

# ANNUAL FINANCIAL REPORT

CITY OF MONROE, LOUISIANA



For The Year Ended  
April 30, 2016



**City of Monroe  
Monroe, Louisiana**

**ANNUAL FINANCIAL REPORT**

**For The Year Ended  
April 30, 2016**

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**City of Monroe  
Monroe, Louisiana**

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Monroe, Louisiana**

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**City of Monroe  
Monroe, Louisiana**

**Independent Auditor's Report**

**City of Monroe  
Monroe, Louisiana**

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## INDEPENDENT AUDITOR'S REPORT

Council Members and Honorable Mayor Mayo  
City of Monroe  
Monroe, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe, Louisiana (the City), as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe, Louisiana as of April 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress of Other Post Employment Benefit Plan, Schedule of Other Post Employment Benefit Plan Employer Contributions, Schedule of Proportionate Share of Net Pension Liability, Schedule of Employer Contributions to Pension Plans and the Budgetary Comparison Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

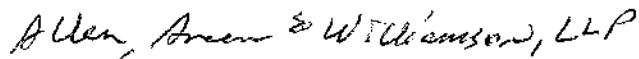
The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative

Requirements, Cost Principles, and Audit Requirements for Federal Awards, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated October 31, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
October 31, 2016

**City of Monroe  
Monroe, Louisiana**

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**City of Monroe  
Monroe, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A)**

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Monroe, Louisiana**

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**City of Monroe  
Monroe, Louisiana**

**REQUIRED SUPPLEMENTARY INFORMATION:**

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS (MD&A)**

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**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2016**

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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 for the fiscal year ended April 30, 2016. 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. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. Please read it in conjunction with the City's financial statements which follow this Management's Discussion and Analysis. Amounts are presented in millions unless otherwise noted.

In fiscal year 2016, the City adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement establishes standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.
- *Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.* amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

The adoption of Statements No. 68 and No. 71 has no impact on the City's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The enterprise fund financial statements reflect a decrease in net position of \$10,691,246 due to the adoption of these standards. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the City's fiscal year 2015 government-wide and business type activities financial statements to reflect the reporting of net pension liabilities, deferred outflows and deferred inflows of resources for each of its qualified pension plans and the recognition of pension expense in accordance with the provisions of the Statements. Net position as of May 1, 2015 was decreased by \$55,705,319 for governmental activities and \$10,691,246 for business-type activities reflecting the cumulative retrospective effect of adoption. Refer to note 8 for more information regarding the City's pensions.

**FINANCIAL HIGHLIGHTS** The primary resources available to the City are

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$148.2 million. Of this amount, \$53.6 million represents the portion of net position which is restricted for capital improvements, debt service and other externally imposed restrictions.
- The government's total net position decreased by approximately \$5.8 million. Part of this decrease is due to rising pension and health care costs and an increase in the minimum wage rate for the City's employees.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$78.6 million, a decrease of \$6.9 million in comparison with the prior year. Of this amount, approximately \$13.5 million is in unassigned fund balance.

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**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2016**

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- The General Fund's fund balance was \$14.1 million at the end of the fiscal year, in which \$.4 million was nonspendable for inventories and prepaid items and the remaining \$13.7 million was unassigned.
- The City's total debt decreased by approximately \$8.9 million during the current fiscal year.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction of the City's basic financial statements. The City'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.

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 separated, their operational or financial relationship with the City makes the City financially accountable. The component units' audit reports can be obtained by contacting the City or the respective component unit.

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

The Statement of Net Position provides information on all of the City's assets, liabilities and deferred inflows/outflows of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as useful indicator of whether the financial position of the City of Monroe is improving or deteriorating.

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

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

**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, 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 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 a 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

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**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2016**

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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.

Because of the focus of governmental funds is narrower than 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 statement. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds' balance sheet and statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance for the General funds, Capital Infrastructure Special Revenue Fund, Fund and I-20 Corridor Improvements Fund, all of which are considered to be major funds. Data from the nonmajor governmental funds are combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements reported in supplementary information.

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

**Proprietary funds** The City 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's various functions. Because the internal service 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. The major proprietary funds are the Monroe Regional Airport, Water and Sewer funds.

**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's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds: accrual basis.

**Notes to the financial statements** The notes to the financial statements information is essential to the 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's compliance with budgets for its major funds. The combining statements for non-major governmental funds are presented immediately following the required supplementary information.

**THE CITY AS A WHOLE.** The City's net position was \$148.2 million at April 30, 2016. Of this amount \$(77.1) million was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the City's ability to use those net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the City's governmental activities.

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2016**

**Table 1**  
**Net Position**  
**April 30,**  
**(in millions)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and other assets	\$ 74.9	\$ 84.0	\$ 19.9	\$ 18.1	\$ 94.8	\$ 102.1
Capital assets	145.9	149.8	166.4	168.2	312.3	318.0
Total assets	<u>220.8</u>	<u>233.8</u>	<u>186.3</u>	<u>186.3</u>	<u>407.1</u>	<u>420.1</u>
Deferred outflow of resources	15.9	-	4.2	-	20.1	-
<b>Liabilities</b>						
Current and other liabilities	6.8	6.1	4.2	5.6	11.0	11.7
Long-term liabilities	181.4	117.0	82.1	71.0	263.5	188.0
Total liabilities	<u>188.2</u>	<u>123.1</u>	<u>86.3</u>	<u>76.6</u>	<u>274.5</u>	<u>199.7</u>
Deferred inflow of resources	3.8	-	0.7	-	4.5	-
<b>Net position</b>						
Net investment in capital assets	80.8	80.7	90.9	98.5	171.7	179.2
Restricted	45.9	44.6	7.7	2.6	53.6	47.2
Unrestricted	(82.0)	(14.6)	4.9	8.6	(77.1)	(6.0)
Total net position	<u>\$ 44.7</u>	<u>\$ 110.7</u>	<u>\$ 103.5</u>	<u>\$ 109.7</u>	<u>\$ 148.2</u>	<u>\$ 220.4</u>

The deficit of \$82.0 million in unrestricted net position of governmental activities represents accumulated results of all past year's operations. It means that if the City had to pay off all of its bills today including all of its non-capital liabilities such as other post retirement benefits (OPEB), pension and compensated absences, there would be a shortage of \$82.0 million.

The results of this year's operations for the City as a whole are reported in the Statement of Activities. Table 2 on below, takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2016**

**Table 2**  
**Changes in Net Position**  
**For the Year Ended April 30,**  
**(in millions)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 12.4	\$ 11.8	\$ 21.7	\$ 22.4	\$ 34.1	\$ 34.2
Operating grants and contributions	4.0	3.5	0.2	1.8	4.2	5.3
Capital grants and contributions	1.2	1.2	5.8	6.9	7.0	8.1
General Revenues						
Property taxes	8.8	8.5	2.5	2.4	11.3	10.9
Sales taxes	67.2	66.4	-	-	67.2	66.4
Other taxes	0.9	0.9	-	-	0.9	0.9
Other general revenues	0.5	1.2	-	-	0.5	1.2
<b>Total revenues</b>	<b>95.0</b>	<b>93.5</b>	<b>30.2</b>	<b>33.5</b>	<b>125.2</b>	<b>127.0</b>
<b>Expenses:</b>						
General government	21.7	20.4	-	-	21.7	20.4
Public safety	37.7	34.5	-	-	37.7	34.5
Public works	22.4	21.4	-	-	22.4	21.4
Culture and recreation	4.2	4.9	-	-	4.2	4.9
Planning and urban development	2.3	2.3	-	-	2.3	2.3
Economic development	0.2	1.0	-	-	0.2	1.0
Interest in debt	2.8	3.5	-	-	2.8	3.5
Airport	-	-	6.6	6.3	6.6	6.3
Transit	-	-	5.8	6.0	5.8	6.0
Civic center	-	-	3.4	3.8	3.4	3.8
Water	-	-	10.3	10.8	10.3	10.8
Sewer	-	-	11.7	11.2	11.7	11.2
Zoo	-	-	2.0	1.8	2.0	1.8
<b>Total expenses</b>	<b>91.3</b>	<b>88.0</b>	<b>39.8</b>	<b>39.9</b>	<b>131.1</b>	<b>127.9</b>
<b>Increase (decrease) in net position before transfers and special items</b>	<b>3.7</b>	<b>5.5</b>	<b>(9.6)</b>	<b>(6.4)</b>	<b>(5.9)</b>	<b>(0.9)</b>
Transfers	(14.4)	(9.1)	14.4	9.1	-	-
<b>Change in net position</b>	<b>(10.7)</b>	<b>(3.6)</b>	<b>4.8</b>	<b>2.7</b>	<b>(5.9)</b>	<b>(0.9)</b>
<b>Net position - beginning, as originally stated</b>	<b>110.7</b>	<b>114.3</b>	<b>109.7</b>	<b>107.0</b>	<b>220.4</b>	<b>221.3</b>
Prior period adjustment	(55.3)	(0.3)	(11.0)	-	(66.3)	(0.3)
<b>Net position- beginning, restated</b>	<b>55.4</b>	<b>114.0</b>	<b>98.7</b>	<b>107.0</b>	<b>154.1</b>	<b>221.0</b>
<b>Net position- ending</b>	<b>\$ 44.7</b>	<b>\$ 110.4</b>	<b>\$ 103.5</b>	<b>\$ 109.7</b>	<b>\$ 148.2</b>	<b>\$ 220.1</b>

**Governmental Activities.** Expenses are classified by functions/programs. Public safety accounts for approximately \$37.7 million for fiscal year 2016. Other functions such as general government, public works, planning and urban development, culture and recreation and economic development totaled approximately \$50.8 million. The remaining cost represents payments for debt service and judgements totaling approximately \$2.8 million.

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**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2016**

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The related program revenues for fiscal year 2016 directly related to these expenses totaled \$17.6 million, which resulted in net program expenses of \$73.7 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. It provides approximately \$67.2 million of general revenues.
- Property taxes are the second largest revenue source to the City, generating approximately \$8.8 million of general revenues.

**Business-type activities.** Business-type activities increased the City's net position by approximately \$4.8 million. Key elements of this increase are as follows:

- Airport increased the City's net position by approximately \$.7 million
- Transit activities decreased net position by approximately \$1.0 million.
- Civic Center activities decreased net position by approximately \$.5 million.
- Water activities increased net position by approximately \$.5 million.
- Sewer activities increased net position by approximately \$5.2 million.
- Louisiana Purchase Gardens and Zoo activities decreased net position by approximately \$.1 million.

**THE CITY'S FUNDS** As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of current fiscal year, the City's governmental funds reported combined ending fund balance of \$70.3 million, a decrease of \$9.2 million in comparison with the prior year. Approximately \$55.7 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 \$14.6 million is committed, assigned or unassigned.

The General Fund is the chief operating fund of the City. At fiscal year end, fund balance of the General Fund was approximately \$14.1 million of which approximately \$.4 million was nonspendable because it is for inventories and prepaid items.

The fund balance of the City's General Fund decreased by approximately \$1.0 million during the current fiscal year.

The special revenue funds have a total fund balance of \$32.6 million, of which \$25.7 million is related to the Capital Infrastructure Fund. The special revenue funds had a decrease of \$2.4 million mainly due to a decrease in special revenue fund activity (Fire Capital Lease fund eliminated).

The debt service funds have a total fund balance of \$8.5 million, all of which is restricted for the payment of debt service. These funds had a decrease of \$3.9 million.

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**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2016**

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The capital project funds have a fund balance of approximately \$13.9 million all of which is restricted for capital improvements.

The City reported a prior period adjustment during the fiscal year of which the majority is due to adjustments for Net Pension Liability (\$66.4 million). See Note 22 in the notes to the financial statements.

**General Fund Budgetary Highlights** In accordance with Louisiana Revised Statutes Title 39, Louisiana Local Government Budget Act (LSA-RS 39:1301 et seq.), the City must adopt a budget for the General Fund and all Special Revenue Funds prior to April 30. The original budget of the City went into effect on May 1, 2015, and the final budget amendment was adopted on April 26, 2016.

The City had increased the total amounts available for appropriations by \$1.9 in the final budget due to general sales and use tax. The actual amounts available for appropriations were \$77.1 million, which was \$.8 million over the final budgeted amount. The increase of the \$.8 million was due to an increase in general sales and use tax.

The City had increased the final budgeted charges to appropriations of \$61.0 million from the original budget due to anticipated increases in fringe benefits, contracted services, purchased professional and technical services, etc. However, the actual amount of charges for appropriation was more than the final budget amount by \$1.9 million. This increase of actual charges in comparison to the final budgeted was due to an increase in city employees' minimum wages and corresponding benefits, increase in pension rates and additional city-wide expenses due to the historical March flood.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** At April 30, 2016, the City had \$312.3 million invested in capital assets for its governmental and business-type activities. This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, highways, and bridges. This amount represents a net decrease (including additions, deductions and depreciation) of \$5.7 million or 1.6% from last year.



**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2016**

**Capital Assets**  
**April 30,**  
**(in millions)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 20.6	\$ 20.2	\$ 5.6	\$ 5.6	\$ 26.2	\$ 25.8
Buildings and improvements	41.8	42.0	77.0	74.1	118.8	116.1
Furniture and equipment	36.0	32.8	24.0	21.5	60.0	54.3
Construction in progress	12.1	8.2	10.5	8.9	22.6	17.1
Infrastructure	173.8	173.8	195.7	193.4	369.5	367.2
Totals	284.3	277.0	312.8	303.5	597.1	580.5
Less: accumulated depreciation	(138.4)	(127.2)	(146.4)	(135.3)	(284.8)	(262.5)
Total Net Capital Assets	\$ 145.9	\$149.8	\$ 166.4	\$ 168.2	\$ 312.3	\$ 318.0

Major Capital asset events during the fiscal year include the following:

- DRU Gustav/Ike Storm water project
- Nutland Road Overlay and shoulders
- Community Center and Civic Center shelter renovations
- Evangeline Street Drainage Outfall
- Multiple Airport Improvement projects
- Various bridge repairs and replacements

**Debt Administration** At April 30, 2016, the City had \$263.5 million outstanding versus \$253.3 million in 2015 which is an increase of 4.0%. At April 30, 2016, the City's outstanding debt consisted of:

**Outstanding Debt**  
**April 30**  
**(in millions)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Tax increment bonds	\$ 31.1	\$ 34.0	\$ -	\$ -	\$ 31.1	\$ 34.0
Sales tax bonds	-	-	10.8	10.5	10.8	10.5
Sales tax refunding bonds	42.0	44.3	38.7	42.3	80.7	86.6
Airport revenue bonds	-	-	16.7	16.9	16.7	16.9
Claims and judgements	10.1	10.2	-	-	10.1	10.2
Capital leases	4.1	5.0	-	-	4.1	5.0
Notes payable	1.7	2.4	-	-	1.7	2.4
Compensated absences	6.3	6.3	1.3	1.3	7.6	7.6
Other post employment	16.4	14.6	-	-	16.4	14.6
Net pension liability	69.7	54.8	14.6	10.7	84.3	65.5
Total	\$ 181.4	\$ 171.6	\$ 82.1	\$ 81.7	\$ 263.5	\$ 253.3

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**City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**April 30, 2016**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES** The following are currently known economic factors to be considered for the 2016-2017 fiscal year:

All of north Louisiana experienced a 500 year flood event in March 2016. Even though this historical flooding stressed the City's operating budget for the fiscal year 2015-16, the City's strong financial position allows for events like this to only be bumps in the road instead of road blocks. With a robust Capital Infrastructure Program in place, road and bridge work and sewer and water infrastructure repairs began almost immediately once damage assessments were complete. Many cities and towns struggle to provide the match that is required for FEMA assistance and slows the recovery for them. The City's strong General Fund fund balance allows it to start recovery more quickly and absorb deficits created by nonrecurring events such as this.

The Mayor's economic development plans have regional impacts and are not limited to the City. The Mayor's 60 for 60 initiatives is a list of 60 priority projects which covers services or improvements provided by every function of the City and which the administration plans to complete within the next term or have been completed during the current administration. One of the most important projects the city is involved with is the CenturyLink/IBM expansion. By securing grant funds and with matching city funds, the necessary infrastructure improvements will be provided for the growth of these companies, the related businesses that develop because of their presence, and the residential growth that is occurring. This development is expected to have long-term and far reaching effects on the area's economy.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT** The financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any information should be addressed to the Director of Administration, The City of Monroe, 400 Lea Joyner Memorial Expressway, Monroe, Louisiana 71201.

**City of Monroe  
Monroe, Louisiana**

**BASIC FINANCIAL STATEMENTS**

**DIVIDER**

**City of Monroe  
Monroe, Louisiana**

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**DIVIDER**

**City of Monroe  
Monroe, Louisiana**

**BASIC FINANCIAL STATEMENTS:**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

**CITY OF MONROE**  
**Monroe, Louisiana**

**STATEMENT OF NET POSITION**  
**April 30, 2016**

**Statement A**

**PRIMARY GOVERNMENT**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>	<b>COMPONENT UNITS</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 63,035,451	\$ 4,282,589	\$ 67,318,040	\$ 1,395,655
Investments	-	-	-	3,617
Restricted assets				
Cash and cash equivalents	-	9,838,674	9,838,674	-
Receivables, net	10,237,497	5,605,142	15,842,639	56,451
Internal balances	642,930	(642,930)	-	-
Inventories	170,725	576,090	746,815	-
Prepaid expenses	840,326	261,476	1,101,802	7,555
Capital assets				
Land and construction in progress	32,674,794	16,166,416	48,841,210	-
Depreciable assets, net of depreciation	113,233,970	150,259,257	263,493,227	60,919
<b>TOTAL ASSETS</b>	<b>220,835,693</b>	<b>186,346,714</b>	<b>407,182,407</b>	<b>1,524,197</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	15,925,644	4,240,595	20,166,239	-
<b>LIABILITIES</b>				
Accounts and retainage payable	3,295,659	1,950,672	5,246,331	105,440
Accrued liabilities	2,692,812	923	2,693,735	10,461
Unearned revenues	12,299	61,269	73,568	-
Due to others	68,258	-	68,258	-
Deposits due others	-	1,522,917	1,522,917	-
Accrued interest payable	690,669	710,104	1,400,773	-
Long term liabilities				
Due within one year	12,557,205	6,423,720	18,980,925	5,683
Due in more than one year	168,884,620	75,645,216	244,529,836	5,259
<b>TOTAL LIABILITIES</b>	<b>188,201,522</b>	<b>86,314,821</b>	<b>274,516,343</b>	<b>126,843</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	\$ 3,860,823	\$ 746,299	\$ 4,607,122	\$ -

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**

**STATEMENT OF NET POSITION**  
**April 30, 2016**

**Statement A**

***PRIMARY GOVERNMENT***

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>	<b>COMPONENT UNITS</b>
NET POSITION				
Net investment in capital assets	\$ 80,797,003	\$ 90,891,306	\$ 171,688,309	\$ 49,977
Restricted for				
Debt service	13,005,502	6,642,881	19,648,383	-
Capital improvements	1,619,183	-	1,619,183	-
Public safety	3,733,827	-	3,733,827	-
Public works	25,972,145	-	25,972,145	-
Planning and urban development	631,326	-	631,326	-
Judicial	174,321	-	174,321	-
Recreation facilities	765,818	-	765,818	-
Revenue producing activity for airport	-	236,677	236,677	-
Passenger facility charges	-	829,080	829,080	-
Unrestricted	(82,000,133)	4,926,245	(77,073,888)	1,347,377
<b>TOTAL NET POSITION</b>	<b>\$ 44,698,992</b>	<b>\$ 103,526,189</b>	<b>\$ 148,225,181</b>	<b>\$ 1,397,354</b>

