67,295	12,708
Golf course fees	403,466	403,466	278,212	(125,254)
Demolition	50,000	98,374	98,374	
Total Fees, charges and commissions	8,243,984	7,184,807	7,002,073	(182,734)
Fines and forfeitures				
City Court fines	777,800	611,582	629,638	18,056
Environmental Court	1,200	2,450	2,800	350
Parking fines	71,435	71,435	61,458	(9,977)
DWI Prob. Fines	2,000	2,000	4,037	2,037
False alarms fines	20,000	10,000	10,200	200
Total Fines and forfeitures	872,435	697,467	708,133	10,666
Use Of money and property				
Rental income-usage fee	140,816	35,982	35,982	
Municipal golf course rent	18,000	14,400	13,200	(1,200)
Building usage fees	38,460	38,460	41,076	2,616
Interest income	75,000	36,700	57,842	21,142
Total Rental income	272,276	125,542	148,100	22,558
Other revenues				
Penalty and interest	24,600	24,600	19,438	(5,162)
Police miscellaneous	80,000	54,925	58,850	3,925
Contributions & donations	2,200	2,200	808	(1,392)
K9 donations		40,722		(40,722)
Donations designated MPD		7,179	7,179	
Total Other revenues	106,800	129,626	86,275	(43,351)
Total Revenues	55,118,480	56,221,936	57,749,721	1,527,785

CITY OF MONROE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2012
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
EXPENDITURES				
Current				
Legislative division - Council and staff	368,282	380,502	360,809	19,693
Judicial division	2,325,259	2,398,730	2,431,999	(33,269)
Legal division	694,314	703,402	661,726	41,676
Executive division - Chief executive and staff	929,047	919,663	826,087	93,576
Administration division	8,790,014	9,461,721	9,064,104	397,617
Police division	12,454,323	12,896,217	13,256,713	(360,496)
Fire division	12,606,582	12,521,242	12,949,803	(428,561)
Public Works division	7,992,520	8,603,740	8,898,395	(294,655)
Engineering	1,035,515	1,037,582	891,503	146,079
Culture & recreation	2,984,243	3,004,747	2,951,565	53,182
Planning and urban development division	924,471	928,303	898,711	29,592
Debt Service				
General interest expense	165,888	165,888	147,277	18,611
Capital leases	179,485	179,485	237,443	(57,958)
Civic Center roof	305,000	305,000	305,000	-
Claims and judgments	-	300,000	259,185	40,815
Capital expenditures	1,526,554	1,977,278	689,847	1,287,431
Total Expenditures	53,281,497	55,783,500	54,830,167	953,333
EXCESS OF REVENUES OVER EXPENDITURES	1,836,983	438,436	2,919,554	2,481,118
OTHER FINANCING SOURCES (USES)				
Sale of assets		188,635	188,226	(409)
Insurance premium refund			490,178	490,178
Increase in capital leases			179,801	179,801
Total		188,635	858,205	669,570
Transfers in				
Capital project funds		264,767	273,375	8,608
DeltaFest				
Capital infrastructure	1,050,253	1,050,253	1,050,253	
Total transfers in	1,050,253	1,315,020	1,323,628	8,608
Transfers out				
Police and fire pension	(369,845)	(369,845)	(365,516)	4,229
Louisiana Purchase Gardens and Zoo	(64,885)	(64,885)	(145,440)	(80,555)
Monroe Transit System	(1,120,757)	(1,120,757)	(1,875,804)	(755,047)
Civic Center			(285,533)	(285,533)
Central Shop and warehouse	(242,481)	(242,481)	(368,458)	(125,977)
Capital	(540,800)		(1,725,000)	(1,725,000)
Employee benefit fund	(540,800)			
DeltaFest			(95,483)	(95,483)
Demolition			(17,463)	(17,463)
River Market Operations			(2,471)	(2,471)
Capital project funds	(7,668)	(66,318)	(72,970)	(6,652)
Total transfers out	(2,887,236)	(1,864,286)	(4,954,238)	(3,089,952)
Total Other Financing Sources (Uses)	(1,836,983)	(360,631)	(2,772,405)	(2,411,774)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES		77,805	147,149	69,344
FUND BALANCE, BEGINNING OF YEAR	12,875,786	13,862,958	13,862,958	
FUND BALANCE, END OF YEAR	\$ 12,875,786	\$ 13,940,763	\$ 14,010,107	\$ 69,344

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, 2012
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales Tax -Street Improvement	\$ 13,195,650	\$ 13,195,650	\$ 14,188,067	\$ 992,417
Interest income	100,000	100,000	39,815	(60,185)
Total revenues	<u>13,295,650</u>	<u>13,295,650</u>	<u>14,227,882</u>	<u>932,232</u>
EXPENDITURES				
Current:				
Public works	917,691	917,691	771,949	145,742
Total expenditures	<u>917,691</u>	<u>917,691</u>	<u>771,949</u>	<u>145,742</u>
EXCESS OF REVENUES OVER EXPENDITURES	12,377,959	12,377,959	13,455,933	1,077,974
OTHER FINANCING SOURCES (USES)				
Transfers Out	(10,832,465)	(16,018,369)	(16,416,755)	(398,386)
Total other financing sources (uses)	<u>(10,832,465)</u>	<u>(16,018,369)</u>	<u>(16,416,755)</u>	<u>(398,386)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	1,545,494	(3,640,410)	(2,960,822)	679,588
FUND BALANCE, BEGINNING OF YEAR	<u>16,570,047</u>	<u>18,020,201</u>	<u>19,584,141</u>	
FUND BALANCE, END OF YEAR	<u>\$ 18,115,541</u>	<u>\$ 14,379,791</u>	<u>\$ 16,623,319</u>	<u>\$ 2,243,528</u>

OTHER SUPPLEMENTAL INFORMATION

CITY OF MONROE
Monroe, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2012

	<u>Special Revenue Totals</u>	<u>Debt Service Totals</u>	<u>Capital Projects Totals</u>	<u>Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 12,736,066	\$ 7,377,706	\$ 10,380,546	\$ 30,494,318
Receivables	1,345,498	1,152,553	2,290,433	4,788,484
Due from other funds	383,377		2,151,641	2,535,018
Prepaid expenses & other assets, net	513,362		31,599	544,961
Total Assets	<u>\$ 14,978,303</u>	<u>\$ 8,530,259</u>	<u>\$ 14,854,219</u>	<u>\$ 38,362,781</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts and retainage payable	\$ 835,598		\$ 2,967,964	\$ 3,803,562
Due to other funds	967,151		1,587,874	2,555,025
Deferred revenue	19,918			19,918
Other current liabilities	14,682			14,682
Total Liabilities	<u>1,837,349</u>		<u>4,555,838</u>	<u>6,393,187</u>
Fund Balances				
Nonspendable				
Prepaid expenses and other assets	507,852			507,852
Inventories				
Spendable				
Restricted	6,205,975	\$ 8,530,259	11,042,442	25,778,676
Committed				
Assigned	6,651,080			6,651,080
Unassigned (deficit)	(223,953)		(744,061)	(968,014)
Total Fund Balances	<u>13,140,954</u>	<u>8,530,259</u>	<u>10,298,381</u>	<u>31,969,594</u>
Total Liabilities and Fund Balances	<u>\$ 14,978,303</u>	<u>\$ 8,530,259</u>	<u>\$ 14,854,219</u>	<u>\$ 38,362,781</u>

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended April 30, 2012

	<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		\$ 397,698		\$ 397,698
Sales	\$ 6,951,662	4,731,536		11,683,198
Intergovernmental				
Federal grants	2,640,511		\$ 3,133,533	5,774,044
State grants	200,293		2,780,658	2,980,951
Local grants	5,000		82,800	87,800
Fees, charges and commissions for services	1,878,596			1,878,596
Fines and forfeitures	21,826			21,826
Use of money and property	73,211	1,878	12,764	87,853
Other revenues	596,140			596,140
Total revenues	<u>12,367,239</u>	<u>5,131,112</u>	<u>6,009,755</u>	<u>23,508,106</u>
EXPENDITURES				
Current				
General government				
Judicial	87,120			87,120
Financial administration	82,695		59,924	142,619
Other general government			27,342	27,342
Public safety				
Police	3,832,688			3,832,688
Fire	3,157,965			3,157,965
Public works	190,489		36,732	227,221
Culture and recreation	511,300		14,859	526,159
Planning and urban development	2,557,790			2,557,790
Economic development and assistance	367,428			367,428
Capital outlay	120,411		20,491,734	20,612,145
Debt service				
Debt service principle	627,793	2,660,000		3,287,793
Debt service interest	34,193	2,662,664		2,696,857
Total expenditures	<u>11,569,872</u>	<u>5,322,664</u>	<u>20,630,591</u>	<u>37,523,127</u>
Excess (deficiency) of revenues over expenditures	<u>797,367</u>	<u>(191,552)</u>	<u>(14,620,836)</u>	<u>(14,015,021)</u>
Other Financing Sources (Uses)				
Bond proceeds			10,241,915	10,241,915
Sales of Assets				
Premium on bond sales			387,948	387,948
Transfers in	1,945,117	765,651	8,566,234	11,277,002
Transfers out	(489,552)		(11,241,358)	(11,730,910)
Total other financing sources (uses)	<u>1,455,565</u>	<u>765,651</u>	<u>7,954,739</u>	<u>10,175,955</u>
Net changes in fund balances	2,252,932	574,099	(6,666,097)	(3,839,066)
Fund balances - beginning	<u>10,888,022</u>	<u>7,956,160</u>	<u>16,964,478</u>	<u>35,808,660</u>
Fund balances - ending	<u>\$ 13,140,954</u>	<u>\$ 8,530,259</u>	<u>\$ 10,298,381</u>	<u>\$ 31,969,594</u>