(Concluded)

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, 2016**

	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>FUNCTIONS/PROGRAMS</b>				
<b>Governmental Activities:</b>				
General government	\$ 21,686,830	\$ 11,160,651	\$ 432,362	\$ 1,017,027
Public safety	37,675,903	77,829	2,622,980	18,689
Public works	22,418,900	93,535	-	154,806
Culture and recreation	4,272,866	750,885	-	-
Planning and urban development	2,250,288	332,427	988,853	16,278
Economic development and assistance	158,143	-	-	-
Debt service interest	2,714,753	-	-	-
Capital lease interest	68,133	-	-	-
Total Governmental Activities	91,245,816	12,415,327	4,044,195	1,206,800
<b>Business-Type Activities:</b>				
Airport	6,648,648	3,009,819	-	3,976,221
Transit	5,804,506	652,843	202,135	1,830,209
Civic Center	3,432,748	1,395,947	15,000	32,990
Water	10,333,675	9,569,729	-	-
Sewer	11,725,840	6,873,266	-	-
Zoo	1,964,310	277,247	-	-
Total Business-Type Activities	39,909,727	21,778,851	217,135	5,839,420
Total Primary Government	131,155,543	34,194,178	4,261,330	7,046,220
<b>Component units</b>				
City Court	\$ 391,216	\$ 378,982		
City Marshal	185,491	282,182		
Total Component Units	\$ 576,707	\$ 661,164		

**General revenues:**

Ad valorem tax
Sales tax
Other taxes
Earnings on investments
Gain (loss) on disposition of capital assets
Miscellaneous
Transfers
Total general revenues and transfers
Changes in net position
Net position - beginning, as originally stated
Prior period adjustment (See Note 22)
Net position - beginning, as restated
Net position - ending

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



Statement B

**PRIMARY GOVERNMENT**

**NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION**

<i>Governmental Activities</i>	<i>Business-Type Activities</i>	TOTAL	COMPONENT UNITS
\$ (9,076,790)	\$ -	\$ (9,076,790)	
(34,956,405)	-	(34,956,405)	
(22,170,559)	-	(22,170,559)	
(3,521,981)	-	(3,521,981)	
(912,730)	-	(912,730)	
(158,143)	-	(158,143)	
(2,714,753)	-	(2,714,753)	
(68,133)	-	(68,133)	
<u>(73,579,494)</u>	<u>-</u>	<u>(73,579,494)</u>	
-	337,392	337,392	
-	(3,119,319)	(3,119,319)	
-	(1,988,811)	(1,988,811)	
-	(763,946)	(763,946)	
-	(4,852,574)	(4,852,574)	
-	(1,687,063)	(1,687,063)	
<u>-</u>	<u>(12,074,321)</u>	<u>(12,074,321)</u>	
<u>(73,579,494)</u>	<u>(12,074,321)</u>	<u>(85,653,815)</u>	
			\$ (12,234)
			96,691
			<u>\$ 84,457</u>
8,756,638	2,477,683	11,234,321	-
67,202,147	-	67,202,147	-
869,714	-	869,714	-
88,332	16,770	105,102	1,659
117,437	(19,160)	98,277	-
332,732	-	332,732	14,911
(14,442,471)	14,442,471	-	-
<u>62,924,529</u>	<u>16,917,764</u>	<u>79,842,293</u>	<u>16,570</u>
<u>(10,654,965)</u>	<u>4,843,443</u>	<u>(5,811,522)</u>	<u>101,027</u>
110,715,219	109,718,049	220,433,268	1,296,327
(55,361,262)	(11,035,303)	(66,396,565)	-
<u>55,353,957</u>	<u>98,682,746</u>	<u>154,036,703</u>	<u>1,296,327</u>
<u>\$ 44,698,992</u>	<u>\$ 103,526,189</u>	<u>\$ 148,225,181</u>	<u>\$ 1,397,354</u>

**City of Monroe  
Monroe, Louisiana**

**BASIC FINANCIAL STATEMENTS:  
FUND FINANCIAL STATEMENTS (FFS)**

**CITY OF MONROE**  
**Monroe, Louisiana**

**GOVERNMENTAL FUNDS**  
**Balance Sheet**  
**April 30, 2016**

Statement C

	GENERAL	SPECIAL REVENUE CAPITAL INFRASTRUCTURE	CAPITAL PROJECTS I-20 CORRIDOR IMPROVEMENTS	NONMAJOR GOVERNMENTAL	TOTAL
<b>ASSETS</b>					
Cash and cash equivalents	\$ 8,703,484	\$ 23,883,810	\$ 13,140,453	\$ 16,384,021	\$ 62,111,768
Receivables, net	4,760,442	1,325,059	-	3,804,996	9,890,497
Interfund receivables	3,684,291	1,000,000	-	1,028,176	5,712,467
Inventories	114,736	-	-	-	114,736
Prepaid expenses and other assets	265,384	-	-	574,942	840,326
<b>TOTAL ASSETS</b>	<b>17,528,337</b>	<b>26,208,869</b>	<b>13,140,453</b>	<b>21,792,135</b>	<b>78,669,794</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts and retainage payable	1,149,064	479,209	293,960	1,358,801	3,281,034
Accrued liabilities	2,165,164	-	-	-	2,165,164
Interfund payables	63,402	287	-	2,708,345	2,772,034
Unearned revenue	250	10,000	-	2,049	12,299
Due to others	39,736	-	-	28,522	68,258
<b>TOTAL LIABILITIES</b>	<b>3,417,616</b>	<b>489,496</b>	<b>293,960</b>	<b>4,097,717</b>	<b>8,298,789</b>
<b>FUND BALANCES:</b>					
<b>Nonspendable</b>					
Prepaid expenses and other assets	265,384	-	-	574,942	840,326
Inventories	114,736	-	-	-	114,736
<b>Spendable</b>					
Restricted	-	25,719,373	12,846,493	16,247,876	54,813,742
Committed	-	-	-	243,837	243,837
Assigned	-	-	-	807,466	807,466
Unassigned (deficit)	13,730,601	-	-	(179,703)	13,550,898
<b>TOTAL FUND BALANCES</b>	<b>14,110,721</b>	<b>25,719,373</b>	<b>12,846,493</b>	<b>17,694,418</b>	<b>70,371,005</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 17,528,337</b>	<b>\$ 26,208,869</b>	<b>\$ 13,140,453</b>	<b>\$ 21,792,135</b>	<b>\$ 78,669,794</b>

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 Position**  
**April 30, 2016**

**Statement D**

Total fund balances - governmental funds \$ 70,371,005

The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets - land	\$	32,674,794	
Costs of capital assets - depreciable assets		247,955,677	
Depreciation expense to date		<u>(136,727,544)</u>	
			143,902,927

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	\$	272,000	
Receivable - Sales tax increment - Tower Drive		<u>75,000</u>	
			347,000
Add deferred Outflows - Pensions			15,925,644

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.

Balances at April 30, 2016 are:			
Accrued interest payable			(690,669)
Bonds payable	\$	(72,584,400)	
Bond premium		(544,851)	
Compensated absences payable		(6,321,642)	
Obligation under capital leases		(4,124,070)	
Note payable		(1,644,595)	
Claims and judgments payable		(10,140,704)	
Other post-employment benefits		(16,420,317)	
Net Pension Obligation		<u>(69,661,246)</u>	
			(181,441,825)

Add Deferred Inflows - Pensions (3,860,823)

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 Position.

Cash and cash equivalents	\$	923,683	
Inventories		55,989	
Capital assets cost	\$	3,717,285	
Less accumulated depreciation		<u>(1,711,448)</u>	
Total capital assets, net		2,005,837	
Accounts payable and accrued expenses		(542,273)	
Interfund payable		<u>(2,297,503)</u>	
			145,733
Total net position - governmental activities	\$		<u><u>44,698,992</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**CITY OF MONROE**  
**Monroe, Louisiana**

**Statement E**

**GOVERNMENTAL FUNDS**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended April 30, 2016**

	SPECIAL REVENUE		CAPITAL PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL
	GENERAL	CAPITAL INFRASTRUCTURE	I-20 CORRIDOR IMPROVEMENTS		
<b>REVENUES</b>					
Taxes:					
Ad valorem	\$ 7,519,469	\$ -	\$ -	\$ 1,237,169	\$ 8,756,638
Sales	38,433,891	16,473,032	-	12,302,365	67,209,288
Other taxes, penalties and interest	869,714	-	-	-	869,714
Licenses, permits and assessments	3,023,799	-	-	-	3,023,799
Intergovernmental revenues	2,514,916	-	-	2,794,379	5,309,295
Fees, charges and commissions for services	7,393,522	-	-	1,054,213	8,447,735
Fines and forfeitures	772,309	-	-	2,395	774,704
Use of money and property	137,657	15,170	7,237	38,935	198,999
Miscellaneous revenues	69,109	-	-	263,623	332,732
<b>Total revenues</b>	<b>60,734,386</b>	<b>16,488,202</b>	<b>7,237</b>	<b>17,693,079</b>	<b>94,922,904</b>
<b>EXPENDITURES</b>					
Current:					
General government					
Legislative	525,655	-	-	-	525,655
Judicial	2,569,631	-	-	86,113	2,655,744
Executive	984,057	-	-	-	984,057
Financial administration	11,364,765	-	-	112,553	11,477,318
Other general government	826,573	-	-	-	826,573
Public Safety					
Police	13,617,298	-	-	4,178,932	17,796,230
Fire	12,966,402	-	-	4,308,996	17,275,398
Public Works	10,600,984	1,822,748	-	62,541	12,486,273
Culture and recreation	3,420,169	-	-	536,139	3,956,308
Planning and urban development	1,099,525	-	-	1,043,183	2,142,708
Economic development and assistance	-	-	68,008	90,135	158,143
Capital outlay	143,407	597,325	975,593	7,307,664	9,023,989
Debt service:					
Principal retirement	351,249	-	-	6,473,090	6,824,339
Interest and bank charges	68,133	1,058	1,000	2,858,667	2,928,858
<b>Total expenditures</b>	<b>58,537,848</b>	<b>2,421,131</b>	<b>1,044,601</b>	<b>27,058,013</b>	<b>89,061,593</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>2,196,538</b>	<b>14,067,071</b>	<b>(1,037,364)</b>	<b>(9,364,934)</b>	<b>5,861,311</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,100,664	-	-	7,727,830	8,828,494
Transfers out	(4,435,045)	(12,885,578)	-	(6,764,615)	(24,085,238)
Sale of assets	133,480	-	-	-	133,480
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,200,901)</b>	<b>(12,885,578)</b>	<b>-</b>	<b>963,215</b>	<b>(15,123,264)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,004,363)</b>	<b>1,181,493</b>	<b>(1,037,364)</b>	<b>(8,401,719)</b>	<b>(9,261,953)</b>
<b>FUND BALANCES - BEGINNING</b>	<b>15,115,084</b>	<b>24,537,880</b>	<b>13,883,857</b>	<b>26,096,137</b>	<b>79,632,958</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 14,110,721</b>	<b>\$ 25,719,373</b>	<b>\$ 12,846,493</b>	<b>\$ 17,694,418</b>	<b>\$ 70,371,005</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**CITY OF MONROE**  
**Monroe, Louisiana**

Statement F

**Reconciliation of the Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**to the Statement of Activities**  
**For the Year Ended April 30, 2016**

Total net change in fund balances - governmental funds		\$ (9,261,953)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:		
Capital outlays	\$ 9,023,989	
Depreciation	<u>(12,850,848)</u>	(3,826,859)
The net effect of various miscellaneous transactions involving capital assets, such as sales and trade-ins:		
Basis of capital assets sold	<u>(16,043)</u>	(16,043)
Some revenues will not be collected for several months after year-end. They are not considered "available" revenues in the governmental funds.		
Sales tax increment - I-20 Corridor	(6,578)	
Sales tax increment - Tower Drive	<u>(563)</u>	(7,141)
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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Amortization of bond premium	(97,237)	
Principal payments	<u>6,824,339</u>	6,727,102
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.		
Accrued interest payable	263,476	
Claims and judgments payable	79,277	
Accrued vacation and sick pay	(47,872)	
Net Pension Liability	<u>(1,823,520)</u>	(1,528,639)
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.		
		(1,878,271)
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.		
		<u>(863,161)</u>
Total net change in net position - governmental activities.		<u>\$ (10,654,965)</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**CITY OF MONROE  
Monroe, Louisiana**

Statement G

**PROPRIETARY FUNDS  
Statement of Net Position  
April 30, 2016**

	<b>BUSINESS - TYPE ACTIVITIES - ENTERPRISE FUNDS</b>					<b>GOVERNMENTAL</b>
	<b>Major Funds</b>					<b>ACTIVITIES -</b>
	<b>MONROE REGIONAL AIRPORT</b>	<b>WATER FUND</b>	<b>SEWER FUND</b>	<b>NON-MAJOR</b>	<b>TOTAL ENTERPRISE</b>	<b>INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>						
Current Assets:						
Cash and cash equivalents	\$ -	\$ 3,865,165	\$ 414,924	\$ 2,500	\$ 4,282,589	\$ 923,683
Restricted assets						
Cash and cash equivalents	3,468,178	2,116,757	4,253,739	-	9,838,674	-
Receivables, net	1,750,712	1,368,661	1,133,980	1,351,789	5,605,142	-
Interfund receivables	1,587	2,611,591	-	18,097	2,631,275	-
Inventories	9,625	360,832	-	205,633	576,090	55,989
Prepaid expenses and other assets	-	-	-	261,476	261,476	-
<b>Total Current Assets</b>	<b>5,230,102</b>	<b>10,323,006</b>	<b>5,802,643</b>	<b>1,839,495</b>	<b>23,195,246</b>	<b>979,672</b>
Noncurrent Assets:						
Capital Assets						
Land and construction in progress	5,600,452	2,577,317	6,846,868	1,141,779	16,166,416	45,000
Depreciable assets, net of depreciation	57,833,277	21,024,422	63,838,071	7,563,487	150,259,257	1,960,837
<b>Total Noncurrent Assets</b>	<b>63,433,729</b>	<b>23,601,739</b>	<b>70,684,939</b>	<b>8,705,266</b>	<b>166,425,673</b>	<b>2,005,837</b>
<b>TOTAL ASSETS</b>	<b>68,663,831</b>	<b>33,924,745</b>	<b>76,487,582</b>	<b>10,544,761</b>	<b>189,620,919</b>	<b>2,985,509</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to pensions	364,069	1,522,284	841,092	1,513,150	4,240,595	-
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts and retainage payables	216,028	389,686	910,444	434,514	1,950,672	14,625
Accrued liabilities	-	923	-	-	923	527,648
Unearned revenue	52,623	-	-	8,646	61,269	-
Interfund payables	784,925	2,325	1,003,444	1,483,511	3,274,205	2,297,503
Customer deposits, net	-	1,510,061	-	12,856	1,522,917	-
Accrued interest	210,597	45,872	453,635	-	710,104	-
Current portion of long term debt	564,335	718,493	4,805,724	335,168	6,423,720	-
<b>Total Current Liabilities</b>	<b>1,828,508</b>	<b>2,667,360</b>	<b>7,173,247</b>	<b>2,274,695</b>	<b>13,943,810</b>	<b>2,839,776</b>
Noncurrent Liabilities:						
Compensated absences	11,506	147,175	140,751	199,455	498,887	-
Revenue bonds, notes payable, net and pension liability	17,181,674	9,411,903	43,355,411	5,197,341	75,146,329	-
<b>Total Noncurrent Liabilities</b>	<b>17,193,180</b>	<b>9,559,078</b>	<b>43,496,162</b>	<b>5,396,796</b>	<b>75,645,216</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>19,021,688</b>	<b>12,226,438</b>	<b>50,669,409</b>	<b>7,671,491</b>	<b>89,589,026</b>	<b>2,839,776</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to pensions	72,095	264,755	146,283	263,166	746,299	-
<b>NET POSITION</b>						
Net investment in capital assets	45,707,055	13,718,659	22,760,326	8,705,266	90,891,306	2,005,837
Restricted						
Debt service	2,192,003	650,774	3,800,104	-	6,642,881	-
Revenue producing activity for airport	236,677	-	-	-	236,677	-
Passenger facility charges	829,080	-	-	-	829,080	-
Unrestricted (Deficit)	969,302	8,586,403	(47,448)	(4,582,012)	4,926,245	(1,860,104)
<b>TOTAL NET POSITION (Deficit)</b>	<b>\$ 49,934,117</b>	<b>\$ 22,955,836</b>	<b>\$ 26,512,982</b>	<b>\$ 4,123,254</b>	<b>\$ 103,526,189</b>	<b>\$ 145,733</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**CITY OF MONROE**  
**Monroe, Louisiana**

Statement H

**PROPRIETARY FUNDS**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended April 30, 2016**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>					<b>GOVERNMENTAL</b>
	<b>Major Funds</b>					<b>ACTIVITIES</b>
	<b>MONROE REGIONAL AIRPORT</b>	<b>WATER FUND</b>	<b>SEWER FUND</b>	<b>NON-MAJOR</b>	<b>TOTAL ENTERPRISE</b>	<b>INTERNAL SERVICE FUNDS</b>
<b>OPERATING REVENUES</b>						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,655,976
Rents and fees	2,199,233	-	-	1,108,285	3,307,518	-
Fares	-	-	-	605,383	605,383	-
Passenger facility fee	354,516	-	-	-	354,516	-
Advertising	11,852	-	-	43,859	55,711	-
Ticket sales and other	-	-	-	5,905	5,905	-
Admissions	-	-	-	204,854	204,854	-
Concessions and rides	-	-	-	325,690	325,690	-
Water sales	-	9,569,729	-	-	9,569,729	-
Sewerage fees	-	-	6,873,266	-	6,873,266	-
Other operating revenue	134,591	-	-	32,061	166,652	-
Air Industrial Park rent	309,627	-	-	-	309,627	-
Total operating revenues	<u>3,009,819</u>	<u>9,569,729</u>	<u>6,873,266</u>	<u>2,326,037</u>	<u>21,778,851</u>	<u>10,655,976</u>
<b>OPERATING EXPENSES</b>						
Benefits paid to participants	-	-	-	-	-	10,675,599
Salaries, wages, and benefits	1,194,205	4,190,633	2,324,496	4,992,455	12,701,789	926,173
Materials, repairs and supplies	574,431	2,327,361	2,189,382	1,795,678	6,886,852	10,670
Utilities and communications	366,315	819,430	720,566	748,361	2,654,672	40,250
Shop expenses	-	-	-	-	-	459,655
Insurance	2,062	-	-	585,510	587,572	-
Promoter's expenses	-	-	-	497,559	497,559	-
Other operating expenses	298,867	878,155	785,868	1,106,042	3,068,932	133,329
Depreciation and amortization	3,357,949	1,934,558	4,472,029	1,475,959	11,240,495	87,856
Total operating expenses	<u>5,793,829</u>	<u>10,150,137</u>	<u>10,492,341</u>	<u>11,201,564</u>	<u>37,637,871</u>	<u>12,333,532</u>
<b>OPERATING INCOME (Loss)</b>	<u>(2,784,010)</u>	<u>(580,408)</u>	<u>(3,619,075)</u>	<u>(8,875,527)</u>	<u>(15,859,020)</u>	<u>(1,677,556)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Capital grants	3,976,221	-	-	2,080,334	6,056,555	-
Gain (loss) on sale of assets	(19,160)	-	-	-	(19,160)	-
Interest income	1,910	2,510	8,327	4,023	16,770	122
Interest expense & other charges	-	-	-	-	-	-
Property taxes	413,505	-	-	2,064,178	2,477,683	-
Bond proceeds	-	-	-	-	-	-
Interest expense	(854,819)	(183,538)	(1,233,499)	-	(2,271,856)	-
Total nonoperating revenues (expenses)	<u>3,517,657</u>	<u>(181,028)</u>	<u>(1,225,172)</u>	<u>4,148,535</u>	<u>6,259,992</u>	<u>122</u>
<b>Income(Loss) before capital contributions and transfers</b>	<u>733,647</u>	<u>(761,436)</u>	<u>(4,844,247)</u>	<u>(4,726,992)</u>	<u>(9,599,028)</u>	<u>(1,677,434)</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>						
Transfers in	-	1,306,955	10,036,835	3,098,681	14,442,471	814,273
Total Capital Contributions and Transfers	<u>-</u>	<u>1,306,955</u>	<u>10,036,835</u>	<u>3,098,681</u>	<u>14,442,471</u>	<u>814,273</u>
<b>CHANGE IN NET POSTION</b>	<u>733,647</u>	<u>545,519</u>	<u>5,192,588</u>	<u>(1,628,311)</u>	<u>4,843,443</u>	<u>(863,161)</u>
<b>NET POSITION - BEGINNING, AS ORIGINALLY STATED</b>	50,417,631	26,240,913	23,526,038	9,533,467	109,718,049	1,008,894
Prior Period Adjustment (See Note 22)	(1,217,161)	(3,830,596)	(2,205,644)	(3,781,902)	(11,035,303)	-
<b>NET POSITION - BEGINNING, AS RESTATED</b>	<u>49,200,470</u>	<u>22,410,317</u>	<u>21,320,394</u>	<u>5,751,565</u>	<u>98,682,746</u>	<u>1,008,894</u>
<b>NET POSITION - ENDING</b>	<u>\$ 49,934,117</u>	<u>\$ 22,955,836</u>	<u>\$ 26,512,982</u>	<u>\$ 4,123,254</u>	<u>\$ 103,526,189</u>	<u>\$ 145,733</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



**CITY OF MONROE**  
**Monroe, Louisiana**  
**PROPRIETARY FUNDS**  
**Statement of Cash Flows**  
**For the Year Ended April 30, 2016**

Statement I

GOVERNMENTAL

	<i>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</i>					<i>ACTIVITIES</i>
	<i>Major Funds</i>					<b>INTERNAL SERVICE FUNDS</b>
	<b>MONROE REGIONAL AIRPORT</b>	<b>WATER FUND</b>	<b>SEWER FUND</b>	<b>NON-MAJOR</b>	<b>TOTAL ENTERPRISE</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 3,009,819	\$ 9,380,116	\$ 6,810,082	\$ 2,326,037	\$ 21,526,054	
Receipts from interfund services provided	-	-	-	-	-	\$ 10,655,976
Payments to suppliers for goods and services	(2,487,747)	(4,168,808)	(3,442,956)	(5,023,941)	(15,123,452)	(10,013,728)
Payments for interfund services provided	(1,587)	883,143	52,666	(17,295)	916,927	-
Payments to employees for services and benefits	(1,144,582)	(3,950,805)	(2,058,500)	(4,832,125)	(11,986,012)	(926,173)
Net cash provided (used) for operating activities	<u>(624,097)</u>	<u>2,143,646</u>	<u>1,361,292</u>	<u>(7,547,324)</u>	<u>(4,666,483)</u>	<u>(283,925)</u>
<b>CASH FLOWS (USES) FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Operating grants	-	-	-	2,576,344	2,576,344	-
Ad valorem taxes	413,505	-	-	2,064,178	2,477,683	-
Transfers in	-	1,306,955	10,036,835	3,098,681	14,442,471	814,273
Net cash provided (used) for noncapital financing activities	<u>413,505</u>	<u>1,306,955</u>	<u>10,036,835</u>	<u>7,739,203</u>	<u>19,496,498</u>	<u>814,273</u>
<b>CASH FLOWS (USES) FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Capital grants	4,979,732	-	-	-	4,979,732	-
Acquisition of capital assets	(4,544,853)	(1,032,995)	(3,687,845)	(207,202)	(9,472,895)	-
Bond proceeds	-	-	1,070,863	-	1,070,863	-
Principal paid on debt	(510,000)	(430,878)	(3,825,688)	-	(4,766,566)	-
Interest paid on debt	(858,962)	(212,738)	(1,195,508)	-	(2,267,208)	-
Net cash provided (used) for capital and related financing activities	<u>(934,083)</u>	<u>(1,676,611)</u>	<u>(7,638,178)</u>	<u>(207,202)</u>	<u>(10,456,074)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Earnings on investments	1,910	2,510	8,327	4,023	16,770	122
Net cash provided (used) for investing activities	<u>1,910</u>	<u>2,510</u>	<u>8,327</u>	<u>4,023</u>	<u>16,770</u>	<u>122</u>
Net increase (decrease) in cash and cash equivalents	(1,142,765)	1,776,500	3,768,276	(11,300)	4,390,711	530,470
CASH AND CASH EQUIVALENTS - BEGINNING	4,610,943	4,205,422	900,387	13,800	9,730,552	393,213
CASH AND CASH EQUIVALENTS - ENDING	<u>3,468,178</u>	<u>5,981,922</u>	<u>4,668,663</u>	<u>2,500</u>	<u>14,121,263</u>	<u>923,683</u>
Reconciliation to balance sheet						
Cash	-	3,865,165	414,924	2,500	4,282,589	923,683
Restricted assets - cash	3,468,178	2,116,757	4,253,739	-	9,838,674	-
	<u>3,468,178</u>	<u>5,981,922</u>	<u>4,668,663</u>	<u>2,500</u>	<u>14,121,263</u>	<u>923,683</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	(2,784,010)	(580,408)	(3,619,075)	(8,875,527)	(15,859,020)	(1,677,556)
Adjustments to reconcile operating income to net cash provided (used) for operating activities:						
Depreciation	3,357,949	1,934,558	4,472,029	1,475,959	11,240,495	87,856
Pension expense related to change in net pension liability	57,280	166,456	91,970	165,455	481,161	-
(Increase) decrease in accounts receivable	-	(189,613)	(63,184)	-	(252,797)	-
(Increase) decrease in interfund receivable	(1,587)	883,143	52,666	(17,295)	916,927	-
(Increase) decrease in inventories	2,062	(75,896)	-	(26,906)	(100,740)	9,113
(Increase) decrease in prepaid expenses	-	-	-	(50,063)	(50,063)	-
Increase (decrease) in accounts payable	(265,883)	(68,922)	(741,904)	(818,722)	(1,895,431)	(40,766)
Increase (decrease) in unearned revenue	-	-	-	(25,359)	(25,359)	-
Increase (decrease) in interfund payable	(982,251)	(44,742)	993,362	642,349	608,718	1,682,199
Increase (decrease) in due to others	-	(55,835)	-	-	(55,835)	-
Increase (decrease) in customer deposits	-	101,533	1,402	(12,090)	90,845	-
Increase (decrease) in compensated absences	(7,657)	73,372	174,026	(5,125)	234,616	-
Net cash provided (used) by operating activities	<u>\$ (624,097)</u>	<u>\$ 2,143,646</u>	<u>\$ 1,361,292</u>	<u>\$ (7,547,324)</u>	<u>\$ (4,666,483)</u>	<u>\$ (283,925)</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**CITY OF MONROE**  
**Monroe, Louisiana**

Statement J

**FIDUCIARY FUNDS**  
**Statement of Net Position**  
**April 30, 2016**

	<b>PENSION TRUST FUNDS</b>	<b>AGENCY FUNDS</b>	<b>TOTAL</b>	<b>COMPONENT UNITS</b>	
				<b>CITY COURT OF MONROE</b>	<b>MONROE CITY MARSHAL</b>
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 124,161	\$ 1,566,801	\$ 1,690,962	\$ 1,910,277	\$ 10,989
Accounts receivable	-	15,247,476	15,247,476	-	-
<b>Total assets</b>	<b>124,161</b>	<b>16,814,277</b>	<b>16,938,438</b>	<b>1,910,277</b>	<b>10,989</b>
<b>LIABILITIES</b>					
Current liabilities					
Due to other funds	-	-	-	1,910,277	-
Due to others	-	16,814,277	16,814,277	-	10,989
<b>Total liabilities</b>	<b>-</b>	<b>16,814,277</b>	<b>16,814,277</b>	<b>1,910,277</b>	<b>10,989</b>
Net position					
Restricted for retirement benefits	124,161	-	124,161	-	-
<b>Total net position</b>	<b>\$ 124,161</b>	<b>\$ -</b>	<b>\$ 124,161</b>	<b>\$ -</b>	<b>\$ -</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**CITY OF MONROE  
Monroe, Louisiana**

**FIDUCIARY FUNDS  
Statement of Changes in Net Position  
For the Year Ended April 30, 2016**

**Statement K**

**PENSION  
TRUST  
FUNDS**

**ADDITIONS**

Investment income  
Interest

\$ 153

Total additions

153

**DEDUCTIONS**

Benefits paid

5,718

Total deductions

5,718

Changes in net position

(5,565)

Net Position, beginning

129,726

Net Position, ending

\$ 124,161

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**CITY OF MONROE**  
**Monroe, Louisiana**

**Discretely Presented Component Units**  
**Combining Statement of Net Position**  
**April 30, 2016**

**Statement L**

	<b>CITY COURT OF MONROE</b>	<b>MONROE CITY MARSHAL</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 1,343,352	\$ 52,303	\$ 1,395,655
Investment	-	3,617	3,617
Receivables	36,787	19,664	56,451
Prepaid expenses	6,245	1,310	7,555
Total current assets	1,386,384	76,894	1,463,278
Capital assets, net of accumulated depreciation			
Total assets	1,436,729	87,468	1,524,197
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	29,753	75,687	105,440
Accrued expenses	-	10,461	10,461
Noncurrent liabilities			
Obligation under capital lease			
Due within one year	3,727	1,956	5,683
Due in more than one year	4,444	815	5,259
Total liabilities	37,924	88,919	126,843
<b>NET POSITION</b>			
Net investment in capital assets	42,174	7,803	49,977
Unrestricted	1,356,631	(9,254)	1,347,377
Total Net Position	1,398,805	(1,451)	1,397,354
Total liabilities and net position	\$ 1,436,729	\$ 87,468	\$ 1,524,197

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**CITY OF MONROE**  
**Monroe, Louisiana**

**Discretely Presented Component Units**  
**Combining Statement of Activities**  
**For the Year Ended April 30, 2016**

**Statement M**

	<b>CITY COURT OF MONROE</b>	<b>MONROE CITY MARSHAL</b>	<b>TOTAL</b>
<b>EXPENDITURES</b>			
Judiciary			
Personal services	\$ 1,564,741	\$ 985,467	\$ 2,550,208
Operating services	301,613	157,180	458,793
Materials and supplies	37,819	11,810	49,629
Travel and other	64,888	3,146	68,034
Depreciation	12,319	6,478	18,797
Interest	203	678	881
Total expenditures	<u>1,981,583</u>	<u>1,164,759</u>	<u>3,146,342</u>
<b>PROGRAM REVENUES</b>			
Fees, charges, and court costs			
Marshal's fees	-	256,098	256,098
Court costs	168,246	-	168,246
Civil fees	43,190	-	43,190
Agency fees	20,084	-	20,084
Probation fees	90,422	-	90,422
Reinstatement fees	1,075	-	1,075
Bond forfeitures	13,066	-	13,066
Other charges for services	42,899	26,084	68,983
Total program revenues	<u>378,982</u>	<u>282,182</u>	<u>661,164</u>
Net program expense	<u>(1,602,601)</u>	<u>(882,577)</u>	<u>(2,485,178)</u>
<b>GENERAL REVENUES</b>			
Intergovernmental - City of Monroe	1,590,367	979,268	2,569,635
Investment earnings	1,656	3	1,659
Bond forfeitures	-	14,911	14,911
Total general revenues	<u>1,592,023</u>	<u>994,182</u>	<u>2,586,205</u>
Changes in net assets	(10,578)	111,605	101,027
<b>NET POSITION</b>			
Beginning of year	<u>1,409,383</u>	<u>(113,056)</u>	<u>1,296,327</u>
End of year	<u>\$ 1,398,805</u>	<u>\$ (1,451)</u>	<u>\$ 1,397,354</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**City of Monroe  
Monroe, Louisiana**

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Monroe, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

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Monroe, Louisiana**

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**DIVIDER**



**City of Monroe**  
**Notes to Financial Statements**  
**April 30, 2016**

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**CITY OF MONROE**  
**Monroe, Louisiana**

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2016**

**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 Statements establish criteria for determining the governmental reporting entity and component units that 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 that are fiscally dependent on the City and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

**CITY OF MONROE**  
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**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2016**

**Discretely Presented 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.

The City Court of Monroe issues an annual financial report that includes financial statements and required supplementary information. The report may be obtained by contacting Judge Tammy Lee, Judge Jefferson Joyce, or Judge Aisha Clark at (318) 329-2580.

**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.

The Monroe City Marshal's office issues an annual financial report that includes financial statements and required supplementary information. The report may be obtained by contacting Marshal Wince Highshaw at (318) 329-2585.

**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 are also 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. 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

**CITY OF MONROE**  
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**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2016**

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. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

***GOVERNMENT-WIDE FINANCIAL STATEMENTS:***

The government-wide financial statements include the statement of net position 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.

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.

**CITY OF MONROE**  
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**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2016**

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 Funds:

*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.

*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.

*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 City reports the following major governmental funds:

The General fund accounts for all financial resources of the City except for those required to be accounted for in another fund. This is the general operating fund of the City.

The Capital Infrastructure fund accounts for the collection of a 1% sales tax to be used for various infrastructure projects as recommended by the Capital Infrastructure Commission, established after the tax renewal of 2004. The tax can be used to pay debt incurred for long-term projects. The tax call requires that 25% of the collections be dedicated to actual street maintenance.

The I-20 Corridor Improvements fund accounts for the infrastructure improvement projects within the defined I-20 District that are funded from the issuance of incremental sales tax bonds.

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.

**CITY OF MONROE**  
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**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2016**

The City reports the following major enterprise funds:

The Monroe Regional Airport fund accounts for the operations of the Monroe Regional Airport, such as administration, operations, maintenance, billing and collection.

The Water fund accounts for the provision of water treatment and distribution services to the residents of the City, such as administration, operations, maintenance, billing and collection.

The Sewer fund accounts for the provision of sewer services and sewerage treatment services to the residents of the City, such as administration, operations, maintenance, billing and collection.

*Internal Service Funds* – These 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 two internal service funds.

The Central Shop fund 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.

The Employees' Group Insurance fund is used to account for the accumulation of resources for and payment of employee health insurance claims, administration costs for processing medical claims and the cost of excess insurance premiums.

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.

**CITY OF MONROE**  
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**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2016**

**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.

Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

***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 position. The modified accrual basis of accounting is used for reporting all governmental fund types. 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. The City considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on long-term debt which is recognized when due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Ad valorem taxes, grants, and fees, charges, and commissions for services have been treated as susceptible to accrual.

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

***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. Property taxes are billed and collected by the Ouachita Parish Sheriff's Office using the assessed values determined by the tax assessor of Ouachita Parish. Revenues from ad valorem taxes are budgeted in the year billed to the extent collections are expected.

Sales taxes are recorded in the month collected by the vendor.

**CITY OF MONROE**  
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**As of And For The Year Ended April 30, 2016**

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 unearned 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 position as a long-term liability and expensed in the Statement of Activities.

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

*Proprietary Funds*

Proprietary 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.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Monroe Regional Airport, Monroe transit System, Monroe Civic Center, Water Fund, Sewer Fund, and Louisiana Purchase Gardens & Zoo are charges to customers for sales and services. The Monroe Regional Airport also recognizes passenger facility fee. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues.

*Fiduciary Funds*

Fiduciary funds include trust and agency funds. Trust and agency fund assets and liabilities are accounted for on the accrual basis of accounting.

*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.



**CITY OF MONROE**  
**Monroe, Louisiana**

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2016**

***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 appropriated budget is prepared by fund, function and department. 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 even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. 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, 2016, the City adopted a budget for the General Fund and all Special Revenue funds.

***E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY***

***CASH, CASH EQUIVALENTS AND INVESTMENTS:***

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

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

**CITY OF MONROE**  
**Monroe, Louisiana**

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2016**

The City participates in the Louisiana Asset Management Pool, Inc., (LAMP) which is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC. LAMP is a 2a7-like investment pool.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of the LAMP. LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

Deposits with original maturity dates exceeding 90 days are classified as investments. Investments are reported at fair value.

***RESTRICTED ASSETS:***

Certain proceeds of the enterprise fund general obligation bond, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. The Water fund is required to hold monies aside paid for utility deposits. Additionally, proceeds related to Passenger Facilities Charges and the Air Industrial Park- Land Sales are reported as restricted on the statement of net position for the enterprise fund. Proceeds related to Passenger Facilities Charges are restricted in use based on the Record of Decision (ROD) approved by the FAA. Proceeds related to the Air Industrial Park- Land Sales are restricted for use by the airport. The amounts restricted for each are listed below:

General Obligation Bonds	\$7,352,985
Passenger Facilities Charges	829,080
Air Industrial Park	236,498
Utility Deposits	1,420,111

***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.

**CITY OF MONROE**  
**Monroe, Louisiana**

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2016**

***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.”

***ELIMINATION AND RECLASSIFICATION:***

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

***INVENTORIES AND PREPAID ITEMS:***

Inventories are valued at cost using the first in, first out cost less write-downs for obsolete items. Inventories consist of expendable supplies and repair and maintenance items held for consumption. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

***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 and land is capitalized at a zero dollar threshold.

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

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

Depreciation of all exhaustible capital 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.

**CITY OF MONROE**  
**Monroe, Louisiana**

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2016**

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

***DEFERRED OUTFLOWS/INFLOWS OF RESOURCES:***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does have deferred outflows related to the net pension liability. Refer to Note 8 for additional information.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City does have deferred inflows related to the net pension liability. Refer to Note 8 for additional information.

***LONG-TERM LIABILITIES:***

In the government-wide statement of net position and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums, discounts, 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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."

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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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, 2016, in the governmental fund-type financial statements.

Full time employees may earn up to 31 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 short term disability compensation plan through CIGNA which allows employees to draw up to 22 weeks of disability leave at 60 percent of their regular pay after a 30 day waiting period. During the waiting period employees are required to use their available sick or vacation accruals. If approved, individuals with long-term disability are then eligible for additional disability leave at 60 percent of their regular pay. Such amounts are not accrued in governmental funds, nor are they reflected in the long-term liabilities due to the inability to estimate such liabilities, and the fact that any unused disability leave does not carry forward to the subsequent year.