NONMAJOR SPECIAL REVENUE FUNDS

CITY OF MONROE
 Monroe, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Special Revenue Funds
 April 30, 2012

	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	\$ 784,057		\$ 18,190	\$ 43,740	\$ 10,835	\$ 6,246	\$ 23,230	\$ 52,784	\$ 148,606
Receivables		\$ 114,910				31,336			
Due from other funds	37,795	1,250		136,093				6,747	
Prepaid expenses & other assets, net		2,755					2,755	59,822	
Total Assets	\$ 821,852	\$ 118,915	\$ 18,190	\$ 179,833	\$ 10,835	\$ 37,582	\$ 25,985	\$ 119,353	\$ 148,606
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts and retainage payable	\$ 5,946	\$ 38,674				\$ 31,790	\$ 5,000		\$ 3,300
Due to other funds		74,769				120	15,853		
Deferred revenue		5,472					756		
Other current liabilities							4,376	\$ 1,993	
Total Liabilities	5,946	118,915				31,910	25,985	1,993	3,300
Fund Balances									
Nonspendable									
Prepaid expenses and other assets								59,822	
Inventories									
Spendable									
Restricted	815,906		\$ 18,190	\$ 179,833	\$ 10,835	5,672		57,538	145,306
Committed									
Assigned									
Unassigned (deficit)									
Total Fund Balances	815,906		18,190	179,833	10,835	5,672		117,360	145,306
Total Liabilities and Fund Balances	\$ 821,852	\$ 118,915	\$ 18,190	\$ 179,833	\$ 10,835	\$ 37,582	\$ 25,985	\$ 119,353	\$ 148,606

CITY OF MONROE
 Monroe, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Special Revenue Funds
 April 30, 2012

	MPD Youth	DARE Program	Delta Fest	Diversion Program	Drug Seizure Forfeiture	Metro Share Grant	Peer Mediation	Police Salary Sales Tax	Fire Salary Sales Tax	PTFA
ASSETS										
Cash and cash equivalents	\$ 81,408			\$ 99,596	\$ 69,144	\$ 4,500		\$ 250,000	\$ 998,266	\$ 1,032,026
Receivables	3,030	\$ 10,977						276,763	276,763	
Due from other funds		100,000							100,803	
Prepaid expenses & other assets, net										
Total Assets	\$ 84,438	\$ 110,977		\$ 99,596	\$ 69,144	\$ 4,500		\$ 526,763	\$ 1,375,832	\$ 1,032,026
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts and retainage payable			\$ 110,948	\$ 689	\$ 86					
Due to other funds	\$ 2,866			728				\$ 650,745		
Deferred revenue										
Other current liabilities										
Total Liabilities	2,866		110,948	1,417	86			650,745		
Fund Balances										
Nonspendable										
Prepaid expenses and other assets										
Inventories										
Spendable	81,572					\$ 4,500			\$ 1,375,832	\$ 1,032,026
Restricted				98,179	69,058			(123,982)		
Committed										
Assigned			29							
Unassigned (deficit)										
Total Fund Balances	81,572		29	98,179	69,058	4,500		(123,982)	1,375,832	1,032,026
Total Liabilities and Fund Balances	\$ 84,438	\$ 110,977		\$ 99,596	\$ 69,144	\$ 4,500		\$ 526,763	\$ 1,375,832	\$ 1,032,026

CITY OF MONROE
 Monroe, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Special Revenue Funds
 April 30, 2012

	Justice Assistance Grant	Downtown Economic Develop	Admin Economic Develop	HOME Program Loans	Repairs & Maintenance	Capital	GOHSEP- Code Enforcement	Demolition	CLG Historic Preservation
ASSETS									
Cash and cash equivalents	\$ 24,356	\$ 37,980	\$ 2,246,386	\$ 182,127	\$ 423,375	\$ 4,059,081	\$ 37,795		
Receivables						31,332			
Due from other funds									
Prepaid expenses & other assets, net				282,533		165,497			
Total Assets	\$ 24,356	\$ 37,980	\$ 2,246,386	\$ 464,660	\$ 423,375	\$ 4,255,910	\$ 37,795		
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts and retainage payable					\$ 3,442	\$ 296,923			
Due to other funds	\$ 24,356	\$ 11,432				102,514	\$ 37,795		
Deferred revenue									
Other current liabilities				\$ 8,313					
Total Liabilities	24,356	11,432		8,313	3,442	399,437	37,795		
Fund Balances									
Nonspendable									
Prepaid expenses and other assets				282,533		165,497			
Inventories									
Spendable				173,814					
Restricted									
Committed									
Assigned		26,548	\$ 2,246,386		419,933	3,690,976			
Unassigned (deficit)									
Total Fund Balances		26,548	2,246,386	456,347	419,933	3,856,473			
Total Liabilities and Fund Balances	\$ 24,356	\$ 37,980	\$ 2,246,386	\$ 464,660	\$ 423,375	\$ 4,255,910	\$ 37,795		

CITY OF MONROE
 Monroe, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Special Revenue Funds
 April 30, 2012

	Homelessness Prevention RRP	Neighborhood Stabilization	Comp Resiliency Program	Employees' Benefits	Downtown Riverfront Market	MPD K-9 Donations	PTFA - 2012	Passenger Facility Charge	Special Revenue Total
ASSETS									
Cash and cash equivalents	\$ 11,920			\$ 1,004,398		\$ 27,133	\$ 543,400	\$ 600,868	\$ 12,736,066
Receivables	35,742	\$ 303,068	58,558	31,333				86,305	1,345,498
Due from other funds			515		\$ 174				383,377
Prepaid expenses & other assets, net									513,362
Total Assets	\$ 47,662	\$ 303,068	\$ 59,073	\$ 1,035,731	\$ 174	\$ 27,133	\$ 543,400	\$ 687,173	\$ 14,978,303
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts and retainage payable	\$ 35,742	\$ 287,718	\$ 15,116		\$ 174	\$ 50			\$ 835,598
Due to other funds	356	13,092	43,957						967,151
Deferred revenue		2,258							19,918
Other current liabilities									14,682
Total Liabilities	36,098	303,068	59,073		174	50			1,837,349
Fund Balances									
Nonspendable									507,852
Prepaid expenses and other assets									
Inventories									
Spendable									
Restricted	11,564			\$ 1,035,731		27,083	\$ 543,400	\$ 687,173	6,205,975
Committed									6,551,080
Assigned									(123,953)
Unassigned (deficit)									
Total Fund Balances	11,564			1,035,731		27,083	543,400	687,173	13,140,954
Total Liabilities and Fund Balances	\$ 47,662	\$ 303,068	\$ 59,073	\$ 1,035,731	\$ 174	\$ 27,133	\$ 543,400	\$ 687,173	\$ 14,978,303

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, 2012

	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		\$ 873,265			\$ 132,049	\$ 171,442			
State grants	\$ 156,566								
Local grants									
Fees, charges and commissions for services							1,495	\$ 7,106	\$ 15,495
Fines and Forfeitures								2,200	
Use of money and property								222	
Other revenues	233								
Total Revenues	<u>156,799</u>	<u>873,265</u>			<u>132,049</u>	<u>172,937</u>	<u>9,528</u>	<u>15,495</u>	
EXPENDITURES									
Current									
General government									
Judicial									
Financial administration									
Public safety									
Police									
Fire	161,925								
Public works									
Culture and recreation									
Planning and urban development		839,169			134,423	172,937			
Economic development and assistance									
Capital outlay	31,682	34,096							
Debt service									
Debt service principle									
Debt service interest									
Total Expenditures	<u>193,607</u>	<u>873,265</u>			<u>134,423</u>	<u>172,937</u>	<u>9,528</u>	<u>15,495</u>	
Excess (deficiency) of revenues over expenditures	<u>(36,808)</u>				<u>(2,374)</u>				
Other Financing Sources (Uses)									
Transfers in									
Transfers out									
Total other financing sources (uses)									
Net changes in fund balances	<u>(36,808)</u>				<u>(2,374)</u>		<u>9,528</u>	<u>15,495</u>	
Fund balances - beginning	<u>852,714</u>	<u>\$ 18,190</u>	<u>\$ 179,833</u>	<u>\$ 10,835</u>	<u>8,946</u>	<u>107,832</u>	<u>\$ 117,360</u>	<u>\$ 145,306</u>	
Fund balances - ending	<u>\$ 815,906</u>	<u>\$ 18,190</u>	<u>\$ 179,833</u>	<u>\$ 10,835</u>	<u>\$ 5,672</u>	<u>\$ 117,360</u>	<u>\$ 145,306</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, 2012