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

***NET POSITION/FUND BALANCE:***

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

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

Restricted Net Position - Consists of net position less related liabilities reported in the government-wide statement of net position that are subject to constraints on their use by creditors, grantors, contributors or legislature.

Unrestricted Net Position - Represent net position not appropriable for expenditures or legally segregated for a specific future use.

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The City first applies restricted resources when an expense is incurred for purposes of which both restricted and unrestricted are available.

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

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

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

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

*Assigned* - Amounts that are intended to be used for specific purposes as established by the City's Administration 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.

Restricted amounts are considered to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. The City reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classification could be used.

**F. INTERFUND ACTIVITIES:**

Interfund activity is reported as loans, services provided reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

**G. 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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**H. 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 (1.88 mills), public safety (1.06 mills) and drainage (1.31 mills) millages were renewed by the voters in 2013, levied in 2014 and will expire with the 2023 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 2018 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 2018 tax roll.

For capital improvements, 3.25 mills was renewed by the voters in 2008, levied in fiscal 2009, and will expire with the 2018 tax roll.

For airport improvements, 1.00 mills was passed by the voters in 2009, levied in fiscal 2009, and will expire with the 2018 tax roll.

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Fund Deficits:** The City of Monroe has deficit fund balances in four funds at April 30, 2016. The Employees' Group Insurance fund has a deficit fund balance of \$1,901,468. This deficit will be cleared by an increase in employee insurance premiums. The Community Development Block Grant Loan fund has a deficit fund balance of \$22,331. This deficit will be cleared by reprogramming funds for low income grant recipients. The Garrett Building Repair special revenue fund and Kansas Lane Connector capital project fund have deficits of \$2,350 and \$30,696, respectively. These deficits will be cleared by future grant revenues.

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The Louisiana Purchase Gardens and Zoo has a deficit net position of \$206,833 as a result of recording beginning pension amounts that reduced beginning net position by \$837,404. The City does not plan at this time to increase pension contributions beyond the actuarially required contribution.

**Excess of Expenditures Over Appropriations in Individual Funds:** The following individual funds had actual expenditures over budgeted expenditures for the year ended April 30, 2016:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 61,070,036	\$ 62,972,893	\$ (1,902,857)
Capital Infrastructure	15,121,067	15,306,709	(185,642)

**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.

At April 30, 2016, the City has cash and cash equivalents, totaling \$78,845,792, (including \$1,689,078 in fiduciary funds) as follows:

Petty cash	\$ 19,260
Demand deposits	57,338,667
Regions Trust cash	20,485,453
LAMP	1,002,412
Total	<u>\$ 78,845,792</u>

Credit Risk - LAMP: LAMP is rated AAAM by Standard and Poor's.

Interest Rate Risk LAMP: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 41 as of April 30, 2016.



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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, 2016, are secured, as follows:

Bank balances	\$ <u>70,296,167</u>
Federal deposit insurance	\$ 1,000,000
Collateralized with pledged securities, not in the City's name	<u>69,296,167</u>
Total	<u>\$ 70,296,167</u>

**4. RECEIVABLES**

Accounts receivable of \$15,842,639 at April 30, 2016, are comprised of the following:

	Taxes - Ad Valorem	Taxes - Sales	Grants	Customer Accounts	Other	Total
<b>Governmental Funds</b>						
General	\$ 81,612	\$ 3,203,129	\$ 462,771	\$ 539,224	\$ 473,706	\$ 4,760,442
Capital Infrastructure	-	1,325,001	-	-	58	1,325,059
Nonmajor Governmental	-	1,640,497	2,066,818	-	97,681	3,804,996
Total Governmental	<u>81,612</u>	<u>6,168,627</u>	<u>2,529,589</u>	<u>539,224</u>	<u>571,445</u>	<u>9,890,497</u>
<b>Proprietary Funds</b>						
Monroe Regional Airport	4,497	-	1,544,139	145,589	56,487	1,750,712
Water Fund	-	-	-	1,367,746	915	1,368,661
Sewer Fund	-	-	22,239	1,106,891	4,850	1,133,980
Nonmajor Enterprise	22,482	-	1,326,808	2,499	-	1,351,789
Total Proprietary	<u>\$ 26,979</u>	<u>\$ -</u>	<u>\$ 2,893,186</u>	<u>\$ 2,622,725</u>	<u>\$ 62,252</u>	<u>\$ 5,605,142</u>
Long-term receivables reported in governmental activities						<u>347,000</u>
<b>TOTAL</b>						<u>\$ 15,842,639</u>

The receivables shown above are net of an allowance for doubtful accounts of \$1,929,880 as of April 30, 2016. The allowance for doubtful accounts was reported for the following customer accounts receivables:

General	Garbage Collections	\$ 396,723
Water	Water Sales	820,882
Sewer	Sewer Fees	<u>712,275</u>
		<u>\$ 1,929,880</u>

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**5. CHANGES IN CAPITAL ASSETS**

The following schedule presents changes in capital assets for the year ended April 30, 2016.

	Balance <u>April 30, 2015</u>	Additions	Retirements	Balance <u>April 30, 2016</u>
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 20,203,395	\$ 356,959	\$ -	\$ 20,560,354
Land - internal service	45,000	-	-	45,000
Construction in progress	<u>8,179,832</u>	<u>5,553,689</u>	<u>(1,664,081)</u>	<u>12,069,440</u>
Total capital assets not being depreciated	<u>28,428,227</u>	<u>5,910,648</u>	<u>(1,664,081)</u>	<u>32,674,794</u>
Capital assets, being depreciated				
Buildings and improvements	37,315,632	1,229,953	(94,433)	38,451,152
Buildings and improvements - internal service	3,406,242	-	-	3,406,242
Equipment and Furniture	32,532,562	4,777,420	(1,596,576)	35,713,406
Equipment and Furniture - internal service	266,044	-	-	266,044
Infrastructure	173,836,118	-	-	173,836,118
School buildings	<u>1,229,953</u>	<u>-</u>	<u>(1,229,953)</u>	<u>-</u>
Total capital assets being depreciated	248,586,551	6,007,373	(2,920,962)	251,672,962
Less: accumulated depreciation	(125,639,518)	(12,762,992)	1,674,966	(136,727,544)
Less: accumulated depreciation - internal service	<u>(1,623,592)</u>	<u>(87,856)</u>	<u>-</u>	<u>(1,711,448)</u>
Total accumulated depreciation	(127,263,110)	(12,850,848)	1,674,966	(138,438,992)
Total capital assets being depreciated, net	<u>121,323,441</u>	<u>(6,843,475)</u>	<u>(1,245,996)</u>	<u>113,233,970</u>
Total governmental funds capital assets, net	<u>\$ 149,751,668</u>	<u>\$ (932,827)</u>	<u>\$ (2,910,077)</u>	<u>\$ 145,908,764</u>

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	<u>Balance</u> <u>April 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>April 30, 2016</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 5,607,941	\$ -	\$ -	\$ 5,607,941
Construction in progress	8,872,620	8,756,646	(7,070,791)	10,558,475
Total capital assets not being depreciated	14,480,561	8,756,646	(7,070,791)	16,166,416
Capital assets, being depreciated				
Buildings/Improvements	74,072,379	2,936,561	(36,614)	76,972,326
Infrastructure	193,421,513	2,320,750	-	195,742,263
Equipment	21,490,052	2,547,659	(26,366)	24,011,345
Total capital assets being depreciated	288,983,944	7,804,970	(62,980)	296,725,934
Less: accumulated depreciation	(135,252,072)	(11,258,425)	43,820	(146,466,677)
Total capital assets being depreciated, net	153,731,872	(3,453,455)	(19,160)	150,259,257
Total business-type activities capital assets, net	<u>\$ 168,212,433</u>	<u>\$ 5,303,191</u>	<u>\$ (7,089,951)</u>	<u>\$ 166,425,673</u>

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

Governmental Activities:	
General Government	\$ 1,903,143
Public Safety	1,248,294
Public Works - internal service	87,856
Public Works	8,804,414
Planning and Urban Development	7,367
Culture and Recreation	799,774
Total depreciation expense - governmental activities	<u>\$ 12,850,848</u>
Business-Type Activities:	
Airport	\$ 3,357,949
Transit	814,383
Civic Center	498,218
Zoo	163,358
Water	1,934,558
Sewer	4,489,959
Total depreciation expense - business-type activities	<u>\$ 11,258,425</u>

In keeping with customary practice, any expense associated with the acquisition of animals at the Louisiana Purchase Gardens and Zoo is expensed in the period the expense occurs.

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**6. ACCRUED LIABILITIES**

Accrued liabilities as of April 30, 2016 consist of the following:

Fund	Salaries and Benefits	Claims Payable	Total
General	\$ 2,165,164	\$ -	\$ 2,165,164
Water fund	923	-	923
Internal Service	-	527,648	527,648
<b>TOTAL</b>	<b>\$ 2,166,087</b>	<b>\$ 527,648</b>	<b>\$ 2,693,735</b>

**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 \$2,379,368 for the year ended April 30, 2016.

**8. PENSION AND RETIREMENT PLANS**

*City of Monroe Sponsored Pension Plans:*

The City has two single-employer defined benefit plans, the Bus Drivers' Pension and Relief Fund and the Monroe Policemen's Pension and Relief fund.

The City contributes 7.25% and Bus Department administrative employees contribute 9.25% of their salary to the Bus Drivers' Pension and Relief Fund. The City also reimburses 4% of the bus operators' contributions. The City made no contributions for the year ended April 30, 2016.

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, 2016.

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 position at April 30, 2016 as follows: Policemen's, \$107,932 and Bus Drivers', \$16,229. The Policemen's and Bus Drivers' Pension and Relief Funds do not issue a standalone report.

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***State Sponsored Plans:***

The City is a participating employer in three statewide, public employee retirement systems, Municipal Employees Retirement System (MERS), Municipal Police Employees Retirement System (MPERS), and the Firefighter's Retirement System (FRS). All of these plans have separate boards of trustees and administer cost-sharing, multiple-employer defined benefit pension plans, including classes of employees with different benefits and contributions rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by these systems to the State Legislature. Each plan issues a public report that includes financial statements and required supplementary information. Copies of these reports for MERS, MPERS, and FRS may be obtained at [www.mersla.com](http://www.mersla.com), [www.lampers.org](http://www.lampers.org), and [www.fffret.com](http://www.fffret.com), respectively.

**General Information about the Pension Plans**

**Plan Descriptions/Benefits Provided:**

Municipal Employees' Retirement System: MERS provides retirement, disability, and survivor's benefits to employees of all incorporated villages, towns, and cities within the state which do not have their own retirement plan and which elect to become members of the Plan.

Membership in MERS is mandatory for any permanent employee working at least 35 hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the Plan with exceptions as outlined in the statutes. Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756-11:1785.

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he/she has been a member of MERS and has 25 years of creditable service at any age or has 10 years of creditable service and is age 60. A member is eligible for early retirement after he has been a member of MERS for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three percent of the member's monthly average final compensation multiplied by his years of creditable service. Upon death of an active contributing member with five or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Membership Commencing January 1, 2013: A member is eligible for regular retirement after he/she has been a member of MERS and has 7 years of creditable service at age 67, 10 years of creditable service at age 62, or has 30 years of creditable service at age 55. A member is eligible for early retirement after he/she has been a member of the Plan for 25 years of creditable service at any age, with an actuarially reduced benefit. Benefit rates are three percent of the member's final average compensation multiplied by his/her years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. Any city marshal or deputy city marshal receives an additional regular retirement benefit.

***Cost of Living Adjustments***

MERS is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment

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income in excess of normal requirements. State law allows the Plan to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

*Deferred Retirement Option Plan*

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his/her account balance in that fund, or any other method of payment if approved by the board of trustees. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the Plan.

*Disability Benefits*

A member shall be eligible to retire and receive a disability benefit if he/she has at least five years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the state medical disability board. Upon retirement caused by disability, a member shall be paid a disability benefit equal to the lesser of forty-five percent of his/her final average compensation or three percent of his/her final average compensation multiplied by his/her years of creditable service whichever is greater or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

*Municipal Police Employees' Retirement System:* MPERS provides retirement, disability, and survivor's benefits to municipal police officers.

Membership in MPERS is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

*Membership Prior to January 1, 2013:* A member is eligible for regular retirement after he has been a member of MPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of MPERS for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children.

*Membership Commencing January 1, 2013:* A member's eligibility for regular retirement, early retirement, disability and survivor benefits are based on hazardous duty and nonhazardous sub duty plans. Under the hazardous duty sub-plan, a member is eligible for regular retirement after he/she has been a

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member of the Plan and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the non-hazardous duty sub-plan, a member is eligible for regular retirement after he has been a member of the Plan and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub-plans, a member is eligible for early retirement after he has been a member of the Plan for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under hazardous and non-hazardous duty sub-plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the Plan provides for surviving spouses and minor children.

*Cost of Living Adjustments*

MPERS's Board of Trustees are authorized by State statutes to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

*Deferred Retirement Option Plan*

MPERS members are eligible to elect to enter the deferred retirement option plan (DROP) when he/she is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the retirement plan is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership in the retirement plan shall resume and upon later termination, the member shall receive additional retirement benefit based on the additional service.

*Initial Benefit Option Plan*

In 1999, the State Legislature authorized MPERS to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly benefit for life.

*Firefighters Retirement System:* FRS provides retirement, disability, and survivor's benefits to full-time firefighters.

Membership in FRS is a condition for employment for any full-time firefighters who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana. Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272.

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A member is eligible for regular retirement after he has been a member of FRS and has 20 years of creditable service and is age 50, has 12 years creditable service and is age 55, or 25 years of service at any age. Benefit rates are three and one-third percent of average final compensation based on 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. Upon death of an active contributing member, the plan provides for surviving spouses and minor children.

*Cost of Living Adjustments*

FRS's Board of Trustees are authorized by State statutes to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

*Deferred Retirement Option Plan*

After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the DROP for up to 36 months. At the entry date into the DROP, the employee and employer contributions cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership in the retirement plan shall resume. No payments may be made from the DROP account until the participant retires.

*Initial Benefit Option Plan*

In 1999, the State Legislature authorized FRS to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly benefit for life.

*Disability Benefits*

A member shall be eligible to retire and receive a disability benefit if he/she has been officially certified as disabled by the state medical disability board. Any member totally disabled from injury received in the line of duty, shall be paid, on a monthly basis, an annual pension of 60% of the average final compensation being received at the time of disability. Any member who has become disabled or incapacitated because of continued illness or as a result of any injury received, even though not in the line of duty, and who has five years of creditable service, but is not eligible for retirement under the provisions of LRS 11:2256 may apply for retirement under the provisions of LRS 11:2258 and shall be retired on 75% of the retirement salary to which he/she would be entitled under LRS 11:2256 if he/she were otherwise eligible thereunder or 25% of the member's average salary, whichever is greater.



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**Employer Contributions**

The contribution requirements of plan members and the City are established and may be amended by state statute. According to state statute, 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 employer contribution rate for MERS for the plan's 2015-2016 fiscal year is 19.75% and the employee contribution rate is 9.5%. The City's contributions to MERS for the year ended was \$3,729,744. For MPERS, the employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 29.5% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous duty members hired after January 1, 2013 were 31.5% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 32.0% and 7.5%, respectively. The City's contributions to the MPERS for the year ended April 30, 2016 was \$2,599,620. The contribution required for FRS for the plans 2015-2016 fiscal year for employers was 29.25% below poverty and 27.25% above poverty. For employees the rates were 10% above poverty and 8% below poverty. The City's contributions to the FRS for the year ended April 30, 2016 was \$2,491,020.

*Non-employer Contributions*

MERS receives ¼ of 1% of ad valorem taxes collected within the respective parishes except for Orleans, per state statute. The Plan also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income of \$641,216 are used as additional employer contributions and considered support from non-employer contributing entities.

MPERS and FRS receive insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions of \$547,162 for MPERS and \$954,819 for FRS were recognized as revenue during the fiscal year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At April 30, 2016, the City reported liabilities of \$38,576,519, \$24,211,694, and \$21,539,736 for its proportionate share of the MERS, MPERS, and FRS, respectively, Net Pension Liability (NPL). The NPL was measured as of June 30, 2015, and the total pension liabilities used to calculate the NPL was determined by actuarial valuations as of that date. The City's proportions of the NPL were based on an allocation method based on employer's contribution to the respective retirement plans during the year ended June 30, 2015 as compared to the total of all employers' contributions to the respective retirement plans during the year ended 2015. As of June 30, 2015, the most recent measurement date, the City's proportions and the changes in proportion from the prior measurement date were as follows:

System	City's Proportion	Change in Proportion
MERS	10.799224%	-0.115373%
MPERS	3.090610%	-0.048971%
FRS	3.990974%	0.023949%

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For the year ended April 30, 2016, the City recognized a total pension expense of \$9,722,597, or \$4,336,203 for MERS, \$1,843,555 for MPERS and \$3,542,839 for FRS. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Governmental Activities:

	Deferred Outflows				Deferred Inflows			
	MERS	MPERS	FRS	Total	MERS	MPERS	FRS	Total
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ -	\$ (1,004,845)	\$ (444,883)	\$ (966,478)	\$ (2,416,206)
Changes of assumptions	2,030,165	2,112,640	265,042	4,407,847	-	(3,488)	(8,927)	(12,415)
Net difference between projected and actual earnings on pension plan investments	3,087,227	-	2,268,151	5,355,378	-	(459,801)	-	(459,801)
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	-	(225,719)	(454,705)	(291,977)	(972,401)
Employer contributions subsequent to the measurement date	1,958,078	2,166,352	2,037,988	6,162,419	-	-	-	-
<b>Total</b>	<b>\$ 7,075,470</b>	<b>\$ 4,278,992</b>	<b>\$ 4,571,182</b>	<b>\$15,925,644</b>	<b>\$ (1,230,564)</b>	<b>\$ (1,362,877)</b>	<b>\$ (1,267,382)</b>	<b>\$ (3,860,823)</b>

Business-Type Activities:

	Deferred Outflows				Deferred Inflows			
	MERS	MPERS	FRS	Total	MERS	MPERS	FRS	Total
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ -	\$ (590,180)	\$ -	\$ (17,956)	\$ (608,136)
Changes of assumptions	1,192,383	-	4,924	1,197,307	-	-	(166)	(166)
Net difference between projected and actual earnings on pension plan investments	1,813,234	-	42,143	1,855,377	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	-	(132,572)	-	(5,425)	(137,997)
Employer contributions subsequent to the measurement date	1,150,048	-	37,864	1,187,911	-	-	-	-
<b>Total</b>	<b>\$ 4,155,665</b>	<b>\$ -</b>	<b>\$ 84,930</b>	<b>\$ 4,240,595</b>	<b>\$ (722,752)</b>	<b>\$ -</b>	<b>\$ (23,547)</b>	<b>\$ (746,299)</b>

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Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of each plan's NPL in the year ended April 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Governmental Activities:

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>Total</u>
2017	\$ 799,496	\$ (58,288)	\$ 284,858	\$ 1,026,066
2018	1,341,223	(58,288)	284,858	1,567,793
2019	670,559	160,881	284,854	1,116,294
2020	1,075,550	705,458	671,743	2,452,751
2021	-	-	(185,460)	(185,460)
2022	-	-	(75,042)	(75,042)

Business-Type Activities:

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>Total</u>
2017	\$ 469,571	\$ -	\$ 5,292	\$ 474,863
2018	787,747	-	5,292	793,039
2019	393,843	-	5,292	399,135
2020	631,704	-	12,484	644,188
2021	-	-	(3,446)	(3,446)
2022	-	-	(1,394)	(1,394)

Actuarial Assumptions. The NPL was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net pension. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

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	MERS	MPERS	FRS
Valuation Date	June 30, 2015	June 30, 2015	June 30, 2015
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Expected Remaining Service Lives	3 years	4 years	7 years
Investment Rate of Return	7.5%, net of investment exp.	7.5%, net of investment exp.	7.5%, net of investment exp.
Inflation Rate	2.875% per annum	2.875% per annum	2.875% per annum
Mortality - Non-disabled	RP-2000 Employee Table for active members (set back 2 years for males & females); RP-2000 Healthy Annuitant Table for healthy annuitants (set forward 2 years for males and 1 year for females)	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females)	RP-2000 Healthy Annuitant Mortality Table (set back 1 year) for healthy annuitants and beneficiaries, RP-2000 Employee Mortality Table (set back 1 year) for active members
Mortality - Disabled	RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)	RP-2000 Employee Table (set back 4 years for males and 3 years for females)	RP-2000 Disabled Lives Mortality Table
Termination, Disability, Retirement	2009-2014 experience study	2010-2014 experience study	2009-2014 experience study
Salary Increases	5.0%	1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25%	Vary from 15% in the first 2 years of service to 4.75% after 25 years
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic	Not substantively automatic

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized for each plan in the following table:

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	<u>Target Allocation</u>	<u>LT Expected Real Rate of Return</u>
MERS (arithmetic)		
Public equity	50.00%	2.95%
Public fixed income	15.00%	0.89%
Alternatives	35.00%	2.06%
Total	<u>100.00%</u>	<u>5.90%</u>
Inflation		<u>2.40%</u>
Expected arithmetic nominal return		<u><u>8.30%</u></u>
MPERS (arithmetic)		
Equity	52.00%	3.47%
Fixed Income	20.00%	0.46%
Alternative	23.00%	1.15%
Other	5.00%	0.20%
Total	<u>100.00%</u>	<u>5.28%</u>
Inflation		<u>3.00%</u>
Expected arithmetic nominal return		<u><u>8.28%</u></u>
FRS (arithmetic)		
Equity	51.00%	6.50%
Fixed Income	24.00%	1.84%
Alternative	15.00%	6.96%
Other	10.00%	4.36%
Total	<u>100.00%</u>	<u>5.24%</u>
Inflation		<u>3.00%</u>
Expected arithmetic nominal return		<u><u>8.24%</u></u>

*Discount Rate.* The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PERSAC taking into consideration the recommendation of the each plan's actuary. Based on those assumptions, each plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the proportionate share of the NPL to changes in the discount rate.* The following presents the City's proportionate share of the NPL for all plans using the current discount rate as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

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	<b>1.0% Decrease</b>	<b>Current Discount Rate</b>	<b>1.0% Increase</b>
MERS	\$ 50,484,904	\$ 38,576,519	\$ 28,430,406
MPERS	33,663,716	24,211,694	16,291,072
FRS	30,556,235	21,539,736	13,960,421

*Pension plan fiduciary net position.* Detailed information about each plan’s fiduciary net position are available in the separately issued financial report referenced above.

*Payables to the Pension Plan.* At April 30, 2016, the City had \$546,148, \$293,542, and \$281,546 in payables to MERS, MPERS, and FRS, respectively, for the April 2016 employee and employer legally required contributions.

**9. 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 City of Monroe’s plan is a single-employer defined benefit plan, which does not issue a stand-alone financial report.

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.

**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. Retirees contribute 32% and the City contributes 68%.

**Fund Policy** - Until 2008, the City of Monroe recognized the cost of providing post-employment medical benefits (the City of Monroe’s portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2016 and 2015, the City of Monroe’s portion of health care funding cost for retired employees totaled \$1,394,346 and \$1,291,061, respectively.

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

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**Annual Required Contribution** - The City of Monroe's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2016	2015
Normal Cost	\$ 983,904	\$ 946,062
30-year UAL amortization amount	2,548,000	2,450,000
Annual required contribution (ARC)	\$ 3,531,904	\$ 3,396,062

**Net Post-employment Benefit Obligation (Asset)** - The table below shows the City of Monroe's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending April 30, 2016, 2014 and 2013 respectively:

	2016	2015	2014
Beginning Net OPEB Obligation	\$ 14,542,045	\$ 12,662,824	\$ 10,752,007
Annual required contribution	3,531,904	3,396,062	3,663,378
Interest on Net OPEB Obligation	581,682	506,513	430,080
ARC Adjustment	(840,968)	(732,293)	(621,789)
OPEB Cost	3,272,618	3,170,282	3,471,669
Contribution to Irrevocable Trust	-	-	-
Current year retiree premium	(1,394,346)	(1,291,061)	(1,560,852)
Change in Net OPEB Obligation	1,878,272	1,879,221	1,910,817
Ending Net OPEB Obligation	\$ 16,420,317	\$ 14,542,045	\$ 12,662,824

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
April 30, 2016	\$ 3,272,618	42.61%	\$ 16,420,317
April 30, 2015	3,170,282	40.72%	14,542,045
April 30, 2014	3,471,669	44.96%	12,662,824

**Funded Status and Funding Progress** - In 2016 the City of Monroe made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the May 1, 2014 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year April 30, 2016 was \$45,822,790 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. The required schedule of funding progress immediately following the notes presents multiyear trend information about whether the actuarial value plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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	<u>2016</u>
Actuarial Accrued Liability (AAL)	\$ 45,822,790
Actuarial Value of Plan Assets (AVP)	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 45,822,790</u>
Funded Ratio (AVP/AAL)	0.00%
Covered Payroll (active plan members)	\$ 42,425,428
UAAL as a percentage of covered payroll	108.01%

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

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

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

**Actuarial Value of Plan Assets** - There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

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

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



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

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

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

**Method of Determining Value of Benefits** - The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The City pays 68% of the total unblended retiree premiums. Those premiums are based on the unblended rates both before and after Medicare eligibility as required by GASB Codification Section P50.

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

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

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

**10. CAPITAL 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 2013, the City entered into lease agreements for golf carts to be used at Chennault Golf Course. The original amount of the obligation was \$301,438 and bears interest at 7.3%. Also, the City entered into a lease for police communication software and equipment with an original obligation amount of \$1,178,708 which bears interest at 3.49%. In October 2014, the City entered into a lease for fire trucks and other related equipment. The original amount of the obligations was \$2,500,000 and bears interest at 1.63%.

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The assets acquired through capital leases are as follows:

<u>Asset:</u>	<u>Original Cost</u>	<u>Current Year Depreciation</u>	<u>Accumulated Depreciation</u>
Chennault golf carts	\$ 301,438	\$ 73,962	\$ 258,294
Police communication equipment	1,178,708	117,871	412,547
Fire Department equipment	2,494,292	304,953	310,534

The future minimum lease payments are as follows:

<u>Fiscal Years Ended April 30:</u>	<u>Future Minimum Lease Payments</u>
2017	\$ 1,035,211
2018	930,860
2019	935,786
2020	938,277
2021	658,007
	<u>\$ 4,498,141</u>
Less: Amounts representing Interest	<u>(374,071)</u>
Present Value of Future Minimum Lease Payments	<u><u>\$ 4,124,070</u></u>

**11. LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligation transactions of the City of Monroe for the year ended April 30, 2016:

	<u>Balance April 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance April 30, 2016</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>					
Tax increment bonds	\$ 34,055,000	\$ -	\$ (2,990,000)	\$ 31,065,000	\$ 3,065,000
Sales tax revenue bonds	43,718,800	-	(2,199,400)	41,519,400	2,283,600
Premium	642,088	-	(97,237)	544,851	89,164
Total bonds payable	<u>78,415,888</u>	<u>-</u>	<u>(5,286,637)</u>	<u>73,129,251</u>	<u>5,437,764</u>
Claims and judgments	10,219,981	1,918,833	(1,998,110)	10,140,704	159,364
Capital leases	4,959,283	-	(835,213)	4,124,070	912,415
Notes payable	2,444,321	-	(799,726)	1,644,595	814,680
Accrued vacation and sick pay	6,273,770	3,886,508	(3,838,636)	6,321,642	3,838,636
Other post employment benefits	14,542,046	3,272,618	(1,394,347)	16,420,317	1,394,346
Net pension liability	54,828,667	24,016,222	(9,183,643)	69,661,246	-
Total Long-Term Debt	<u><u>\$ 171,683,956</u></u>	<u><u>\$ 33,094,181</u></u>	<u><u>\$ (23,336,312)</u></u>	<u><u>\$ 181,441,825</u></u>	<u><u>\$ 12,557,205</u></u>

**CITY OF MONROE**  
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**As of And For The Year Ended April 30, 2016**

	Balance April 30, 2015	Additions	Deletions	Balance April 30, 2016	Amounts Due Within One Year
<u>Business-type Activities:</u>					
Sales tax revenue bonds - Water	\$ 5,085,240	\$ -	\$ (448,120)	\$ 4,637,120	\$ 464,280
Premium - Water	25,863	-	(8,621)	17,242	6,897
Sales tax revenue bonds - Sewer	47,721,499	1,070,863	(3,825,688)	44,966,674	4,541,615
Premium - Sewer	103,453	-	(34,484)	68,969	27,587
General obligation bonds - Airport	16,885,000	-	(510,000)	16,375,000	545,000
Total bonds payable	<u>69,821,055</u>	<u>1,070,863</u>	<u>(4,826,913)</u>	<u>66,065,005</u>	<u>5,585,379</u>
Net pension liability	10,690,574	5,620,469	(1,644,340)	14,666,703	-
Accrued vacation and sick pay	1,278,558	897,011	(838,341)	1,337,228	838,341
Total Long-Term Debt	<u>\$ 81,790,187</u>	<u>\$ 7,588,343</u>	<u>\$ (7,309,594)</u>	<u>\$ 82,068,936</u>	<u>\$ 6,423,720</u>

Payments of claims and judgments payable are recognized in the General Fund when paid and are related to outstanding worker's compensation claims at year-end. Payments of accrued vacation and sick pay, as well as capital leases, are paid from the general revenues of the General Fund. The payments for notes payable are recognized in the General Fund, as well as the special revenue fund entitled Capital. The other post-employment benefit obligation will be liquidated by the General Fund. Only those expenditures which are included in the City's legally adopted budget will be paid from the General Fund and any special revenue funds.

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Individual bond issuances are comprised of the following:

	<u>Issue Dates</u>	<u>Original Amount</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Balance April 30, 2016</u>	<u>Amounts Due Within A Year</u>
<b>GOVERNMENTAL ACTIVITIES</b>						
<b>Tax Increment Bonds:</b>						
Tower Drive Series 2012	2012	\$ 10,590,000	2.71%	2025	\$ 7,905,000	\$ 785,000
I-20 Development Series 2011	2011	10,000,000	3.00% - 5.00%	2025	7,170,000	690,000
I-20 Development Series 2012	2012	<u>20,530,000</u>	2.71%	2025	<u>15,990,000</u>	<u>1,590,000</u>
Total Tax Increment Bonds		<u>41,120,000</u>			<u>31,065,000</u>	<u>3,065,000</u>
<b>Sales Tax Bonds:</b>						
Series 2007A Refunding	2007	19,951,200	1.703%	2027	13,059,400	1,033,600
Series 2011A Refunding	2011	14,690,000	3.19%	2028	13,880,000	280,000
Series 2012 Refunding	2012	<u>16,860,000</u>	2.00% - 4.00%	2028	<u>14,580,000</u>	<u>970,000</u>
Total Sales Tax Bonds		<u>51,501,200</u>			<u>41,519,400</u>	<u>2,283,600</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>		<u>\$ 92,621,200</u>			<u>\$ 72,584,400</u>	<u>\$ 5,348,600</u>
<b>BUSINESS TYPE ACTIVITIES</b>						
<b>Sales Tax Bonds - Water:</b>						
Series 2006	2006	\$ 3,000,000	3.45%	2029	\$ 2,175,000	\$ 135,000
Series 2007A Refunding	2007	1,877,760	1.703%	2027	1,229,120	97,280
Series 2011 Refunding	2011	<u>1,916,000</u>	2.50% - 5.00%	2021	<u>1,233,000</u>	<u>232,000</u>
Total Sales Tax Bonds - Water		<u>6,793,760</u>			<u>4,637,120</u>	<u>464,280</u>
<b>Sales Tax Bonds - Sewer:</b>						
Series 2007A Refunding	2007	7,511,040	1.703%	2027	4,916,480	389,120
Series 2008 - DEQ #5	2008	14,000,000	0.95%	2026	6,896,789	670,000
Series 2011 Refunding	2011	7,664,000	2.50% - 5.00%	2021	4,932,000	928,000
Series 2012A Refunding	2012	32,000,000	2.89%	2028	26,520,000	1,880,000
Series 2013 - DEQ #6	2013	<u>11,700,000</u>	0.95%	2028	<u>1,701,405</u>	<u>674,495</u>
Total Sales Tax Bonds - Sewer		<u>72,875,040</u>			<u>44,966,674</u>	<u>4,541,615</u>
<b>General Obligation Bonds - Airport:</b>						
Series 2009 Airport Bonds	2009	<u>19,250,000</u>	3.25% - 5.5%	2039	<u>16,375,000</u>	<u>545,000</u>
Total Airport Revenue Bonds		<u>19,250,000</u>			<u>16,375,000</u>	<u>545,000</u>
<b>TOTAL BUSINESS TYPE ACTIVITIES</b>		<u>\$ 98,918,800</u>			<u>\$ 65,978,794</u>	<u>\$ 5,550,895</u>

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The debt service requirements to amortize all bonds outstanding at April 30, 2016, are as follows:

Year Ended April 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 5,348,600	\$ 2,629,209	\$ 7,977,809	\$ 5,550,895	\$ 2,152,386	\$ 7,703,281
2018	5,517,800	2,450,946	7,968,746	5,763,540	2,101,102	7,864,642
2019	5,708,800	2,255,980	7,964,780	5,486,770	1,852,410	7,339,180
2020	5,871,400	2,037,295	7,908,695	5,023,600	1,685,829	6,709,429
2021	6,312,400	1,819,681	8,132,081	5,192,600	1,537,127	6,729,727
2022-2026	35,875,200	4,860,420	-	21,121,589	5,778,578	26,900,167
2027-2031	7,950,200	254,567	-	9,849,800	3,003,747	12,853,547
2032-2036	-	-	-	5,515,000	1,637,900	7,152,900
2037-2039	-	-	-	2,475,000	270,328	2,745,328
<b>Total</b>	<b>\$ 72,584,400</b>	<b>\$ 16,308,098</b>	<b>\$ 88,892,498</b>	<b>\$ 65,978,794</b>	<b>\$ 20,019,407</b>	<b>\$ 85,998,201</b>

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.

**12. PLEDGED REVENUES**

**Tower Drive Sales Tax Revenue and Refunding Bonds, Series 2012**

The City has pledged and dedicated and will irrevocably pledge and dedicate an amount to be determined but in no event to exceed sixty percent (60%) of its local Sales Tax Increment collected within the boundaries of the Economic Development Areas for use by the City for the purposes set forth in the Act for payment of the principal of, premium, if any, and interest on the Bonds.

The original bond issuance was for \$10,590,000. Proceeds from the bonds provided financing for the purpose of the acquisition, engineering, construction, reconstruction or relocation of certain roads, streets, highways, drainage, sewers and other public infrastructure within the Tower Drive Economic Development Area. The bonds are payable through 2025. The City has a balance of \$545,878 in a debt service fund for the payment of the bonds. Total principal and interest remaining to be paid on the bonds is \$7,905,000 and \$1,109,474, respectively. For the year ended April 30, 2016, the City received \$1,021,470 from the collection of the incremental sales tax and paid \$765,000 in bond principal and \$234,957 in debt service interest. The annual required principal and interest payments are estimated to be 98% of the tax revenues over the next 9 years.

**I-20 Development Sales Tax Increment Revenue Bonds, Series 2011 and Series 2012**

The City has pledged and dedicated and will irrevocably pledge and dedicate an amount to be determined but in no event to exceed sixty percent (60%) of its local Sales Tax Increment collected within the boundaries of the Economic Development Areas for use by the City for the purposes set forth in the Act for payment of the principal of, premium, if any, and interest on the Bonds.

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The original bond issuances were for \$10,000,000 for the 2011 and \$20,530,000 for the 2012 issuances. Proceeds from the bonds provided for the financing or refinancing of economic development projects within the economic development area including the repair, construction, reconstruction or relocation of public streets. Both series bonds are payable through 2025. The City has a balance of \$4,868,840 in a debt service fund for the payment of the bonds. Total principal and interest remaining to be paid on the bonds is \$23,160,000 and \$3,929,027, respectively. For the year ended April 30, 2016, the City received \$3,209,139 from the collection of the incremental sales tax and paid \$2,225,000 in bond principal and \$788,801 in debt service interest. The annual required principal and interest payments are estimated to be 93% of the tax revenues over the next 9 years.

**Sales Tax Revenue Bonds**

Sales Tax Bonds are payable solely from and secured by an irrevocable pledge and dedication of the avails or proceeds of the special one percent (1%) sales and use tax now being levied and collected by the City, pursuant to Article VI, Section 29 of the Constitution of the State of Louisiana of 1974, and other constitutional and statutory authority, and in compliance with elections held therein on November 8, 1994 and May 5, 2001, subject only to the prior payment of the reasonable and necessary costs and expenses of collecting and administering the Tax.

Proceeds from the bonds provided for capital infrastructure projects such as fire improvements, streets and drainage, as well as water and sewer infrastructure upgrades.

The City has a balance of \$3,092,053 in a debt service fund for payment of the bonds. The original amount of the bonds as well as the remaining principal and interest and final year payment is as follows:

	<u>Original Amount</u>	<u>Remaining Principal</u>	<u>Remaining Interest</u>	<u>Final Year Payment</u>
Series 2006	\$ 3,000,000	\$ 2,175,000	\$ 523,623	2029
Series 2007A	29,340,000	19,205,000	4,355,344	2027
Series 2008 DEQ #5	14,000,000	6,896,789	322,929	2026
Series 2011 Refunding	9,580,000	6,165,000	552,525	2021
Series 2011A Refunding	14,690,000	13,880,000	3,387,940	2028
Series 2012 Refunding	16,860,000	14,580,000	3,526,313	2028
Series 2012A Refunding	32,000,000	26,520,000	4,858,523	2028
Series 2013 DEQ #6	11,700,000	1,701,405	105,157	2028
Total	<u>\$ 131,170,000</u>	<u>\$ 91,123,194</u>	<u>\$ 17,632,354</u>	

For the year ended, April 30, 2016, the City received \$16,473,032 from the collection of the 1% sales and use tax and paid \$6,473,208 in bond principal and \$2,926,991 in debt service interest. The annual required principal and interest payments are estimated to be 51% of the tax revenues over the next 14 years.