	MPD Youth	DARE Program	Delta Fest	Diversion Program	Drug Seizure Forfeiture	Metro Share Grant	Peer Mediation	Police Salary Sales Tax	Fire Salary Sales Tax	PTFA
REVENUES										
Taxes										
Sales								\$ 3,475,831	\$ 3,475,831	
Intergovernmental										
Federal grants										
State grants		\$ 36,227	\$ 7,500							
Local grants			5,000							
Fees, charges and commissions for services			151,082	\$ 58,250						
Fines and Forfeitures					\$ 6,331			1,743	4,727	\$ 4,317
Use of money and property			4,680							
Other revenues			5,402							
Total Revenues		36,227	173,664	58,250	6,331	4,500	6,654	3,477,574	3,480,558	4,317
EXPENDITURES										
Current										
General government										
Judicial				87,120						
Financial administration										
Public safety										
Police	\$ 502	36,227			17,772		10,769	3,732,312	2,996,040	
Fire										
Public works										
Culture and recreation										
Planning and urban development			277,946							
Economic development and assistance										
Capital outlay										
Debt service										
Debt service principle										
Debt service interest										
Total Expenditures	502	36,227	277,946	87,120	23,470		10,769	3,732,312	2,996,040	
Excess (deficiency) of revenues over expenditures	(502)		(104,282)	(28,870)	(17,139)	4,500	(4,115)	(254,738)	484,518	4,317
Other Financing Sources (Uses)										
Transfers in										
Transfers out			95,483							
Total other financing sources (uses)			95,483							
Net changes in fund balances	(502)		(8,799)	(28,870)	(17,139)	4,500	(4,115)	(254,738)	484,518	4,317
Fund balances - beginning	502	81,572	8,828	127,049	86,197		4,115	130,756	891,314	1,027,709
Fund balances - ending	\$	\$ 81,572	\$ 29	\$ 98,179	\$ 69,058	\$ 4,500	\$	\$ (123,982)	\$ 1,375,832	\$ 1,032,026

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, 2012

	Justice Assistance Grant	Downtown Economic Develop	Admin Economic Develop	HOME Program Loans	Repairs & Maintenance	Capital	GOHSEP- Code Enforcement	Demolition	CLG Historic Preservation
REVENUES									
Taxes									
Sales									
Intergovernmental	\$ 35,056							\$ 18,188	
Federal grants			\$ 87,021			\$ 594,549		\$ 34,523	
State grants									
Local grants									
Fees, charges and commissions for services									
Fines and Forfeitures			10,191	7,957	2,018	9,088		25,800	
Use of money and property		\$ 7,832		764					
Other revenues									
Total Revenues	35,056	7,832	97,212	8,721	2,018	603,637		43,988	
EXPENDITURES									
Current									
General government									
Judicial					60,372	22,323			
Financial administration									
Public safety									
Police	35,056								
Fire									
Public works									
Culture and recreation						80,419			
Planning and urban development						184,667		48,687	
Economic development and assistance									
Capital outlay		5,520	120,513		48,935	241,395			
Debt service									
Debt service principle						627,793			
Debt service interest						34,193			
Total Expenditures	35,056	5,520	120,513		109,307	1,190,790	99,323	48,687	
Excess (deficiency) of revenues over expenditures		2,312	(23,301)	8,721	(107,289)	(587,153)	(64,800)	(4,699)	
Other Financing Sources (Uses)									
Transfers in						1,825,000		4,699	
Transfers out			(397,036)			(92,516)			
Total other financing sources (uses)			(397,036)			1,732,484	17,463	4,699	
Net changes in fund balances		2,312	(420,337)	8,721	(107,289)	1,145,331	(47,337)		
Fund balances - beginning		24,236	2,666,723	447,626	527,222	2,711,142	47,337		
Fund balances - ending	\$ 26,548	\$ 2,246,386	\$ 456,347	\$ 456,347	\$ 419,933	\$ 3,856,473			

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, 2012**

	Homelessness Prevention RRP	Neighborhood Stabilization	Comp Resiliency Program	Employees' Benefits	Downtown Riverfront Market	MPD K-9 Donations	PTFA - 2012	Passenger Facility Charge	Special Revenue Total
REVENUES									
Taxes									\$ 6,951,662
Sales									
Intergovernmental									
Federal grants	\$ 528,580	\$ 647,896	\$ 234,035						2,640,511
State grants									200,293
Local grants									5,000
Fees, charges and commissions for services				\$ 507,528				\$ 437,042	1,878,596
Fines and Forfeitures								490	21,826
Use of money and property						\$ 27,133	\$ 543,400		73,211
Other revenues									596,140
Total Revenues	528,580	647,896	234,035	507,528		27,133	543,400	437,532	12,367,239
EXPENDITURES									
Current									
General government									87,120
Judicial									82,695
Financial administration									
Public safety						50			3,832,688
Police									3,157,965
Fire									190,489
Public works								8,275	511,300
Culture and recreation					\$ 2,472				2,557,790
Planning and urban development	529,350	647,896	234,035						367,428
Economic development and assistance									120,411
Capital outlay									
Debt service									627,793
Debt service principle									34,193
Debt service interest									
Total Expenditures	529,350	647,896	234,035		2,472	50		8,275	11,569,872
Excess (deficiency) of revenues over expenditures	(750)			507,528	(2,472)	27,083	543,400	429,257	797,367
Other Financing Sources (Uses)									
Transfers in					2,472				1,945,117
Transfers out									(489,552)
Total other financing sources (uses)					2,472				1,455,565
Net changes in fund balances	(750)			507,528		27,083	543,400	429,257	2,252,932
Fund balances - beginning	12,314			528,203				257,916	10,888,022
Fund balances - ending	\$ 11,564			\$ 1,035,731		\$ 27,083	\$ 543,400	\$ 687,173	\$ 13,140,954

NONMAJOR DEBT SERVICE FUNDS

CITY OF MONROE
 Monroe, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Debt Service Funds
 April 30, 2012

	I-20 Economic District	Tower Dr Economic District	Police and Fire Pension	Airport Terminal	Debt Service Total
ASSETS					
Cash and cash equivalents	\$ 4,203,098	\$ 1,474,097	\$ 5,181	\$ 1,695,330	\$ 7,377,706
Receivables	895,976	248,276		8,301	1,152,553
Total Assets	<u>\$ 5,099,074</u>	<u>\$ 1,722,373</u>	<u>\$ 5,181</u>	<u>\$ 1,703,631</u>	<u>\$ 8,530,259</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Total Liabilities					
Fund Balances					
Restricted for debt service	\$ 5,099,074	\$ 1,722,373	\$ 5,181	\$ 1,703,631	\$ 8,530,259
Total Fund Balances	5,099,074	1,722,373	5,181	1,703,631	8,530,259
Total Liabilities and Fund Balances	<u>\$ 5,099,074</u>	<u>\$ 1,722,373</u>	<u>\$ 5,181</u>	<u>\$ 1,703,631</u>	<u>\$ 8,530,259</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, 2012**

	I-20 Economic District	Tower Dr Economic District	Police and Fire Pension	Airport Terminal	Debt Service Total
REVENUES					
Taxes					
Ad valorem	\$ 3,744,594	\$ 986,942		\$ 397,698	\$ 397,698
Sales	83	1,146	\$ 21	628	4,731,536
Use of money and property					1,878
Total Revenues	<u>3,744,677</u>	<u>988,088</u>	<u>21</u>	<u>398,326</u>	<u>5,131,112</u>
EXPENDITURES					
Current					
Debt service					
Debt service principle	1,440,000	505,000	335,000	380,000	2,660,000
Debt service interest	1,230,089	474,617	41,845	916,113	2,662,664
Total Expenditures	<u>2,670,089</u>	<u>979,617</u>	<u>376,845</u>	<u>1,296,113</u>	<u>5,322,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,074,588</u>	<u>8,471</u>	<u>(376,824)</u>	<u>(897,787)</u>	<u>(191,552)</u>
Other Financing Sources (Uses)					
Transfers in			365,616	400,035	765,651
Total other financing sources (uses)			<u>365,616</u>	<u>400,035</u>	<u>765,651</u>
Net changes in fund balances	1,074,588	8,471	(11,208)	(497,752)	574,099
Fund balances - beginning	4,024,486	1,713,902	16,389	2,201,383	7,956,160
Fund balances - ending	<u>\$ 5,099,074</u>	<u>\$ 1,722,373</u>	<u>\$ 5,181</u>	<u>\$ 1,703,631</u>	<u>\$ 8,530,259</u>

NONMAJOR CAPITAL PROJECTS FUNDS

CITY OF MONROE
 Monroe, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Capital Projects Funds
 April 30, 2012

	FTA Capital Grants	N. 18TH Street Extension	Tower Drive	Airport Industrial Park	Street Construction	Collection System Improvement	Water System Improvement W-1 Ph I	Fire/Drainage Improvement	Riverfront Project
ASSETS									
Cash and cash equivalents	\$ 82,642	\$ 104,713	\$ 3,880,554	\$ 315,858	\$ 914,974	\$ 859,846		\$ 542,239	\$ 161,954
Receivables									158,263
Due from other funds									
Prepaid expenses and other assets									
Total Assets	\$ 82,642	\$ 104,713	\$ 3,880,554	\$ 315,858	\$ 914,974	\$ 859,846		\$ 542,239	\$ 320,217
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts and retainage payable	\$ 82,642				\$ 190,114	\$ 75,247			\$ 234,378
Due to other funds									
Total Liabilities	82,642				190,114	75,247			234,378
Fund Balances									
Spendable									
Restricted for capital improvements		\$ 104,713	\$ 3,880,554	\$ 315,858	724,860	784,599		\$ 542,239	85,839
Unassigned (deficit)									
Total Fund Balances		104,713	3,880,554	315,858	724,860	784,599		542,239	85,839
Total Liabilities and Fund Balances	\$ 82,642	\$ 104,713	\$ 3,880,554	\$ 315,858	\$ 914,974	\$ 859,846		\$ 542,239	\$ 320,217