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**13. INTERFUND RECEIVABLES AND PAYABLES**

Individual fund balances due from/to other funds at April 30, 2016, are as follows:

	Interfund Receivable						Total
	General	Capital Infrastructure	Nonmajor Governmental	Monroe Regional Airport	Water	Nonmajor Enterprise	
Interfund Payable							
General	\$ -	\$ -	\$ 45,305	\$ -	\$ -	\$ 18,097	\$ 63,402
Capital Infrastructure	287	-	-	-	-	-	287
Nonmajor Governmental	17,995	-	982,871	-	1,707,479	-	2,708,345
Monroe Regional Airport	166	-	-	-	784,759	-	784,925
Water Fund	2,325	-	-	-	-	-	2,325
Sewer Fund	1,857	1,000,000	-	1,587	-	-	1,003,444
Nonmajor Enterprise	1,364,158	-	-	-	119,353	-	1,483,511
Internal Service	2,297,503	-	-	-	-	-	2,297,503
Total	<u>\$ 3,684,291</u>	<u>\$ 1,000,000</u>	<u>\$ 1,028,176</u>	<u>\$ 1,587</u>	<u>\$ 2,611,591</u>	<u>\$ 18,097</u>	<u>\$ 6,046,239</u>

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

**14. INTERFUND TRANSFERS**

The following transfers were made between the various funds of the City during the year ended April 30, 2016:

	Transfers Out			Total
	General	Capital Infrastructure	Nonmajor Governmental	
Transfers In				
General	\$ -	\$ 991,201	\$ 109,463	\$ 1,100,664
Nonmajor Governmental	738,001	6,781,641	208,188	7,727,830
Water Fund	-	512,664	794,291	1,306,955
Sewer Fund	-	4,600,072	5,436,763	10,036,835
Nonmajor Enterprise	3,080,731	-	17,950	3,098,681
Internal Service	616,313	-	197,960	814,273
Total	<u>\$ 4,435,045</u>	<u>\$ 12,885,578</u>	<u>\$ 6,764,615</u>	<u>\$ 24,085,238</u>

These transfers resulted from transactions for goods and services among funds, debt service transfers, amounts needed to support operations in various enterprise funds and for capital improvement.

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**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2016**

**15. COMMITMENTS, 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, 2016.

The City is a party to a variety of suits involving sales taxes assessed on different businesses, city employee/employer relations, and a suit involving sewer collections. The City is unable to make an estimate of the possible liability, if any, of these matters at the current time.

Construction Commitments. The City has active construction projects as of April 30, 2016. The projects include street construction, sewer treatment improvements, water system upgrades and airport projects. At year end the City's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
I-20 Frontage Rd N-Garrett to Millhaven Exit	\$ 310,772	\$ 3,467,400
Basin MR 04/05/07A	2,021,182	2,468,725
Bridge Replacements (4)	360,192	900,553
North Area Pump Station	1,184,386	452,823
Nutland Rd Overlay and New Shoulders	777,405	369,482
Hwy 165 South Infrastructure	191,168	214,673
Community Center & Civic Center Renovations	1,220,843	144,821
Other Active Construction Projects	4,268,521	425,532

The City also has outstanding commitments for architect and engineering services related to the City's ongoing construction projects.

Encumbrances. As discussed in note D Budget Practices, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 491,061
Nonmajor Governmental	118,098
Monroe Regional Airport	128,367
Water	288,369
Sewer	321,321
Nonmajor Enterprise	252,877
Internal Service	70,778
	<u>\$ 1,670,871</u>



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**16. 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 \$1,964,186 and the related expenditures are as follows:

Marshal/Deputy Marshal	\$	81,119
Monroe Police Department		850,889
Monroe Fire Department		1,032,178
Total	<u>\$</u>	<u>1,964,186</u>

**17. 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, 2016. 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 \$10,000 and coverage limits from \$50,000 (surety bonds) to \$124,627,174 (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 \$2,000,000 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.

The City also administers its own health insurance plan for its employees with a combination of self-insurance and stop-loss coverage. Claims are paid from charges to the City's other funds and its plan members and is based on 3<sup>rd</sup> party administrations recommendation. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In fiscal year 2016 the City retained specific stop-loss coverage which provides excess coverage for claims in excess of \$250,000.

The following are the changes in the claims liability for health care benefits during the past two years are as follows:

	2016	2015
Beginning balance	\$ 872,419	\$ 962,622
Current year claims and changes in estimates	10,226,963	11,325,791
Claims paid	(10,571,734)	(11,415,994)
Ending balance	<u>\$ 527,648</u>	<u>\$ 872,419</u>

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

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in the long term liabilities at estimated present value. Other long-term claims and judgments payable recorded in the long term liabilities, primarily disability and workers' compensation claims, are recorded using actuarial methods. Changes in the claims liability during the past two years are as follows:

	2016	2015
Beginning balance	\$ 10,219,981	\$ 9,754,763
Current year claims and changes in estimates	1,918,833	2,279,850
Claims paid	(1,998,110)	(1,814,632)
Ending balance	\$ 10,140,704	\$ 10,219,981

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, 2016, which was calculated to be approximately \$2 million and covers claim years since April 30, 1979.

The Employees' Group Insurance fund had a deficit fund balance of \$1,901,468 at April 30, 2016.

**18. SALES TAX COLLECTIONS REMITTED TO OTHER TAXING AUTHORITIES (CASH BASIS)**

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, 2016.

	Total Collections	Collection Cost	Protested Taxes	Final Distribution
City of West Monroe	\$ 22,189,586	\$ (56,871)	\$ (2,113)	\$ 22,130,602
Town of Sterlington	691,693	(4,311)	-	687,382
Town of Richwood	298,184	(194)	-	297,990
Monroe City School Board	29,461,296	(193,070)	(16,206)	29,252,020
Ouachita Parish School Board	46,442,273	(282,294)	(5,441)	46,154,538
Ouachita Parish Police Jury	15,798,609	(38,759)	-	15,759,850
Ouachita Parish Sheriff Office	4,446,794	(21,402)	-	4,425,392
Monroe/W Monroe Convention & Visitor's Bureau	1,789,503	(4,046)	-	1,785,457
Subtotal	121,117,938	(600,947)	(23,760)	120,493,231
City of Monroe	63,017,607	-	(38,955)	62,978,652
<b>Total</b>	<b>\$ 184,135,545</b>	<b>\$ (600,947)</b>	<b>\$ (62,715)</b>	<b>\$ 183,471,883</b>

**CITY OF MONROE**  
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**As of And For The Year Ended April 30, 2016**

**19. 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:

**Nonspendable Fund Balance**

<u>Fund</u>	<u>Nonspendable</u>	<u>Amount</u>
<b>Major Funds:</b>		
General Fund	Prepaid expenses and other assets	\$ 265,384
General Fund	Inventories	114,736
		<hr/>
<b>Total Major Funds</b>		<b>380,120</b>
		<hr/>
<b>Non-major Funds:</b>		
Special Revenue Funds:		
CDBG Loan	Prepaid expenses and other assets	69,454
HOME Program Loans	Prepaid expenses and other assets	170,481
Capital	Prepaid expenses and other assets	335,007
		<hr/>
<b>Total Non-major Funds</b>		<b>574,942</b>
		<hr/>
<b>Total Nonspendable</b>		<b>\$ 955,062</b>
		<hr/> <hr/>

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**As of And For The Year Ended April 30, 2016**

**Restricted Fund Balance**

<u>Fund</u>	<u>Restricted For</u>	<u>Amount</u>
<b>Major Funds</b>		
Special Revenue-Capital Infrastructure	Debt	\$ 10,804,155
	Public works	14,915,218
I-20 Corridor Improvements Capital Project Fund	Public works	12,846,493
<b>Total Major Funds</b>		<b>38,565,866</b>
<b>Non-Major Funds</b>		
Special Revenue Funds		
Fire Department Insurance	Public safety	1,145,478
Urban Development Action	Planning and urban development	18,190
Rental Rehab	Planning and urban development	115,992
CDBG Economic Development	Planning and urban development	10,835
Fire and Police Capital Tax	Capital improvements	1,397,795
CDBG Home	Planning and urban development	475
City Prosecuting Attorney	Judicial	174,321
DARE Program	Public safety	84,007
Equitable Share Federal Seizure	Public safety	11,344
Police Salary Sales Tax	Public safety	1,141,681
Fire Salary Sales Tax	Public safety	1,323,609
HOME Program Loans	Planning and urban development	315,828
MPD K-9/Donations	Public safety	27,708
PTFA-2012	Recreation facilities	211,700
Ouachita Well	Planning and urban development	16,278
Fire Capital Lease	Capital improvements	5,708
PTFA-2015	Recreation facilities	554,118
Debt-Service Funds		
I-20 Economic District	Debt	4,868,840
Tower Dr Economic District	Debt	545,878
Sales Tax Debt Service Fund	Debt	3,092,053
Capital Projects Funds		
N 18th Street Extension	Capital improvements	104,713
Tower Drive	Capital improvements	639,994
Street Construction	Capital improvements	228,542
Fire/Drainage Improvements	Capital improvements	124,740
US 165 Business Connector	Capital improvements	88,049
<b>Total Non-Major Funds</b>		<b>16,247,876</b>
<b>Total Restricted</b>		<b>\$ 54,813,742</b>

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**Notes To The Financial Statements**  
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**Committed Fund Balance**

<u>Fund</u>	<u>Committed For</u>	<u>Amount</u>
<b>Non-Major Funds</b>		
Special Revenue Funds		
Employees' Benefits	Employees' benefits	\$ 243,837
<b>Total Committed</b>		<b>\$ 243,837</b>

**Assigned Fund Balance**

<b>Non-Major Funds</b>		
Special Revenue Funds		
Diversion Program	Judicial	\$ 86,399
Drug Seizure Forfeiture Local/State	Public safety	1,014
Downtown Economic Development	Economic development	6,314
Admin Economic Development	Economic development	632,158
Repairs & Maintenance	Repairs and capital improvements	22,712
Demolition	Public works	58,869
<b>Total Assigned</b>		<b>\$ 807,466</b>

**20. 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 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 position on the Statement of Net position.

**CITY OF MONROE**  
**Monroe, Louisiana**

**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2016**

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. These projects as well as the amounts disbursed and the remaining dollars available are as follows:

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	2,986,573	13,213,427
Administrative Costs (Professional Fees)	200,000	41,835	158,165
Total	<u>\$ 17,759,504</u>	<u>\$ 4,387,912</u>	<u>\$ 13,371,592</u>

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

Since the inception of the PFC, the Airport has recorded the following revenues / receipts and expenses / disbursements through fiscal year 2016 resulting in a restriction of net position from passenger facility charges as follows:

	Accrual Basis	Cash Basis
PFC revenues / receipts	\$ 5,166,199	\$ 5,166,199
Interest earnings	50,867	50,867
Total revenues / receipts	<u>5,217,066</u>	<u>5,217,066</u>
Expenses / disbursements for PFC projects	<u>(4,387,986)</u>	<u>(4,387,986)</u>
Net PFC cash, April 30, 2016		<u>\$ 829,080</u>
Net position restricted for PFC, April 30, 2016	<u>\$ 829,080</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.

**21. NEW GASB STANDARDS** In fiscal year 2016, the City implemented the following GASB Statements:

Statement No. 68, "Accounting and Financial Reporting for Pensions." This Statement establishes standards of accounting and financial reporting for defined benefit pensions and defined contributions pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement establishes standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This

**CITY OF MONROE**  
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**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2016**

Statement was issued June 2012 and requirements of this Statement are effective for financial statements for periods beginning after June 15, 2014, yet earlier application is encouraged.

Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68." This Statement amends GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

**22. RESTATEMENT OF NET POSITION**

Beginning net position of the governmental and business-type activities are being restated to properly reflect certain bonds payable in the Enterprise funds rather than in the governmental activities and to reflect a decrease in net position due to the implementation of GASB 68 and 71.

The net effect to the entity-wide Statement of Net Position for the prior period adjustment is as follows:

	Governmental Activities	Business-Type Activities	Total
Total Net Position, April 30, 2015 as previously reported	\$ 110,715,219	\$ 109,718,049	\$ 220,433,268
Recognition of accrued interest payable for Airport bonds in enterprise funds for full accrual reporting and remove from governmental activities	214,741	(214,741)	-
Subtotal	110,929,960	109,503,308	220,433,268
Recognition of certain bond premiums in enterprise funds for full accrual reporting and remove from governmental activities	129,316	(129,316)	-
Subtotal	111,059,276	109,373,992	220,433,268
The adoption of GASB Standards 68 and 71 resulted in the restatement of governmental and business type activities to reflect the reporting of net pension liabilities , deferred outflow, and deferred inflows for each of the City's qualified pension plans.	(55,705,319)	(10,691,246)	(66,396,565)
Total Net Position, April 30, 2015, restated	\$ 55,353,957	\$ 98,682,746	\$ 154,036,703

**CITY OF MONROE**  
**Monroe, Louisiana**  
**Notes To The Financial Statements**  
**As of And For The Year Ended April 30, 2016**

**23. CHANGES IN PRESENTATION**

The following funds were reported as major funds for the fiscal years ended April 30,

	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Governmental Funds</b>		
General Fund	Yes	Yes
Capital Infrastructure	Yes	Yes
Sales Tax Bond	No	Yes
I-20 Corridor Improvements	Yes	Yes
Kansas Lane Connector	No	Yes
<b>Enterprise Funds</b>		
Monroe Regional Airport	Yes	Yes
Monroe Transit System	No	Yes
Monroe Civic Center	No	Yes
Water Fund	Yes	Yes
Sewer Fund	Yes	Yes
Louisiana Purchase Gardens & Zoo	No	No



**City of Monroe  
Monroe, Louisiana**

**OTHER POST EMPLOYMENT BENEFITS (OPEB),  
PENSION AND BUDGETARY INFORMATION**

**DIVIDER**

**City of Monroe  
Monroe, Louisiana**

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**DIVIDER**

**REQUIRED SUPPLEMENTARY INFORMATION –  
OTHER POST EMPLOYMENT BENEFITS (OPEB),  
PENSION AND BUDGETARY INFORMATION**

**City of Monroe  
Monroe, Louisiana**

**SCHEDULE OF FUNDING PROGRESS FOR OTHER POST EMPLOYMENT BENEFIT PLAN  
April 30, 2016**

**Exhibit 1-1**

<b>Fiscal Year Ended</b>	<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value of Assets</b>	<b>(b) Actuarial Accrued Liability (AAL)</b>	<b>(b-a) Unfunded AAL (UAAL)</b>	<b>(a/b) Funded Ratio</b>	<b>(c) Covered Payroll</b>	<b>(b-a/c) UAAL as a Percentage of Covered Payroll</b>
4/30/2016	5/1/2014	\$ -	\$45,822,790	\$ 45,822,790	0%	\$ 42,425,428	108.01%
4/30/2015	5/1/2014	-	44,060,375	44,060,375	0%	41,043,364	107.35%
4/30/2014	5/1/2013	-	47,185,560	47,185,560	0%	41,707,775	113.10%
4/30/2013	5/1/2012	-	45,370,731	45,370,731	0%	39,530,834	114.80%
4/30/2012	5/1/2011	-	48,477,341	48,477,341	0%	34,503,979	140.50%

**City of Monroe  
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**SCHEDULE OF OTHER POST EMPLOYMENT BENEFIT PLAN EMPLOYER CONTRIBUTIONS  
April 30, 2016**

**Exhibit 1-2**

<u>Fiscal Year End</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage of Annual OPEB Costs Contributed</u>	<u>Net OPEB Obligation</u>
4/30/2016	\$ 3,272,618	\$ 1,394,346	42.61%	\$ 16,420,317
4/30/2015	3,170,282	1,291,061	40.72%	14,542,045
4/30/2014	3,471,669	1,560,852	44.96%	12,662,824
4/30/2013	3,364,999	1,445,233	42.95%	10,752,007
4/30/2012	3,799,718	1,474,671	38.81%	8,832,240

**City of Monroe  
Monroe, Louisiana**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
April 30, 2016**

**Exhibit 1-3**

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Municipal Employees' Retirement System (MERS)					
2016	10.799224%	\$ 38,576,519	\$ 21,647,291	178%	66.18%
Municipal Police Employees' Retirement System (MPERS)					
2016	3.09061%	24,211,694	9,939,381	244%	70.7%
Firefighters' Retirement System (FRS)					
2016	3.990974%	21,539,736	12,112,347	178%	62.5%

**Notes:**

The amounts presented have a measurement date of June 30, 2015.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

**City of Monroe  
Monroe, Louisiana**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLANS  
April 30, 2016**

**Exhibit 1-4**

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
Municipal Employees' Retirement System (MERS)					
2016	\$ 3,108,126	\$ 3,108,126	\$ -	\$15,737,342	19.75%
Municipal Police Employees' Retirement System (MPERS)					
2016	2,166,352	2,166,352	-	7,343,566	29.50%
Firefighters' Retirement System (FRS)					
2016	2,075,852	2,075,852	-	7,096,930	29.25%

**Notes:**

The amounts presented are for the period July 1, 2015 through April 30, 2016.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

**City of Monroe  
Monroe, Louisiana**

**Notes to Required Supplementary Information for Pensions  
For Fiscal Year Ended April 30, 2016**

**Changes in Benefit Terms** No changes noted for any of the plans.

**Changes in Assumptions**

MERS: Changes were made to the valuation interest rate, salary scale, mortality, retirement, DROP entry, and withdrawal rates based on the results of an actuarial experience study for the period July 1, 2009-July 30, 2014.

MPERS: Changes were made to mortality, retirement, DROP entry, and withdrawal rates based on the results of an actuarial experience study for the period July 1, 2010-June 30, 2014.

FRS: Changes were made to retirement, DROP entry, and withdrawal rates based on the results of an actuarial experience study for the period July 1, 2009-June 30, 2014.



**City of Monroe**  
**Monroe, Louisiana**

Budgetary Comparison Schedules

General Fund and Major Special Revenue Funds With Legally Adopted Annual Budgets

**General Fund** The general fund accounts for all activities of the City except those that are accounted for in other funds.

**Capital Infrastructure** The fund accounts for the collection of a 1% sales tax to be used for various infrastructure projects as recommended by the Capital Infrastructure Commission, established after the tax renewal of 2004. The tax can be used to pay debt incurred for long-term projects. The tax call requires that 25% of the collections be dedicated to actual street maintenance.