CITY OF MONROE
Monroe, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Funds
April 30, 2012

	Water System Improvements	Civic Center Improvements	US 165 Business Connector	Water Meter Replacement	Airport Terminal	Louisville Enhancement Phase I	Kansas Lane Connector	ARRA-Oliver Rd Widening	Ouachita Scenic Trails
ASSETS									
Cash and cash equivalents	\$ 1,423,931	\$ 3,884	\$ 97,525	\$ 1,490,279	\$ 549,894	\$ 164,708	\$ 471,008		\$ 2,814
Receivables					7,186				
Due from other funds	2,142,928				31,599				
Prepaid expenses and other assets									
Total Assets	\$ 3,566,859	\$ 3,884	\$ 97,525	\$ 1,490,279	\$ 588,679	\$ 164,708	\$ 471,008		\$ 2,814
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts and retainage payable	\$ 163,193		\$ 10,030	\$ 416,595	\$ 588,679	\$ 135,408	\$ 36,030	\$ 2,809	\$ 5
Due to other funds							429,227		
Total Liabilities	163,193		10,030	416,595	588,679	135,408	465,257		2,814
Fund Balances									
Spendable									
Restricted for capital improvements	3,403,666	\$ 3,884	87,495	1,073,684		29,300	5,751		
Unassigned (deficit)									
Total Fund Balances	3,403,666	3,884	87,495	1,073,684		29,300	5,751		
Total Liabilities and Fund Balances	\$ 3,566,859	\$ 3,884	\$ 97,525	\$ 1,490,279	\$ 588,679	\$ 164,708	\$ 471,008		\$ 2,814

CITY OF MONROE
 Monroe, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Capital Projects Funds
 April 30, 2012

	ARRA-Lamy Lane	ARRA-Washington Street	ARRA-Walnut Drive	ARRA-Riverside Drive	ARRA-Energy Efficiency BG	North Ramp Rehab & Extension	Wildlife Study/Proximity	Community Center Roof Repair
ASSETS								
Cash and cash equivalents	\$ 584	\$ 388	\$ 2,053		\$ 160,167		\$ 19,460	\$ 9,000
Receivables								
Due from other funds								
Prepaid expenses and other assets								
Total Assets	\$ 584	\$ 388	\$ 2,053		\$ 160,167		\$ 19,460	\$ 9,000
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts and retainage payable	\$ 584	\$ 388	\$ 2,053		\$ 8,008	\$ 27,997	\$ 18,321	\$ 9,000
Due to other funds					152,159	716,064	1,139	
Total Liabilities	584	388	2,053		160,167	744,061	19,460	9,000
Fund Balances								
Spendable								
Restricted for capital improvements								
Unassigned (deficit)						(744,061)		
Total Fund Balances						(744,061)		
Total Liabilities and Fund Balances	\$ 584	\$ 388	\$ 2,053		\$ 160,167		\$ 19,460	\$ 9,000

CITY OF MONROE
 Monroe, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Capital Projects Funds
 April 30, 2012

		LA 594 Turn Lanes	MLU Taxiways Rehab.	Louisville Enhancement Phase 2	Capital Projects Total
ASSETS					
Cash and cash equivalents	\$	22,870			\$ 10,380,546
Receivables		231,558	\$ 992,627		2,290,433
Due from other funds		6,199		\$ 2,514	2,151,641
Prepaid expenses and other assets					31,599
Total Assets	\$	260,627	\$ 992,627	\$ 2,514	\$ 14,854,219
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts and retainage payable	\$	260,627	\$ 924,201	\$ 2,514	\$ 2,967,964
Due to other funds			68,426		1,587,874
Total Liabilities		260,627	992,627	2,514	4,555,838
Fund Balances					
Spendable					
Restricted for capital improvements					11,042,442
Unassigned (deficit)					(744,061)
Total Fund Balances					10,298,381
Total Liabilities and Fund Balances	\$	260,627	\$ 992,627	\$ 2,514	\$ 14,854,219

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, 2012

	FTA Capital Grants	N. 18TH Street Extension	Tower Drive	Airport Industrial Park	Street Construction	Collection System Improve	Water System Improvement W-1 Ph 1	Fire/Drainage Improvement	Riverfront Project
REVENUES									
Intergovernmental									
Federal grants									\$ 189,716
State grants									19,500
Local grants									
Fees, charges and commissions for services									
Use of money and property	\$ 2,629	\$ 2,774	\$ 1,600	\$ 3,071	\$ 2,262				
Other revenues									
Total Revenues	2,629	2,774	1,600	3,071	2,262				209,216
EXPENDITURES									
Current									
Financial administration									179
Other general government	15,000			4,332					
Public works									
Culture and recreation									
Capital outlay	22,447				1,137,513			26,924	410,234
Total Expenditures	37,447			4,332	1,137,513			26,924	410,413
Excess (deficiency) of revenues over expenditures	(34,818)			(1,558)	(1,135,913)			(24,662)	(201,197)
Other Financing Sources (Uses)									
Bond proceeds									
Premium on bond sales									
Transfers in									
Transfers out					(1,000,000)				287,036
Total other financing sources (uses)					(1,000,000)				287,036
Net changes in fund balances	(34,818)	(1,558)		(179,436)	(24,662)				85,839
Fund balances - beginning	\$ 104,713	\$ 317,416	\$ 2,860,773	\$ 954,035	\$ 566,901				
Fund balances - ending	\$ 104,713	\$ 315,858	\$ 724,860	\$ 784,599	\$ 542,239				\$ 85,839

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, 2012

	Water System Improvements	Civic Center Improvements	US 165 Business Connector	Water Meter Replacement	Airport Terminal	Louisville Enhancement Phase I	Kansas Lane Connector	ARRA-Oliver Rd Widening	Ouachita Scenic Trails
REVENUES									
Intergovernmental									
Federal grants							\$ 218,048		\$ 9,859
State grants					1,398,022		197,297		
Local grants						63,300			
Fees, charges and commissions for services									
Use of money and property		\$ 11			417				
Other Revenues									
Total Revenues			11		2,179,544	340,019	415,345		9,859
EXPENDITURES									
Current									
Financial administration							12,163		
Other general government			\$ 32,400						
Public works	\$ 971,595		22,115	\$ 5,249,032	8,937,971	294,683	71,736		14,859
Culture and recreation									
Capital outlay	971,595		54,515	5,249,032	8,937,971	294,683	83,899		14,859
Total Expenditures	(971,595)		(54,515)	(5,249,032)	(6,758,427)	45,336	331,446		(5,000)
Excess (deficiency) of revenues over expenditures									
Other Financing Sources (Uses)									
Bond proceeds									
Premium on bond sales	793,953			6,256,696	1,000,000	14,564			7,062
Transfers in					(35)				(7,062)
Transfers out								\$ (264,767)	
Total other financing sources (uses)	793,953			6,256,696	999,965	14,564		(264,767)	
Net changes in fund balances	(177,642)		11	(54,515)	(5,758,462)	59,900	331,446	(264,767)	(5,000)
Fund balances - beginning	3,581,308		3,873	66,020	5,758,462	(30,600)	(325,695)	264,767	5,000
Fund balances - ending	\$ 3,403,666	\$ 3,884	\$ 87,495	\$ 1,073,684		\$ 29,300	\$ 5,751		

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, 2012

	ARRA-Lamy Lane	ARRA-Washington Street	ARRA-Walnut Drive	ARRA-Riverside Drive	ARRA-Energy Efficiency BG	North Ramp Rehab & Extension	Wildlife Study/Proximity	Community Center Roof Repair
REVENUES								
Intergovernmental								
Federal grants	\$ 744,116			\$ 639,641	\$ 160,167		\$ 56,928	
State grants							2,996	
Local grants								
Fees, charges and commissions for services								
Use of money and property								
Other Revenues								
Total Revenues	744,116			639,641	160,167		59,924	
EXPENDITURES								
Current								
General government								
Financial administration								
Other general government							59,924	
Public works								
Culture and recreation								
Capital outlay	344,506		26,226		160,167	571,158		90,002
Total Expenditures	344,506		26,226		160,167	571,158	59,924	90,002
Excess (deficiency) of revenues over expenditures	399,610		(26,226)	639,641		(571,158)		(90,002)
Other Financing Sources (Uses)								
Bond proceeds								
Premium on bond sales								
Transfers in	19,269		26,226					90,002
Transfers out				(1,546)				
Total other financing sources (uses)	19,269		26,226	(1,546)				90,002
Net changes in fund balances	418,879			638,095		(571,158)		
Fund balances - beginning	(418,879)			(638,095)		(172,903)		
Fund balances - ending				\$ (744,061)		\$ (744,061)		