**CITY OF MONROE**  
**Monroe, Louisiana**

Exhibit 2

**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended April 30, 2016**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	(Budgetary Basis)	
BUDGETARY FUND BALANCES, BEGINNING Resources (Inflows)	\$ 15,115,084	\$ 15,115,084	\$ 15,115,084	\$ -
Local sources:				
Ad valorem tax revenue				
General property taxes	4,130,618	4,367,570	4,393,477	25,907
1974 Recreation maintenance tax	721,728	770,897	775,471	4,574
1974 Public safety tax	406,932	434,465	437,044	2,579
1974 Drainage maintenance tax	502,906	538,070	541,257	3,187
Capital improvement tax	1,247,669	1,333,476	1,341,382	7,906
Adjudicated property	27,475	27,475	30,838	3,363
Total Ad valorem tax revenue	7,037,328	7,471,953	7,519,469	47,516
Sales and use tax revenue				
General sales and use tax	36,000,000	37,500,000	38,433,891	933,891
Total sales and use tax revenue	36,000,000	37,500,000	38,433,891	933,891
Other tax revenue				
Franchise fees	905,930	737,181	800,170	62,989
Beer tax	72,000	72,000	69,544	(2,456)
Total other tax revenue	977,930	809,181	869,714	60,533
Licenses and permits				
Liquor licenses	83,945	83,945	81,469	(2,476)
Occupational licenses	2,497,355	2,497,355	2,669,518	172,163
Video bingo licenses	2,000	2,495	2,995	500
Sound permits	-	275	350	75
Building permits	113,634	113,634	135,674	22,040
Sewer permits and inspections	64,285	64,285	28,601	(35,684)
Plumbing permits and inspections	55,000	55,000	39,101	(15,899)
Electrical permits and inspections	39,849	39,849	38,033	(1,816)
Gas permits and inspections	12,400	12,400	5,001	(7,399)
Heating and air conditioning permits	17,700	17,700	7,523	(10,177)
Mobile sign permits	35	35	-	(35)
Off premise sign permits	6,300	6,300	3,567	(2,733)
Culvert and drain project permits	1,330	1,330	1,900	570
Other engineering permits	-	-	5,842	5,842
Unrefunded bid deposits	-	-	100	100
Storm water permits	4,522	4,522	4,125	(397)
Total license and permits	2,898,355	2,899,125	3,023,799	124,674
Other income				
Penalties and interest	4,820	4,820	3,572	(1,248)
Sale of scrap	-	3,323	3,323	-
Cash shortage/overage	-	-	(331)	(331)
Vending commissions	750	750	1,220	470
Police miscellaneous	60,000	60,000	60,645	645
Contributions and donations - private	2,200	2,200	680	(1,520)
Total other income	\$ 67,770	\$ 71,093	\$ 69,109	\$ (1,984)

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**

**Exhibit 2**

**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended April 30, 2016**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
			(Budgetary Basis)	POSITIVE
				(NEGATIVE)
Resources (Inflows)				
Use of Money and property				
Rental income-usage fees	\$ 52,855	\$ 83,855	\$ 104,789	\$ 20,934
Municipal golf course rent	14,400	6,000	6,000	-
Interest income	50,000	35,000	26,868	(8,132)
Total use of property and money	117,255	124,855	137,657	12,802
Fines and forfeitures				
City court fines	630,000	630,000	736,908	106,908
Environmental court fines	1,450	6,444	7,244	800
Overparking fines	35,525	35,525	26,317	(9,208)
DWI Probation fines	3,000	3,000	440	(2,560)
False alarm fees	15,000	15,000	1,400	(13,600)
Total fines and forfeitures	684,975	689,969	772,309	82,340
Other state grants				
State supplemental pay	2,400,000	2,400,000	1,964,186	(435,814)
Other state grants	2,400,000	2,400,000	1,964,186	(435,814)
Federal grants				
Federal grant direct noncategory	-	-	427,541	427,541
Direct federal grant	7,536	7,536	3,637	(3,899)
Indirect federal grant	-	3,000	3,000	-
Federal grant-Louisiana Highway Safety	104,000	104,000	64,053	(39,947)
HIDTA	52,000	52,000	52,499	499
Total federal grants	163,536	166,536	550,730	384,194
Fees, charges and commissions				
Sales tax commission	700,049	700,049	745,531	45,482
Signal light reimbursement	185,440	185,440	185,440	-
City court civil fees	210,000	210,000	276,996	66,996
City sanitation service	3,155,235	3,155,235	3,015,445	(139,790)
Cemetery Lots	16,710	16,710	16,075	(635)
Grass cutting fees	100,360	100,360	108,015	7,655
Ticket review fees	1,530	1,530	530	(1,000)
Copy charges	1,325	1,325	769	(556)
NSF fees	16,870	16,870	15,063	(1,807)
Royalty income	2,105	2,105	1,391	(714)
Commissions	725	725	516	(209)
American payment system fees	5,900	5,900	3,356	(2,544)
Convenience fee - online	35,000	-	-	-
COBRA admin fees	-	64	145	81
Postage	750	750	133	(617)
Legal and other professional	41,000	41,000	20,146	(20,854)
Entergy franchise fees	2,367,770	2,367,770	2,196,149	(171,621)
Community policing fees	63,000	63,000	26,899	(36,101)
Appearance and surrender fees	60,000	60,000	46,920	(13,080)
Tuition income	18,000	18,000	500	(17,500)
Fire reports	\$ 106	\$ 106	\$ 675	\$ 569

(Continued)

**CITY OF MONROE  
Monroe, Louisiana**

**Exhibit 2**

**General Fund  
Budgetary Comparison Schedule  
For the Year Ended April 30, 2016**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (Budgetary Basis)	FINAL BUDGET POSITIVE (NEGATIVE)
Resources (Inflows)				
Zoning income	\$ 70,000	\$ 70,000	\$ 62,960	\$ (7,040)
Recreation department revenue	56,815	53,302	51,220	(2,082)
Golf course fees	482,189	482,189	546,018	63,829
Street cut reimbursement	100,000	100,000	72,263	(27,737)
Demolition	20,000	20,000	367	(19,633)
Total fees, charges and commissions	7,710,879	7,672,430	7,393,522	(278,908)
Transfers from other funds	1,067,048	1,176,548	1,100,664	(75,884)
Sale of assets	-	154,532	133,480	(21,052)
Amounts available for appropriations	74,240,160	76,251,306	77,083,614	832,308
Charges to appropriations (outflows)				
Current:				
Legislative division - Council and staff	742,143	742,143	525,655	216,488
Judicial division	2,618,600	2,671,689	2,569,631	102,058
Executive division - Chief executive and staff	973,257	998,257	984,057	14,200
Administration division	10,080,587	11,135,684	11,364,765	(229,081)
Other general government	828,983	830,733	826,573	4,160
Police division	12,925,079	12,947,017	13,617,298	(670,281)
Fire division	13,112,016	13,112,016	12,966,402	145,614
Public Works division	9,225,924	9,296,062	9,604,976	(308,914)
Engineering	1,037,466	1,036,966	996,008	40,958
Culture and recreation	3,347,971	3,454,937	3,420,169	34,768
Planning and urban development division	1,110,982	1,113,982	1,099,525	14,457
Debt Service:				
General interest expense	68,133	108,133	68,133	40,000
Capital leases	184,263	184,263	351,249	(166,986)
Civic Center roof	-	-	-	-
Claims and judgments	-	-	-	-
Capital expenditures	230,342	272,582	143,407	129,175
Transfers to other funds	2,639,330	3,165,572	4,435,045	(1,269,473)
Total charges to appropriations	59,125,076	61,070,036	62,972,893	(1,902,857)
BUDGETARY FUND BALANCES, ENDING	\$ 15,115,084	\$ 15,181,270	\$ 14,110,721	\$ (1,070,549)

(Concluded)

**CITY OF MONROE**  
**Monroe, Louisiana**

**CAPITAL INFRASTRUCTURE**  
**Budgetary Comparison Schedule**  
**For the Year Ended April 30, 2016**

Exhibit 3

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>AMOUNTS</b>	<b>FINAL BUDGET</b>
			<b>(Budgetary Basis)</b>	<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
BUDGETARY FUND BALANCES, BEGINNING	\$ 24,537,880	\$ 24,537,880	\$ 24,537,880	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Sales - Street Improvement	14,200,000	14,200,000	16,473,032	2,273,032
Use of money and property	45,000	45,000	15,170	(29,830)
Amounts available for appropriations	<u>38,782,880</u>	<u>38,782,880</u>	<u>41,026,082</u>	<u>2,243,202</u>
Charges to appropriations (outflows)				
Current:				
Public works	1,106,067	2,515,217	1,822,748	692,469
Capital outlay	15,000	580,850	597,325	(16,475)
Debt service:				
Debt Service interest and bank charges	-	-	1,058	(1,058)
Transfers to other funds	14,000,000	12,025,000	12,885,578	(860,578)
Total charges to appropriations	<u>15,121,067</u>	<u>15,121,067</u>	<u>15,306,709</u>	<u>(185,642)</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 23,661,813</u>	<u>\$ 23,661,813</u>	<u>\$ 25,719,373</u>	<u>\$ 2,057,560</u>

**CITY OF MONROE**  
**Monroe, Louisiana**

**Notes to the Budgetary Comparison Schedule**  
**For the Year Ended April 30, 2016**

**Note A. Budgets**

**General 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 appropriated budget is prepared by fund, function and department. 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 even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services, (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are reappropriated and become part of the subsequent year's budget pursuant to state regulations. Capital appropriations continue in force until the project is completed or deemed abandoned after three years of no activity.
5. For the year ended April 30, 2015, the City adopted a budget for the General Fund and the Capital Infrastructure Fund.
6. Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered significant by the Council. All budget revisions are approved by the Council.

**Budget Basis of Accounting**

All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Budgeted amounts are as originally adopted or as amended by the Council. Legally, the Council must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Council to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The City approves budgets at the function level.

**CITY OF MONROE**  
**Monroe, Louisiana**

**Notes to the Budgetary Comparison Schedule**  
**For the Year Ended April 30, 2016**

**Note B. Budget to GAAP Reconciliation**

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures.

	<b>GENERAL FUND</b>	<b>CAPITAL INFRASTRUCTURE</b>
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 77,083,614	\$ 41,026,082
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(15,115,084)	(24,537,880)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(1,100,664)	-
Sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	(133,480)	-
	<u>60,734,386</u>	<u>16,488,202</u>
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	62,972,893	15,306,709
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(4,435,045)	(12,885,578)
	<u>\$ 58,537,848</u>	<u>\$ 2,421,131</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>60,734,386</u>	<u>16,488,202</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 58,537,848</u>	<u>\$ 2,421,131</u>

**Note C. Excess of Expenditures Over Appropriations in Individual Funds**

The following individual funds had actual expenditures over budgeted expenditures for the year ended:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$61,070,036	\$62,972,893	\$(1,902,857)
Capital Infrastructure	15,121,067	15,306,709	(185,642)

**City of Monroe  
Monroe, Louisiana**

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**City of Monroe  
Monroe, Louisiana**

**SUPPLEMENTARY INFORMATION  
DIVIDER**

**City of Monroe  
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**DIVIDER**

**City of Monroe  
Monroe, Louisiana**

**COMBINING  
NONMAJOR GOVERNMENTAL FUNDS  
STATEMENTS**

**DIVIDER**

**City of Monroe  
Monroe, Louisiana**

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**DIVIDER**

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR GOVERNMENTAL FUNDS**  
**Combining Balance Sheet - By Fund Type**  
**April 30, 2016**

**Exhibit 4**

	<b>SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,489,546	\$ 7,529,014	\$ 1,365,461	\$ 16,384,021
Receivables	1,497,221	977,757	1,330,018	3,804,996
Interfund receivables	278,885	-	749,291	1,028,176
Prepaid expenses and other assets, net	574,942	-	-	574,942
<b>TOTAL ASSETS</b>	<b>9,840,594</b>	<b>8,506,771</b>	<b>3,444,770</b>	<b>21,792,135</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts and retainage payable	776,852	-	581,949	1,358,801
Interfund payables	1,000,866	-	1,707,479	2,708,345
Unearned revenue	2,049	-	-	2,049
Due to others	28,522	-	-	28,522
<b>TOTAL LIABILITIES</b>	<b>1,808,289</b>	<b>-</b>	<b>2,289,428</b>	<b>4,097,717</b>
<b>FUND BALANCES:</b>				
<b>Nonspendable</b>				
Prepaid expenses and other assets	574,942	-	-	574,942
<b>Spendable</b>				
Restricted	6,555,067	8,506,771	1,186,038	16,247,876
Committed	243,837	-	-	243,837
Assigned	807,466	-	-	807,466
Unassigned (deficit)	(149,007)	-	(30,696)	(179,703)
<b>TOTAL FUND BALANCES</b>	<b>8,032,305</b>	<b>8,506,771</b>	<b>1,155,342</b>	<b>17,694,418</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 9,840,594</b>	<b>\$ 8,506,771</b>	<b>\$ 3,444,770</b>	<b>\$ 21,792,135</b>

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR GOVERNMENTAL FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances - By Fund Type**  
**For the Year Ended April 30, 2016**

Exhibit 5

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 1,237,169	\$ -	\$ -	\$ 1,237,169
Sales	8,071,756	4,230,609	-	12,302,365
Intergovernmental revenues	1,620,725	-	1,173,654	2,794,379
Fees, charges and commissions for services	1,054,213	-	-	1,054,213
Fines and forfeitures	2,395	-	-	2,395
Use of money and property	11,444	26,938	553	38,935
Miscellaneous revenues	263,623	-	-	263,623
<b>Total revenues</b>	<b>12,261,325</b>	<b>4,257,547</b>	<b>1,174,207</b>	<b>17,693,079</b>
<b>EXPENDITURES</b>				
Current:				
General government				
Judicial	86,113	-	-	86,113
Financial administration	85,640	8,385	18,528	112,553
Public safety				
Police	4,178,932	-	-	4,178,932
Fire	4,308,996	-	-	4,308,996
Public works	62,541	-	-	62,541
Culture and recreation	533,913	-	2,226	536,139
Planning and urban development	1,043,183	-	-	1,043,183
Economic development and assistance	90,135	-	-	90,135
Capital outlay	3,782,401	-	3,525,263	7,307,664
Debt service:				
Principal retirement	1,283,690	5,189,400	-	6,473,090
Interest and bank charges	86,458	2,772,209	-	2,858,667
<b>Total expenditures</b>	<b>15,542,002</b>	<b>7,969,994</b>	<b>3,546,017</b>	<b>27,058,013</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>(3,280,677)</b>	<b>(3,712,447)</b>	<b>(2,371,810)</b>	<b>(9,364,934)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	783,892	5,394,242	1,549,696	7,727,830
Transfers out	(1,120,960)	(5,643,655)	-	(6,764,615)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>(337,068)</b>	<b>(249,413)</b>	<b>1,549,696</b>	<b>963,215</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(3,617,745)</b>	<b>(3,961,860)</b>	<b>(822,114)</b>	<b>(8,401,719)</b>
<b>FUND BALANCES - BEGINNING</b>	<b>11,650,050</b>	<b>12,468,631</b>	<b>1,977,456</b>	<b>26,096,137</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 8,032,305</b>	<b>\$ 8,506,771</b>	<b>\$ 1,155,342</b>	<b>\$ 17,694,418</b>

**City of Monroe  
Monroe, Louisiana**

**COMBINING NONMAJOR  
SPECIAL REVENUE FUNDS  
STATEMENTS**

**DIVIDER**

**City of Monroe  
Monroe, Louisiana**

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**DIVIDER**



**City of Monroe  
Monroe, Louisiana**

**Special Revenue Funds**

**Fire Department Insurance** - The fund receives an annual share of property insurance commissions from the State of Louisiana. The monies are dedicated for fire department maintenance and supplies.

**Community Development Block Grant (CDBG)** - The fund accounts for federal Community Development Block Grant funds, which are used for various community development projects.

**Urban Development Action** - The fund accounts for federal funds used to aid in construction of single-family dwellings.

**Rental Rehabilitation** - The fund accounts for federal funds used to bring rental units to minimum standards.

**CDBG Economic Development** - The fund receives funds from the Community Development fund and is used to make temporary loans to community businesses that have difficulty obtaining other financing.

**Fire & Police Capital Tax** - The fund receives dedicated ad valorem taxes for fire and police capital expenditures.

**Emergency Shelter** - The fund accounts for the federal funding from the US Department of Housing and Urban Development passed through the LA Office of Community Services to assist the homeless through sub-awards to non-profit organizations that assist with rehabilitation, essential services and operations for homeless prevention.

**CDBG Home** - The fund accounts for federal funds to aid in rehabilitation and new construction of low-income housing.

**CDBG Loan** - The fund accounts for revolving loans made for substantial rehabilitation to owner-occupied dwellings.

**City Prosecuting Attorney** - The fund accounts for the prosecuting attorney's share of bond forfeitures from bonding companies and cash bond forfeitures.

**DARE Program** - The fund accounts for a grant received from the Louisiana Commission on Law Enforcement and Administration of Criminal Justice to provide for the salaries and supplies of officers who work in the Drug Abuse Resistance Education program in the City.

**Delta Fest** - The fund accounts for activities associated with the Delta Fest program sponsored by the City.

**Diversion Program** - The fund accounts for fees paid by first-time crime offenders to be used for the operation of the program and victim's assistance.

**Equitable Share-Federal Seizure** - The fund accounts for the local allocation of funds received stemming from federal drug seizure cases.

**City of Monroe  
Monroe, Louisiana**

**Special Revenue Funds**

**Drug Seizure-Local/State** - The fund accounts for monies obtained during drug seizure operations at the local and state level.

**Police Salary Sales Tax** - The fund receives dedicated sales tax monies for raises above the general fund base salary. The tax is .49% shared equally between police & fire departments.

**Fire Salary Sales Tax** - The fund receives dedicated sales tax monies for raises above the general fund base salary. The tax is .49% shared equally between police & fire departments.

**Justice Assistance Grant** - The fund accounts for the federal grant from the Justice Department for law enforcement expenses. Parish applies for the funds agreed to be split between OP Sheriff's office and the Monroe Police Department.

**State Homeland Security** - Ouachita Parish Homeland Security and Emergency Preparedness applies for grants to federal Homeland Security and allocates to the local law enforcement and fire department agencies at a percentage decided by the Board, which can vary based on determined needs.

**Downtown Economic Development** - The fund accounts for the activities sponsored by the Downtown Economic Development District.

**Administrative Economic Development** - The fund accounts for monies allocated for projects which spur economic development in the northeastern area of the state. Funds are derived from a dedicated portion of the settlement with Entergy.

**HOME Program Loans** - The fund accounts for revolving loans made for substantial rehabilitation to owner-occupied dwellings.

**Repairs & Maintenance** - The fund accounts for various unplanned major repairs and maintenance at city facilities. Funds are derived from various land and surplus asset sales.

**Capital** - The fund accounts for various major capital purchases and projects for which individual departments are unable to fund through their operations budget. The funds are derived from 1/2 of the video bingo commissions received and a portion of the settlement with Entergy.

**Demolition** - The fund accounts for the various demolition activities, usually performed by the City's Public Works Department. Expenses incurred are billed back to the homeowner, funds through the CDBG program or allocations made by the City Council.

**Employees' Benefits** - The fund receives revenue from one-half of the video bingo and proceeds are used to pay for the City's expense of employees' benefits, such as insurance and pension.

**City of Monroe  
Monroe, Louisiana**

**Special Revenue Funds**

**Downtown River Market** - The fund accounts for the revenues and expenditures generated by the activities at the Downtown River Market.

**MPD K-9/Donations** - The fund accounts for the donations for and purchases of K-9 dogs used by the Monroe Police Department.

**PTFA-2012** - The fund receives its funding from the Public Trust Finance Authority. The funds in this year are dedicated to the Community Centers and Parks & Recreation upgrades.

**Ouachita Well** - The funds are provided by the Blue Cross/Blue Shield Challenge grant. The grant purpose is to promote a healthy lifestyle and healthy living in Louisiana.

**Fire Capital Lease** - The fund accounts for the lease funds obtained on behalf of the Monroe Fire Department and the capital purchases made with those funds.

**PTFA-2015** - The fund receives its funding from the Public Trust Finance Authority. The funds will be used for infrastructure and economic development.

**DRA Grant - South First Street Sewer Repair** - The fund receives its funding from DRA through the Parish Transportation funds. The funds will be used to rebuild South 1st Street.

**Garrett Building Repairs** - The fund receives its funding from a local grant and will be used to renovate the Garrett Building and make it usable for education, community events and exhibitions.