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, 2012

	DeSiard Street Beautification	LA 594 Turn Lanes	MLU Taxiways Rehab.	Louisville Enhancement Phase 2	Capital Projects Total
REVENUES					
Intergovernmental					
Federal grants					\$ 3,133,533
State grants	\$ 246,950		\$ 992,627		2,780,658
Local grants					82,800
Fees, charges and commissions for services					12,764
Use of money and property					
Other Revenues					
Total Revenues	<u>246,950</u>	<u>992,627</u>			<u>6,009,755</u>
EXPENDITURES					
Current					
General government					59,924
Financial administration					27,342
Other general government					36,732
Public works					14,859
Culture and recreation	\$ 6,919	\$ 308,943	992,627	\$ 2,514	20,491,734
Capital outlay	6,919	308,943	992,627	2,514	20,630,591
Total Expenditures	<u>(6,919)</u>	<u>(61,993)</u>		<u>(2,514)</u>	<u>(14,620,836)</u>
Excess (deficiency) of revenues over expenditures					
Other Financing Sources (Uses)					
Bond proceeds					10,241,915
Premium on bond sales					387,948
Transfers in	6,919	61,993		2,514	8,566,234
Transfers out					(11,241,358)
Total other financing sources (uses)	<u>6,919</u>	<u>61,993</u>		<u>2,514</u>	<u>7,954,739</u>
Net changes in fund balances					(6,666,097)
Fund balances - beginning					16,964,478
Fund balances - ending					<u>\$ 10,298,381</u>

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Net Assets
Internal Service Funds
April 30, 2012

	Employees' Group Insurance	Central Shop	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 4,145,131		\$ 4,145,131
Inventories		\$ 44,602	44,602
Total Current assets	4,145,131	44,602	4,189,733
Noncurrent assets			
Capital assets, net of accumulated depreciation			
Land		45,000	45,000
Buildings and improvements		3,406,242	3,406,242
Furniture & Equipment		125,851	125,851
Vehicles		126,958	126,958
Accumulated depreciation		(1,341,617)	(1,341,617)
Total Noncurrent assets		2,362,434	2,362,434
Total Assets	4,145,131	2,407,036	6,552,167
LIABILITIES			
Current liabilities			
Accounts and retainage payable		39,611	39,611
Accrued liabilities	597,829		597,829
Total Current liabilities	597,829	39,611	637,440
Total Liabilities	597,829	39,611	637,440
NET ASSETS			
Restricted for insurance claims	3,547,302		
Committed for central shop operations		2,367,425	5,914,727
Total Net Assets	\$ 3,547,302	\$ 2,367,425	\$ 5,914,727

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Net Assets
Internal Service Funds
For the Year Ended April 30, 2012

	Employees'	Central Shop	Total
	Group	Central Shop	Total
	Insurance	Central Shop	Total
Operating revenues			
Charges for Services	\$ 7,866,519	\$ 1,243,082	\$ 9,109,601
Total operating revenues	7,866,519	1,243,082	9,109,601
Operating expenses			
Benefits paid to participants	7,681,754		7,681,754
Salaries, wages, and benefits		812,167	812,167
Materials, repairs, and supplies		12,802	12,802
Utilities and communications		32,334	32,334
Depreciation and amortization		95,934	95,934
Shop expenses		727,833	727,833
Other operating expenses		22,497	22,497
Total operating expenses	7,681,754	1,703,567	9,385,321
Operating income (loss)	184,765	(460,485)	(275,720)
Nonoperating revenues (expenses)			
Interest income	330		330
Total nonoperating revenues (expenses)	330		330
Income (loss) before contributions and transfer	185,095	(460,485)	(275,390)
Other Financing Sources (Uses)			
Transfers in		368,458	368,458
Total other financing sources (uses)		368,458	368,458
Change in net assets	185,095	(92,027)	93,068
Total net assets - Beginning	3,362,207	2,459,452	5,821,659
Total net assets - Ending	\$ 3,547,302	\$ 2,367,425	\$ 5,914,727

CITY OF MONROE
Monroe, Louisiana
Proprietary Fund Type - Internal Service Funds
Combining Schedule of Cash Flows
For the Year Ended April 30, 2012

	Employees' Group Insurance	Central Shop	Total
Cash flows from operating activities			
Cash received from customers	\$ 7,866,520	\$ 1,243,082	\$ 9,109,602
Cash payments to suppliers for goods and services	(7,972,064)	(799,373)	(8,771,437)
Cash payments to employees for services and benefits		(812,167)	(812,167)
Net cash provided by (used for) operating activities	(105,544)	(368,458)	(474,002)
Cash flows from noncapital financing activities			
Transfers in		368,458	368,458
Net cash provided by noncapital financing activities		368,458	368,458
Cash flows from capital and related financing activities			
Interest income	330		330
Net cash provided by (used for) financing activities	330		330
Net increase (decrease) in cash and cash equivalents	(105,214)		(105,214)
Cash and cash equivalents, May 1, 2011	4,250,345		4,250,345
Cash and cash equivalents, April 30, 2012	\$ 4,145,131		\$ 4,145,131
Reconciliation of operating income to net cash provided by (used for) operating activities			
Operating Income (loss)	\$ 184,765	\$ (460,485)	\$ (275,720)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation		95,934	95,934
Changes in assets and liabilities			
Accounts receivable	(290,309)		(290,309)
Inventories		(5,043)	(5,043)
Accounts payable		6,834	6,834
Due to other funds		(5,698)	(5,698)
Net cash provided by (used for) operating activities	\$ (105,544)	\$ (368,458)	\$ (474,002)

OTHER MISCELLANEOUS SCHEDULES

CITY OF MONROE
Monroe, Louisiana

**SCHEDULE OF ASSESSED VALUATION
AND AD VALOREM PROPERTY TAX LEVY
FOR THE 2011 TAX ROLL**

Assessed Valuation	\$ 387,637,647
Tax Rate per thousand dollars (Mills)	27.15
Gross Tax Levy	\$ 10,524,362
Plus: Adjustments	222,230
Adjusted Tax Levy	\$ 10,746,592
Tax Collected	
2011 Tax Roll	\$ 10,439,366
Prior Years Tax Rolls	161,842
Total	\$ 10,601,208

ALLOCATION OF TAXES COLLECTED	<u>MILLS</u>	
General Fund	10.65	\$ 4,140,685
Recreation Center Maintenance	1.88	730,404
Public Safety	1.06	411,647
Drainage Maintenance	1.31	509,795
City Court Bonds		19
Civic Center Complex	2.50	972,114
Louisiana Purchase Gardens & Zoo	2.50	972,114
Capital Improvements	3.25	1,263,433
Police Department	1.50	582,644
Fire Department	1.50	582,642
Airport Improvements	1.00	389,396
Grasscutting Collections	-	29,650
Demolition Collections	-	16,665
Total	<u>27.15</u>	<u>\$ 10,601,208</u>

GENERAL BONDED DEBT SUPPORTED BY TAX LEVY

Airport	\$ 18,210,000
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PERCENT OF BONDED DEBT TO ASSESSED VALUATION 4.70%

CITY OF MONROE
 Monroe, Louisiana
SCHEDULE OF TAXES RECEIVABLE
 AS OF APRIL 30, 2012

Tax Year	Balance at April 30, 2011 (gross)	2011 Tax Roll	Supplemental Assessments	Cancellations And Other Adjustments	Collections	Balance at 4/30/12	Allowance For Uncollectible Taxes	Estimated Collectible Taxes at 4/30/12
2003	\$ 1,476			\$ (1,373)	\$ (103)	\$ -	\$ -	\$ -
2004	22,983			(22,942)	(41)	-	-	-
2005				201	(201)	-	-	-
2006	2,766				(252)	2,514	(2,489)	25
2007	56,346				(386)	55,960	(53,162)	2,798
2008	18,307				(4,794)	13,513	(12,162)	1,351
2009	115,528				(11,073)	104,455	(94,010)	10,445
2010	430,730				(144,992)	285,738	(228,590)	57,148
2011		\$ 10,524,362	\$ 148,458	73,772	(10,439,366)	307,226	(153,613)	153,613
Totals	\$ 648,136	\$ 10,524,362	\$ 148,458	\$ 49,658	\$ (10,601,208)	\$ 769,406	\$ (544,026)	\$ 225,380

ALLOCATION OF FUNDS

General Fund Enterprise Funds:	Balance at April 30, 2011 (net)	Balance at April 30, 2012 (net)	Applicable Millages at 4/30/12	Applicable Millages as % of Total Millages
Airport	\$ 182,992	\$ 175,572	21.15	77.90%
Civic Center	8,652	8,301	1.00	3.68%
L.a. Purchase Gardens & Zoo	21,630	20,753	2.50	9.21%
Totals	\$ 234,904	\$ 225,380	27.15	100.00%

CITY OF MONROE
 Monroe, Louisiana
 Schedule of Insurance
 April 30, 2012
 (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	4/7/2013
		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	
James Rivers Insurance Co	Black Bayou	Non-owned Aircraft liability limit	10,000		7/30/2012
		General Aggregate	2,000,000	5,000	
		Products included			
		Personal Injury	1,000,000		
		Each Occurrence	1,000,000		
Allianz Global Corporate & Speciality	Communication Tower	Fire Damage	50,000		10/28/2012
		Fire, Vandalism, Explosion, & Collapse	191,435	1,000	
Scottsdale Insurance Company	Chennault Park & Golf Course	5000/lightning			5/23/2012
		General liability			
		General Aggregate	2,000,000		
		Prod/Comp Ops Aggregate	2,000,000		
		Personal & advertising injury	1,000,000	500	
Great Amer. Insurance Co.	Golf Carts/Equipment	Each occurrence	1,100,000	500	6/12/2012
		Medical Payments	5,000		
		Commercial Inland Marine	445,813	500	
St. Paul's Travelers	Employees @various locations	Dishonesty Bond	100,000		until cancelled
		Surety bond coverage as secretary-treasurer and tax collector of the City of Monroe & Ouachita Parish Police Jury, respectively	50,000	N/A	
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	4/1/2013
		Surety bond as collector of the City of West Monroe	50,000	N/A	

CITY OF MONROE
 Monroe, Louisiana
 Schedule of Insurance
 April 30, 2012
 (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	4/1/2013
St. Paul Surety	David Barnes	Surety bond as tax collector for Town of Richwood & Town of Sterlington	100,000	N/A	4/1/2013
Liberty Mutual	Various Bldgs.	Blanket Real Property Blanket Personal Property Blanket Extra Expense	71,804 10,736,975 500,000	10,000	1/15/2013
Travelers	Monroe Civic Center	Blanket Building Coverage	45,082,220	5,000	8/16/2012
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	3/1/2013
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		8/20/2012
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	10/1/2012
ACE American Insurance Company	Excess Workers Comp & Employers Liability	Each Accident Each Employee or Disease Employer's Liability Insurance Including Stop Gap	Statutory Statutory 1,000,000		5/1/2012
Western World	Fire Department Mobile Unit	Self-insured Retention per occurrence Combined Liability	1,000,000	1,000,000	8/21/2012

CITY OF MONROE
 Monroe, Louisiana
 Schedule of Insurance
 April 30, 2012
 (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		8/21/2012
Great American Insurance	Fire Department Mobile Unit	Liability	33,574	500	8/21/2012
Capitol Specialty Insurance Corp	Welcome to Monroe Sign	General Liability General Aggregate Limit Each Occurrence Limit Medical Expense Limit	2,000,000 1,000,000 5,000		1/24/2013
Lloyd's, London	Cooley House	Building	200,000		8/15/2012
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		2/25/2013
Traveler's	Airport Terminal - New Construction	Builder's Risk - Monroe Airport Basic Limit of Coverage Flood Limit of Insurance Flood Annual Aggregate Temporary Storage Limit Transit Limit Maximum amount of payment	\$6,889,598 100,000 100,000 100,000 100,000 \$6,889,598	10,000 10,000	8/16/2012

CITY OF MONROE
Monroe, Louisiana

SCHEDULE OF LONG-TERM OBLIGATIONS
FOR THE YEAR ENDED APRIL 30, 2012

	Issue Dates	Interest Rates	Original Amount	Balance April 30, 2011	Issued	Retired	Balance April 30, 2012	Principal Maturity Schedule For Future Years
GOVERNMENTAL ACTIVITIES								
Tax Increment Bonds:								
	Tower Drive	2007	4.375% - 5.00%	\$ 11,770,000	\$ 9,705,000	\$ 505,000	\$ 9,200,000	\$525,000 - \$930,000 to March 1, 2025
	I-20 Development Series 2011	2011	2.00% - 5.00%	10,000,000	-	10,000,000	245,000	\$625,000 - \$935,000 to March 1, 2025
	Total Tax Increment Bonds			21,770,000	9,705,000	10,000,000	18,955,000	
Certificates of Indebtedness:								
	Certificates of Indebtedness-Civic Center Roof	2004C	3.75%	2,550,000	950,000	305,000	645,000	\$315,000 - \$330,000 to April 2014
	Total Certificates of Indebtedness			2,550,000	950,000	-	305,000	645,000
Sales Tax Bonds:								
	Series 2002 (Streets/Sewer)	2002	4.70% - 7.00%	26,000,000	10,870,000	9,955,000	915,000	\$870,000 - \$1,335,000 to July 1, 2026
	Series 2002A (Fire/Drainage)	2002A	4.625% - 4.80%	15,000,000	14,055,000	13,905,000	150,000	\$150,000 - \$1,835,000 to July 1, 2027
	Series 2003 (Streets)	2003	3.50% - 5.50%	22,400,000	18,160,000	715,000	17,445,000	\$750,000 - \$1,725,000 to July 1, 2028
	Series 2006	2006	3.45%	3,000,000	2,785,000	115,000	2,670,000	\$120,000 - \$205,000 to July 1, 2028
	Series 2011	2011	2.00% - 5.00%	9,580,000	-	9,580,000	9,580,000	\$105,000 - \$1,320,000 to July 1, 2020
	Deferred Amount of Refunding	2011		(380,123)	-	(380,123)	63,354	(316,769)
	Series 2011A	2011	3.19%	14,690,000	-	14,690,000	14,690,000	\$25,000 - \$1,780,000 to July 1, 2027
	Deferred Amount of Refunding	2011		(822,735)	-	(822,735)	137,123	(685,612)
	Total Sales Tax Bonds			89,467,142	45,870,000	23,067,142	24,890,477	44,447,619
Refunding Bonds:								
	Series 1998A (Fire and Police Pension)	1998	5.05%	7,565,000	690,000	335,000	355,000	\$355,000 to March 1, 2013
	Series 2007A	2007	4.002%	29,340,000	25,865,000	1,225,000	24,640,000	\$1,265,000 - \$3,280,000 to July 2026
	Deferred Amount of Refunding	2007		(1,290,626)	(430,210)	-	215,104	(215,106)
	Series 2008 I-20 Development	2008	4.00% - 5.50%	26,365,000	22,410,000	1,195,000	21,215,000	\$1,245,000 - \$2,145,000 to March 1, 2025
	Deferred Amount of Refunding	2008		(1,462,775)	(835,871)	-	208,968	(626,903)
	Total Refunding Bonds			60,516,599	47,698,919	-	3,179,072	45,367,991
Utility Revenue Bonds:								
	Series 2001 - DEQ (Sewer)	2001	3.95%	24,500,000	17,728,337	1,085,060	16,643,277	A \$1,240,000 - \$1,905,000 to June 30, 2023
	Series 2003 - DEQ (Sewer)	2003	3.95%	10,000,000	7,335,000	445,000	6,890,000	\$460,000 - \$710,000 to June 1, 2023
	Series 2005 DEQ	2005	3.95%	11,000,000	8,078,198	420,000	7,658,198	\$435,000 - \$775,000 to July 1, 2027
	Series 2008 DEQ	2008	0.95%	14,000,000	7,630,417	661,915	7,652,332	\$645,000 - \$765,000 to July 1, 2030
	Total Utility Revenue Bonds			59,500,000	40,771,952	661,915	2,590,060	38,843,807
Airport Revenue Bonds:								
	Series 2009 Airport Bonds	2009	3.00% - 5.5%	19,250,000	18,590,000	380,000	18,210,000	\$410,000 - \$1,280,000 to February 1, 2039
	Total Airport Revenue Bonds			19,250,000	18,590,000	-	380,000	18,210,000
Other:								
	Claims and Judgments			-	7,554,804	780,206	257,583	8,077,427
	Capital Leases			-	1,973,496	179,801	237,443	1,915,854
	Notes payable	2007	4.75%-7.30%	-	1,114,804	-	627,793	487,011
	Accrued Vacation and Sick Pay			-	5,797,826	2,059,248	2,035,360	5,821,714
	Other post employment benefits			-	6,507,233	3,799,718	1,474,711	8,832,240
	Total Other			-	22,948,163	6,818,973	4,632,890	25,134,246
TOTAL GOVERNMENTAL ACTIVITIES				<u>253,053,741</u>	<u>186,534,034</u>	<u>40,548,030</u>	<u>36,727,499</u>	<u>191,603,663</u>
SEWER DEPARTMENT								
Utility Revenue Bonds:								
	Series 2001 - DEQ	2001 A	3.95%	2,500,000	2,086,663	109,940	1,976,723	A Sec Amortization above 2001 - DEQ
	Total Sales Tax Bonds			2,500,000	2,086,663	-	109,940	1,976,723
ALL DEPARTMENTS								
Other:								
	Accrued Vacation and Sick Pay			-	1,110,123	962,861	928,646	1,144,338
TOTAL BUSINESS TYPE ACTIVITIES				<u>\$ 2,500,000</u>	<u>\$ 3,196,786</u>	<u>\$ 962,861</u>	<u>\$ 1,038,586</u>	<u>\$ 3,121,061</u>

(A) These two are the same \$27,000,000 issue. The \$2,500,000 is recorded directly on the Sewer Departments books and the \$24,500,000 is recorded as general government debt. All are payable from Sales Tax.

**CITY OF MONROE
REQUIRED SUPPLEMENTARY INFORMATION**

**OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS**

Fiscal Year Ending	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/12	01/05/11	\$ -	\$ 48,477,341	\$ 48,477,341	0.0%	\$ 34,503,980	140.5%
04/30/11	05/01/10	\$ -	\$ 44,820,027	\$ 44,820,027	0.0%	\$ 34,605,308	129.5%
04/30/10	05/01/09	\$ -	\$ 42,612,377	\$ 42,612,377	0.0%	\$ 34,098,928	125.0%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
04/30/12	\$ 3,799,718	\$ 1,474,711	38.81%	\$ 8,832,240
04/30/11	\$ 3,688,586	\$ 1,474,711	39.98%	\$ 6,507,233
04/30/10	\$ 1,592,205	\$ 1,017,776	63.92%	\$ 5,052,605

**CITY OF MONROE
Monroe, Louisiana**

SUPPLEMENTAL INFORMATION SCHEDULES

As of and For the Year Ended April 30, 2012

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, 2012

	<u>District</u>	<u>Compensation</u>
Jay Marx-Chairman	1	\$ 18,000.00
Gretchen Ezernack	2	12,000.00
Arthur Gilmore	3	11,076.00
Ellen N. Hill	3	3,784.00
Robert Stevens	4	11,076.00
Glenda Smith-Starr	4	3,784.00
Eddie Clark-Vice Chairman	5	12,000.00
		<u>\$ 71,720.00</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
Phillip A. Ragsdale, CPA
David Ray Soignier, CPA, MBA

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

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 the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information for the City of Monroe (the City) as of and for the year ended April 30, 2012 which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal over financial reporting that we consider to be material weaknesses, as described above.

City of Monroe
Monroe, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings and Questioned Costs as finding 12-01.

We noted certain other matters that we reported to management of the City of Monroe in a separate letter dated October 31, 2012.

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

This report is solely for the information and use of management, City Council, 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.

Steffy Huffman, CPA, CFE, SCS

(A Professional Accounting Corporation)

October 31, 2012

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

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

City of Monroe
Monroe, Louisiana

Compliance

We have audited the compliance of the City of Monroe (the City) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended April 30, 2012. The City's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended April 30, 2012.

City of Monroe
Monroe, Louisiana

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Huffman, Hoffman, Reynolds, & Squires

(A Professional Accounting Corporation)

October 31, 2012

City of Monroe, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended April 30, 2012

Federal Grantor / Pass-Through Grantor / Program Title	CFDA No.	Pass-Through Grant Number	Federal Expenditures
U. S. Department of Housing and Urban Development			
Direct:			
Community Development Block Grant - 2009			
Community Development Block Grant - 2010	14.218	N/A	\$ 87,021
Community Development Block Grant - 2011	14.218	N/A	511,493
CDBG Subtotal	14.218	N/A	<u>274,751</u>
			<u>873,265</u>
Home Investment Partnership Grant - 2010			
Home Investment Partnership Grant - 2011	14.239	N/A	114,928
Home Investment Partnership Grant Subtotal	14.239	N/A	<u>56,514</u>
			<u>171,442</u>
Pass-Through Programs:			
LA Dept of Social Services/Office of Community Services:			
Emergency Shelter Grants Program - 2009	14.231	679215	35,256
Emergency Shelter Grants Program - 2010	14.231	698351	96,793
Emergency Shelter Grants Program Subtotal			<u>132,049</u>
LA Dept of Social Services/Office of Community Services:			
Homeless Prevention Rapid Rehousing Program	14.257	685502	528,580
LA Housing Finance Agency:			
Neighborhood Stabilization Program	14.228	HD09	647,896
State of LA Div of Administration/OCD/DRU:			
Comprehensive Resiliency Pilot Program-CAT 1	14.218	6972 69	192,251
Comprehensive Resiliency Pilot Program-CAT 2	14.218	6991 07	41,784
			<u>2,587,267</u>
U. S. Department of Justice			
Direct:			
Office of Justice Program (JAG)-10	16.738	N/A	11,270
Office of Justice Program (JAG)-11	16.738	N/A	23,786
ARRA: COPS Oriented Policing Services: COPS Hiring Recovery Program	16.710	N/A	395,616
Total Department of Justice			<u>430,673</u>
U. S. Department of Transportation			
Direct:			
Airport Improvement Program:			
ARRA-Airport Terminal- Construct Terminal Building, Phase II	20.106	N/A	783,005
Airport Terminal- Construct Term. Blding, Ph III; ARFF & Wildlife	20.106	N/A	55,028
MLU Rehab Runway 14/32; Rehab Taxiway C: Remove Obstructions	20.106	N/A	1,965,575
Federal Transit Authority Program:			
ARRA- FTA Program: Capital- (Bus, Signs, Shelters, Renovate Admin)	20.507	N/A	111,154
FTA Program: 2009 Earmark	20.507	N/A	9,342
FTA Program: Capital, Operating and Planning	20.507	N/A	8,397
FTA Program: Capital, Operating Assistance for FY 09	20.507	N/A	89,401
FTA Program: Operating and Capital Assistance 2010	20.507	N/A	1,064,497
FTA Program: Bus Service for Transportation to Jobs (Job Access_Reverse Commute)	20.507	N/A	467,311
FTA Program: Bus Service for Transportation to Jobs (Job Access_Reverse Commute)	20.507	N/A	60,343
Pass-Through Programs:			
LA Recreation Trails/Office of State Parks/Dept of Culture, Recreation & Tourism:			
Recreational Trails Program: Ouachita River Scenic Overlook & Trails Project	20.219	08LRT-OCH-0101	9,859
LA Highway Safety Commission:			
State and Community Highway Safety	20.600	2011-30-66	10,076
Highway Planning and Construction	20.205	2011-30-66	1,426
Alcohol Impairment Driving Countermeasures Incentive Grant	20.601	2011-30-66	6,586
Alcohol Open Container Requirements	20.607	2011-30-66	10,627
State and Community Highway Safety	20.600	2012-30-46	34,409
Highway Planning and Construction	20.205	2012-30-46	15,001
State Traffic Safety Info. Sys. Improvement Grants- LA Crash	20.610	2012-40-10-01	26,426

City of Monroe, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2012

Federal Grantor / Pass-Through Grantor / Program Title	CFDA No.	Pass-Through Grant Number	Federal Expenditures
LA Dept of Transportation and Development:			
Public Transportation New Freedom Program Capital Assistance Program for the Urbanized Area	20.521	741-37-0123	7,200
Kansas Lane Connector	20.205	700-37-0125	218,049
Highway Planning and Construction- Louisville Ave. Corridor Enhancement, Phase I	20.205	H.000159	276,718
ARRA- Highway Planning and Construction-Washington St.	20.205	742-37-0026	670,095
Highway Planning and Construction-Washington/ Surface Transportation Program(STP)<200	20.205	742-37-0026	74,021
ARRA- Highway Planning and Construction-Riverside Dr.	20.205	742-37-0027	639,641
Highway Planning & Construction : Garrett @ LA 594 Turning Lanes	20.205	742-37-0030	246,950
Total Department of Transportation			<u><u>6,861,137</u></u>
 <u>U. S. Department of Energy</u>			
Direct:			
ARRA- Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	N/A	160,167
 <u>Environmental Protection Agency</u>			
Pass-Through Programs:			
Louisiana Department of Environmental Quality:			
Capitalization Grants for Clean Water State Revolving Funds	66.458	N/A	661,915
Total Environmental Protection Agency			<u><u>661,915</u></u>
 <u>U. S. Department of Homeland Security</u>			
Direct:			
Assistance to Firefighters Grant- Staffing for Adequate Fire & Emergency Response (SAFER)	97.044	N/A	102,152
Assistance to Firefighters Grant- Prevention & Safety-Vehicle Exhaust Systems	97.044	N/A	130,225
Assistance to Firefighters Grant- Prevention & Safety- Radios	97.044	N/A	79,660
Transportation Security Administration	97.090	N/A	139,650
 Pass-Through Programs:			
LA Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP):	97.067	2010-SS-T0-0043	3,967
Hazard Mitigation Grant- Statewide Generator Program	97.039	1603-022-0003	310,800
Total U. S. Department of Homeland Security			<u><u>766,454</u></u>
 <u>U.S. Department of the Interior- National Park Service</u>			
Pass-Through Programs:			
LA Division of Historic Preservation/Office of Cultural Dev./Dept of Culture, Recreation & Tourism:			
Historic Preservation Fund Grants-In-Aid- Cooley House Electrical Wiring System Rehabilitation	15.904	10-HP-08	17,500
Historic Preservation Fund Grants-In-Aid- Dev of Design Guidelines for the COM's Historic Districts	15.904	10-HP-11	689
Total U.S. Depart of the Interior- National Park Service			<u><u>18,189</u></u>
 <u>U.S. Department of Health and Human Services</u>			
Pass-Through Programs:			
Jefferson Parish Sheriff's Office/West Monroe Police Department:			
Drug-Free Communities Support Program- High Intensity Drug Trafficking Area (HIDTA)	93.276	G11GC0001A	33,554
Office of National Drug Control Policy-High Intensity Drug Trafficking Area (HIDTA)	93.276	G12GC0001A	17,702
Total U.S. Department of Health and Human Services-Office of National Drug Policy			<u><u>51,256</u></u>
 Total Federal Expenditures			 \$ <u><u>11,537,057</u></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, 2012

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, 2012. 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 \$329,045 at April 30, 2012.

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, 2012:

	Federal Awards	Nonoperating Revenues - Operating Grants	Other Financing Sources	Total
Revenues				
General Fund	\$ 1,178,227	\$ -	\$ -	\$ 1,178,227
Special Revenue Funds	2,640,513	-	-	2,640,513
Capital Projects Funds	5,099,108	-	661,915	5,761,023
Enterprise Funds	-	1,817,645	-	1,817,645
Total per Financial Statements	<u>8,917,848</u>	<u>1,817,645</u>	<u>661,915</u>	<u>11,397,408</u>
Plus Expense Reimbursements	<u>139,650</u>	<u>-</u>	<u>-</u>	<u>139,650</u>
Total per Schedule of Expenditures of Federal Awards	<u>\$ 9,057,498</u>	<u>\$ 1,817,645</u>	<u>\$ 661,915</u>	<u>\$ 11,537,058</u>

CITY OF MONROE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED APRIL 30, 2012

Note 5 - Funds Provided to Subrecipients

Of the Federal expenditures presented on this schedule, the City provided \$1,313,210 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, 2012

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, 2012

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.228	Neighborhood Stabilization Program
20.106	Airport Improvement Program
20.205	Highway Planning and Construction
66.458	Capitalization Grants for Clean Water Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs was \$346,112

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*:

12-01 Sewer Fund Deficits

First Reported – 2011

Finding

- 1) For the year ended April 30, 2012, the Sewer Fund owed the General Fund more than \$5.1 million. This was a \$1.4 million increase from the previous year. The General Fund has been advancing the Sewer Fund monies to cover its operating deficits. Therefore, operating revenues are not sufficient to cover operating expenses. This matter needs to be addressed immediately.

If the Sewer Fund does not repay the \$5.1 million in the near future, the General Fund will have to transfer this amount to the Sewer Fund resulting in a decline in the fund balance of the General Fund in the amount of \$5.1 million.

CITY OF MONROE
Monroe, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2012

- 2) In addition, bond covenants Section 4.2, Rate Covenant and Section 4.3, Annual Review of User Fees require Sewer Fund operating revenues to be sufficient to pay reasonable and necessary expenses of operating and maintaining the system in each fiscal year. With the amounts due the General Fund increasing over the years the City is not in compliance with the bond covenant.

Recommendation

We recommend creation and implementation of 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. We also recommend 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.

Management's Corrective Action Plan

- 1) The City will present to the City Council in November an increased rate structure for sewer fees. Only the Council has the authority to set rates. In addition to increased rates, the City will immediately transfer \$2.5 million to reduce the deficit by almost half. Also, the City will transfer amounts as needed, to supplement the additional revenue from the rate increase sufficient to eliminate the deficit over the next three years.
- 2) Subsequent to year end, the city refunded DEQ loans 1-4, with a combined outstanding balance of \$31,006,535. The new \$32,000,000 sales tax bonds are issued at 2.89% with no extension of the repayment time.

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, 2012

11-01 Utilities Operations Division

Recommendation

It was recommended that the City of Monroe produce and strictly adhere to written policies with regard to their Utilities Operations Division to ensure that customers are not permitted to continue consuming City services once it becomes apparent that the customer does not intend to pay for such usage. Also suggested was regular review and reconciliation of all reports to ensure that customer accounts are managed in a consistent and timely manner. In addition it was suggest that any customer found to have turned their water service back on after it was turned off by City personnel be prosecuted for theft of City property.

Status

Resolved in accordance with prior year corrective action plan.

11-02 Water Distribution Division

Recommendation

A recommendation was made that the City of Monroe incorporate and strictly adhere to written policies with regard to their Water Distribution Division to ensure that customers are not permitted to continue consuming City water once it is determined that the customer does not intend to pay for such usage and that these policies clearly define in what order work orders will be processed and define a maximum amount of time within which a work order will be processed. Regular review and reconciliation of a report of all work orders scheduled and completed during the period would ensure that work orders are managed in a consistent and timely manner.

Status

Resolved in accordance with prior year corrective action plan.

11-03 Notification of Misappropriations

Recommendation

It was noted that the City of Monroe should communicate to the District Attorney and Legislative Auditor any knowledge of misappropriations of public funds or assets in accordance with state law.

Status

Resolved in accordance with prior year corrective action plan.

CITY OF MONROE
Monroe, Louisiana
Summary Status of Prior Year Findings and Questioned Costs
For the Year Ended April 30, 2012

11-04 Sewer Fund Deficits

Recommendation

The creation and implementation of a plan for the Sewer Fund to operate independently of the General Fund and repay monies owed to the General Fund was recommended. Detailed analysis of both operating revenues and expenses was suggested including, but not limited to, sewer rate charges.

Status

Partially resolved – refer to Finding 12-01.

11-05 Community Development Division

A. Monitoring of Subrecipients of HUD Programs

Recommendation

It was recommended that management ensure that all facets of subrecipient monitoring are completed as outlined in the Annual Action Plan.

Status

Resolved in accordance with prior year corrective action plan.

B. Timely Reporting Related to CDBG Program

Recommendation

A recommendation was made that management ensure that all reports are submitted in a timely manner and any findings be addressed and resolved immediately.

Status

Resolved in accordance with prior year corrective action plan.

C. Commitment of Federal Funds

Recommendation

Management was advised to ensure that all federal funds are handled in a manner consistent with regulations.

CITY OF MONROE
Monroe, Louisiana
Summary Status of Prior Year Findings and Questioned Costs
For the Year Ended April 30, 2012

Status

Resolved in accordance with prior year corrective action plan.

D. Segregation of Duties

Recommendation

It was recommended that all bids be advertised and processed through the City of Monroe Purchasing Department and that local, state and federal regulations be followed with regards to the CDBG and HOME program activities.

Status

Resolved in accordance with prior year corrective action plan.

E. CDBG Citizen's Participation Plan

Recommendation

Management should ensure that all facets of the Citizen's Participation Plan are followed including conducting meetings monthly and taking appropriate action upon the absence of members.

Status

Resolved in accordance with prior year corrective action plan.

Management Letter

Cell Phone Usage

Recommendation

It was suggested that employees be required to reimburse the City for any overages incurred to avoid constitutionally prohibited donation of public funds and that periodic reviews of plans to ensure the plans are adequate for employees to conduct official City business.

Status

Resolved in accordance with prior year corrective action plan.

Airport Leases

Recommendation

We were advised that the City of Monroe incorporate and strictly adhere to written policies with regard to their Airport lease management.

CITY OF MONROE
Monroe, Louisiana
Summary Status of Prior Year Findings and Questioned Costs
For the Year Ended April 30, 2012

Status

Resolved in accordance with prior year corrective action plan.

Payroll Fraud

Recommendation

It was noted that the Sewer Manager continue to aggressively deal with any violations he encounters and that all employees should be reminded of the consequences they will face if they violate any laws, regulations or City policies.

Status

Resolved in accordance with prior year corrective action plan.

Employee Theft

Recommendation

A review by the Director of Tax and Revenue was recommended to ensure that separation of duties is maintained so that the person receiving and recording payments of fines is not authorized to void transactions.

Status

Resolved in accordance with prior year corrective action plan.

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

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

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, 2012. Compliance with the requirement of laws and regulations applicable to its passenger facility charge program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 passenger facility charge 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.

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, 2012.

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 the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control compliance in accordance with the Guide.

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

This report is intended 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.

Huffman, Huffman, Roydale, & Sengstack

(A Professional Accounting Corporation)

October 31, 2012

PFC Revenue and Disbursement Schedule
Monroe Regional Airport
For the Year Ended April 30, 2012

	<u>FY-11</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>	<u>FY-12</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>	
Revenue							
Collections	\$ 2,894,131	\$ 119,795	\$ 105,188	\$ 113,757	\$ 91,503	\$ 430,243	\$ 3,324,374
Interest, net of service charges	48,484	70	46	114	191	421	48,905
Total Revenue, net of service charges	<u>2,942,615</u>	<u>119,865</u>	<u>105,234</u>	<u>113,871</u>	<u>91,694</u>	<u>430,664</u>	<u>3,373,279</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						1,376,573
Application 08-03-C-00-MLU-002	28,129			8,206		8,206	36,335
Total Disbursements	<u>2,764,205</u>			<u>8,206</u>		<u>8,206</u>	<u>2,772,411</u>
Net PFC Revenue	<u>178,410</u>	<u>119,865</u>	<u>105,234</u>	<u>105,665</u>	<u>91,694</u>	<u>422,458</u>	<u>600,868</u>
PFC Account Balance (cash basis)	\$ <u>178,410</u>	\$ <u>298,275</u>	\$ <u>403,509</u>	\$ <u>509,174</u>	\$ <u>600,868</u>	\$ <u>600,868</u>	\$ <u>600,868</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, 2012, 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.

During the course of our audit we became aware of certain instances of non-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, 2012 on the financial statements of the City.

MISAPPROPRIATION OF ASSETS

(All of the items discussed below were discovered by City of Monroe personnel)

Comments:

1. At the Monroe Civic Center, \$958 in concessions proceeds from an event which took place from March 2 thru March 4, 2012 is unaccounted for. The case was turned over to the Monroe Police Department who determined that there was not sufficient evidence to bring charges against anyone.
2. An employee of the Utilities Operations department had water service at his residence disconnected for non-payment. He then turned the water back on and consumed resources without payment. Upon discovery, the employee was terminated and all associated funds were recovered.
3. In October 2011, it was discovered that an employee in the Taxation and Revenue department was stealing cash using voided transactions (\$498). The employee was terminated, subsequently arrested, and has made partial restitution.

4. Subsequent to year end, a parking attendant at the Monroe Regional Airport had his employment terminated when it was determined that he had apparently misappropriated parking lot fees. In an attempt to hide the thefts, the employee altered documentation of parking lot activities on shifts he worked during the calendar year 2012, as well as shifts he worked during the calendar year 2011. The Monroe Police Department was notified and the individual was arrested and charged with felony theft and malfeasance in office. A total amount stolen could not be determined and the case is still under investigation.

Recommendation:

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.

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 strengthen its internal controls and processes so that such instances are detected in a timely manner.

Huffay, Huffman, Reynolds & Squires

(A Professional Accounting Corporation)

October 31, 2012