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**April 30, 2016**

	<b>FIRE DEPARTMENT INSURANCE</b>	<b>COMMUNITY DEVELOPMENT BLOCK GRANT</b>	<b>URBAN DEVELOPMENT ACTION</b>	<b>RENTAL REHABILITATION</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 721,073	\$ -	\$ 17,851	\$ 47,406
Receivables	512,955	96,746	-	-
Interfund receivables	25,862	82,587	339	134,427
Prepaid expenses and other assets	-	-	-	-
<b>TOTAL ASSETS</b>	<b>1,259,890</b>	<b>179,333</b>	<b>18,190</b>	<b>181,833</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts and retainage payable	114,412	41,496	-	-
Interfund payables	-	131,892	-	63,841
Unearned revenue	-	799	-	-
Due to others	-	5,146	-	2,000
<b>TOTAL LIABILITIES</b>	<b>114,412</b>	<b>179,333</b>	<b>-</b>	<b>65,841</b>
<b>FUND BALANCES:</b>				
Nonspendable				
Prepaid expenses and other assets	-	-	-	-
Spendable				
Restricted	1,145,478	-	18,190	115,992
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>1,145,478</b>	<b>-</b>	<b>18,190</b>	<b>115,992</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,259,890</b>	<b>\$ 179,333</b>	<b>\$ 18,190</b>	<b>\$ 181,833</b>

Exhibit 6

CDBG ECONOMIC DEVELOPMENT	FIRE AND POLICE CAPITAL TAX	EMERGENCY SHELTER	CDBG HOME	CDBG LOAN	CITY PROSECUTING ATTORNEY
\$ 10,835	\$ 1,788,045	\$ -	\$ -	\$ -	\$ 174,321
-	13,490	107,914	5,873	-	-
-	-	1,598	1,875	-	-
-	-	-	-	69,454	-
10,835	1,801,535	109,512	7,748	69,454	174,321
-	396,567	104,771	1,735	89,653	-
-	7,173	4,741	538	339	-
-	-	-	-	-	-
-	-	-	5,000	1,793	-
-	403,740	109,512	7,273	91,785	-
-	-	-	-	69,454	-
10,835	1,397,795	-	475	-	174,321
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(91,785)	-
10,835	1,397,795	-	475	(22,331)	174,321
\$ 10,835	\$ 1,801,535	\$ 109,512	\$ 7,748	\$ 69,454	\$ 174,321

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**April 30, 2016**

	<b>DARE PROGRAM</b>	<b>DELTA FEST</b>	<b>DIVERSION PROGRAM</b>	<b>EQUITABLE SHARE FEDERAL SEIZURE</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 89,282	\$ -	\$ 86,399	\$ 11,344
Receivables	1,761	-	-	-
Interfund receivables	-	21,215	-	-
Prepaid expenses and other assets	-	-	-	-
<b>TOTAL ASSETS</b>	<b>91,043</b>	<b>21,215</b>	<b>86,399</b>	<b>11,344</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts and retainage payable	-	21,215	-	-
Interfund payables	7,036	-	-	-
Unearned revenue	-	-	-	-
Due to others	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>7,036</b>	<b>21,215</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Nonspendable				
Prepaid expenses and other assets	-	-	-	-
Spendable				
Restricted	84,007	-	-	11,344
Committed	-	-	-	-
Assigned	-	-	86,399	-
Unassigned (deficit)	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>84,007</b>	<b>-</b>	<b>86,399</b>	<b>11,344</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 91,043</b>	<b>\$ 21,215</b>	<b>\$ 86,399</b>	<b>\$ 11,344</b>

Exhibit 6

<b>DRUG SEIZURE LOCAL/STATE</b>	<b>POLICE SALARY SALES TAX</b>	<b>FIRE SALARY SALES TAX</b>	<b>JUSTICE ASSISTANCE GRANT</b>	<b>STATE HOMELAND SECURITY</b>
\$ 1,097	\$ 817,056	\$ 998,984	\$ -	\$ -
-	324,625	324,625	8,631	18,689
-	-	-	-	7,173
-	-	-	-	-
<b>1,097</b>	<b>1,141,681</b>	<b>1,323,609</b>	<b>8,631</b>	<b>25,862</b>
83	-	-	-	-
-	-	-	8,631	25,862
-	-	-	-	-
-	-	-	-	-
<b>83</b>	<b>-</b>	<b>-</b>	<b>8,631</b>	<b>25,862</b>
-	-	-	-	-
-	1,141,681	1,323,609	-	-
-	-	-	-	-
1,014	-	-	-	-
-	-	-	-	-
<b>1,014</b>	<b>1,141,681</b>	<b>1,323,609</b>	<b>-</b>	<b>-</b>
\$ 1,097	\$ 1,141,681	\$ 1,323,609	\$ 8,631	\$ 25,862

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**April 30, 2016**

	<b>DOWNTOWN ECONOMIC DEVELOPMENT</b>	<b>ADMINISTRATIVE ECONOMIC DEVELOPMENT</b>	<b>HOME PROGRAM LOANS</b>	<b>REPAIRS AND MAINTENANCE</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,314	\$ 1,289,505	\$ 330,411	\$ 22,712
Receivables	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenses and other assets	-	-	170,481	-
<b>TOTAL ASSETS</b>	<b>6,314</b>	<b>1,289,505</b>	<b>500,892</b>	<b>22,712</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts and retainage payable	-	-	-	-
Interfund payables	-	657,347	-	-
Unearned revenue	-	-	-	-
Due to others	-	-	14,583	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>657,347</b>	<b>14,583</b>	<b>-</b>
<b>FUND BALANCES:</b>				
<b>Nonspendable</b>				
Prepaid expenses and other assets	-	-	170,481	-
<b>Spendable</b>				
Restricted	-	-	315,828	-
Committed	-	-	-	-
Assigned	6,314	632,158	-	22,712
Unassigned (deficit)	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>6,314</b>	<b>632,158</b>	<b>486,309</b>	<b>22,712</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,314</b>	<b>\$ 1,289,505</b>	<b>\$ 500,892</b>	<b>\$ 22,712</b>



**Exhibit 6**

<u>CAPITAL</u>	<u>DEMOLITION</u>	<u>EMPLOYEES' BENEFITS</u>
\$ -	\$ 59,138	\$ 212,052
31,785	-	31,785
-	-	-
335,007	-	-
<u>366,792</u>	<u>59,138</u>	<u>243,837</u>
1,200	269	-
85,457	-	-
-	-	-
-	-	-
<u>86,657</u>	<u>269</u>	<u>-</u>
335,007	-	-
-	-	-
-	-	243,837
-	58,869	-
(54,872)	-	-
<u>280,135</u>	<u>58,869</u>	<u>243,837</u>
<u>\$ 366,792</u>	<u>\$ 59,138</u>	<u>\$ 243,837</u>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**April 30, 2016**

	<b>DOWNTOWN RIVER MARKET</b>	<b>MPD K-9 DONATIONS</b>	<b>PTFA - 2012</b>	<b>OUACHITA WELL</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 27,708	\$ 211,700	\$ -
Receivables	542	-	-	17,800
Interfund receivables	3,809	-	-	-
Prepaid expenses and other assets	-	-	-	-
<b>TOTAL ASSETS</b>	<b>4,351</b>	<b>27,708</b>	<b>211,700</b>	<b>17,800</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts and retainage payable	3,101	-	-	-
Interfund payables	-	-	-	1,522
Unearned revenue	1,250	-	-	-
Due to others	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>4,351</b>	<b>-</b>	<b>-</b>	<b>1,522</b>
<b>FUND BALANCES:</b>				
<b>Nonspendable</b>				
Prepaid expenses and other assets	-	-	-	-
<b>Spendable</b>				
Restricted	-	27,708	211,700	16,278
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>27,708</b>	<b>211,700</b>	<b>16,278</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,351</b>	<b>\$ 27,708</b>	<b>\$ 211,700</b>	<b>\$ 17,800</b>

Exhibit 6

FIRE CAPITAL LEASE	PTFA - 2015	DRA GRANT-S 1ST STREET SEWER REPAIR	GARRETT BUILDING REPAIRS	TOTAL
\$ 5,708	\$ 560,605	\$ -	\$ -	\$ 7,489,546
-	-	-	-	1,497,221
-	-	-	-	278,885
-	-	-	-	574,942
5,708	560,605	-	-	9,840,594
-	-	-	2,350	776,852
-	6,487	-	-	1,000,866
-	-	-	-	2,049
-	-	-	-	28,522
-	6,487	-	2,350	1,808,289
-	-	-	-	574,942
5,708	554,118	-	-	6,555,067
-	-	-	-	243,837
-	-	-	-	807,466
-	-	-	(2,350)	(149,007)
5,708	554,118	-	(2,350)	8,032,305
\$ 5,708	\$ 560,605	\$ -	\$ -	\$ 9,840,594

(Concluded)

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the Year Ended April 30, 2016**

	FIRE DEPARTMENT INSURANCE	COMMUNITY DEVELOPMENT BLOCK GRANT	URBAN DEVELOPMENT ACTION	RENTAL REHABILITATION
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Intergovernmental revenues	512,955	666,307	-	-
Fees, charges and commissions for services	-	1,090	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	<u>512,955</u>	<u>667,397</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Judicial	-	-	-	-
Financial administration	-	-	-	-
Public safety				
Police	-	-	-	-
Fire	371,087	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Planning and urban development	-	716,469	-	-
Economic development and assistance	-	-	-	-
Capital outlay	-	33,456	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>371,087</u>	<u>749,925</u>	<u>-</u>	<u>-</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>141,868</u>	<u>(82,528)</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	82,528	-	-
Transfers out	-	-	-	(63,841)
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>82,528</u>	<u>-</u>	<u>(63,841)</u>
NET CHANGE IN FUND BALANCES	141,868	-	-	(63,841)
FUND BALANCES - BEGINNING	<u>1,003,610</u>	<u>-</u>	<u>18,190</u>	<u>179,833</u>
FUND BALANCES (Deficit) - ENDING	<u>\$ 1,145,478</u>	<u>\$ -</u>	<u>\$ 18,190</u>	<u>\$ 115,992</u>

Exhibit 7

CDBG ECONOMIC DEVELOPMENT	FIRE AND POLICE CAPITAL TAX	EMERGENCY SHELTER	CDBG HOME	CDBG LOAN	CITY PROSECUTING ATTORNEY
\$ -	\$ 1,237,169	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	219,687	102,859	-	-
-	-	-	-	-	11,107
-	-	-	-	-	-
-	2,412	-	-	1,604	-
-	-	-	-	115	-
-	1,239,581	219,687	102,859	1,719	11,107
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	224,330	102,384	-	-
-	-	-	-	-	-
-	1,388,887	-	-	-	-
-	483,964	-	-	-	-
-	40,750	-	-	-	-
-	1,913,601	224,330	102,384	-	-
-	(674,020)	(4,643)	475	1,719	11,107
-	15,153	1,535	-	-	-
-	-	-	-	-	-
-	15,153	1,535	-	-	-
-	(658,867)	(3,108)	475	1,719	11,107
10,835	2,056,662	3,108	-	(24,050)	163,214
\$ 10,835	\$ 1,397,795	\$ -	\$ 475	\$ (22,331)	\$ 174,321

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the Year Ended April 30, 2016**

	DARE PROGRAM	DELTA FEST	DIVERSION PROGRAM	EQUITABLE SHARE FEDERAL SEIZURE
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Intergovernmental revenues	17,019	-	-	-
Fees, charges and commissions for services	-	129,712	82,547	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous revenues	-	1,081	-	-
Total revenues	<u>17,019</u>	<u>130,793</u>	<u>82,547</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Judicial	-	-	9,058	-
Financial administration	-	-	-	-
Public safety				
Police	15,480	-	-	13,914
Fire	-	-	-	-
Public works				
Culture and recreation	-	291,250	-	-
Planning and urban development	-	-	-	-
Economic development and assistance	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>15,480</u>	<u>291,250</u>	<u>9,058</u>	<u>13,914</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>1,539</u>	<u>(160,457)</u>	<u>73,489</u>	<u>(13,914)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	160,457	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>160,457</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,539	-	73,489	(13,914)
FUND BALANCES - BEGINNING	<u>82,468</u>	<u>-</u>	<u>12,910</u>	<u>25,258</u>
FUND BALANCES (Deficit) - ENDING	<u>\$ 84,007</u>	<u>\$ -</u>	<u>\$ 86,399</u>	<u>\$ 11,344</u>

Exhibit 7

DRUG SEIZURE LOCAL/STATE	POLICE SALARY SALES TAX	FIRE SALARY SALES TAX	JUSTICE ASSISTANCE GRANT	STATE HOMELAND SECURITY
\$ -	\$ -	\$ -	\$ -	\$ -
-	4,035,878	4,035,878	-	-
-	-	-	8,631	18,689
-	-	-	-	-
2,395	-	-	-	-
-	890	905	-	-
-	-	-	-	-
<u>2,395</u>	<u>4,036,768</u>	<u>4,036,783</u>	<u>8,631</u>	<u>18,689</u>
-	-	-	-	-
-	-	-	-	-
28,988	4,062,804	-	8,631	-
-	-	3,937,909	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	18,689
-	-	-	-	-
-	-	-	-	-
<u>28,988</u>	<u>4,062,804</u>	<u>3,937,909</u>	<u>8,631</u>	<u>18,689</u>
<u>(26,593)</u>	<u>(26,036)</u>	<u>98,874</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(26,593)</u>	<u>(26,036)</u>	<u>98,874</u>	<u>-</u>	<u>-</u>
<u>27,607</u>	<u>1,167,717</u>	<u>1,224,735</u>	<u>-</u>	<u>-</u>
<u>\$ 1,014</u>	<u>\$ 1,141,681</u>	<u>\$ 1,323,609</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the Year Ended April 30, 2016**

	<b>DOWNTOWN ECONOMIC DEVELOPMENT</b>	<b>ADMINISTRATIVE ECONOMIC DEVELOPMENT</b>	<b>HOME PROGRAM LOANS</b>	<b>REPAIRS AND MAINTENANCE</b>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Intergovernmental revenues	-	-	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	5,369	-
Miscellaneous revenues	-	151,610	317	-
<b>Total revenues</b>	<b>-</b>	<b>151,610</b>	<b>5,686</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current:				
General government				
Judicial	-	-	-	-
Financial administration	-	-	-	85,640
Public safety				
Police	-	-	-	-
Fire	-	-	-	-
Public works				
Culture and recreation	-	-	-	-
Planning and urban development	-	-	-	-
Economic development and assistance	135	90,000	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
<b>Total expenditures</b>	<b>135</b>	<b>90,000</b>	<b>-</b>	<b>85,640</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>(135)</b>	<b>61,610</b>	<b>5,686</b>	<b>(85,640)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	109,615	-	-
Transfers out	-	(767,215)	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>(657,600)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(135)</b>	<b>(595,990)</b>	<b>5,686</b>	<b>(85,640)</b>
<b>FUND BALANCES - BEGINNING</b>	<b>6,449</b>	<b>1,228,148</b>	<b>480,623</b>	<b>108,352</b>
<b>FUND BALANCES (Deficit) - ENDING</b>	<b>\$ 6,314</b>	<b>\$ 632,158</b>	<b>\$ 486,309</b>	<b>\$ 22,712</b>



**Exhibit 7**

<b>CAPITAL</b>	<b>DEMOLITION</b>	<b>EMPLOYEES' BENEFITS</b>
\$ -	\$ -	\$ -
-	-	-
-	-	-
389,933	20,905	389,934
-	-	-
-	-	-
91,609	-	-
<u>481,542</u>	<u>20,905</u>	<u>389,934</u>
77,055	-	-
-	-	-
49,025	-	-
-	-	-
-	1,891	-
-	-	-
-	-	-
-	-	-
799,726	-	-
45,708	-	-
<u>971,514</u>	<u>1,891</u>	<u>-</u>
<u>(489,972)</u>	<u>19,014</u>	<u>389,934</u>
214,031	-	-
<u>(85,457)</u>	<u>-</u>	<u>(197,960)</u>
128,574	-	(197,960)
<u>(361,398)</u>	<u>19,014</u>	<u>191,974</u>
641,533	39,855	51,863
<u>\$ 280,135</u>	<u>\$ 58,869</u>	<u>\$ 243,837</u>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the Year Ended April 30, 2016**

	DOWNTOWN RIVER MARKET	MPD K-9 DONATIONS	PTFA - 2012	OUACHITA WELL
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Intergovernmental revenues	-	-	-	16,278
Fees, charges and commissions for services	28,985	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	264	-
Miscellaneous revenues	13,018	2,690	3,183	-
Total revenues	<u>42,003</u>	<u>2,690</u>	<u>3,447</u>	<u>16,278</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Judicial	-	-	-	-
Financial administration	-	-	-	-
Public safety				
Police	-	90	-	-
Fire	-	-	-	-
Public works				
Culture and recreation	242,576	-	87	-
Planning and urban development	-	-	-	-
Economic development and assistance	-	-	-	-
Capital outlay	-	14,500	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>242,576</u>	<u>14,590</u>	<u>87</u>	<u>-</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>(200,573)</u>	<u>(11,900)</u>	<u>3,360</u>	<u>16,278</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	200,573	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>200,573</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>(11,900)</u>	<u>3,360</u>	<u>16,278</u>
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>39,608</u>	<u>208,340</u>	<u>-</u>
<b>FUND BALANCES (Deficit) - ENDING</b>	<u>\$ -</u>	<u>\$ 27,708</u>	<u>\$ 211,700</u>	<u>\$ 16,278</u>

Exhibit 7

FIRE CAPITAL LEASE	PTFA - 2015	DRA GRANT-S 1ST STREET SEWER REPAIR	GARRETT BUILDING REPAIRS	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ 1,237,169
-	-	-	-	8,071,756
-	-	58,300	-	1,620,725
-	-	-	-	1,054,213
-	-	-	-	2,395
-	-	-	-	11,444
-	-	-	-	263,623
-	-	58,300	-	12,261,325
-	-	-	-	86,113
-	-	-	-	85,640
-	-	-	-	4,178,932
-	-	-	-	4,308,996
-	-	58,300	2,350	62,541
-	-	-	-	533,913
-	-	-	-	1,043,183
-	-	-	-	90,135
2,326,869	-	-	-	3,782,401
-	-	-	-	1,283,690
-	-	-	-	86,458
2,326,869	-	58,300	2,350	15,542,002
(2,326,869)	-	-	(2,350)	(3,280,677)
-	-	-	-	783,892
-	(6,487)	-	-	(1,120,960)
-	(6,487)	-	-	(337,068)
(2,326,869)	(6,487)	-	(2,350)	(3,617,745)
2,332,577	560,605	-	-	11,650,050
\$ 5,708	\$ 554,118	\$ -	\$ (2,350)	\$ 8,032,305

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**City of Monroe  
Monroe, Louisiana**

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**City of Monroe  
Monroe, Louisiana**

**COMBINING NONMAJOR  
DEBT SERVICE FUNDS  
STATEMENTS**

**DIVIDER**

**City of Monroe  
Monroe, Louisiana**

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**DIVIDER**

**City of Monroe  
Monroe, Louisiana  
Debt Service Funds**

**I-20 Economic Development District** - The fund accounts for the accumulation of resources necessary for, and the payment of, general long-term debt principal, interest, and related costs associated with all bonds issued on behalf of the I-20 Economic Development District. Financing of this debt is through incremental sales tax funds returned by the State of Louisiana.

**Tower Drive Economic Development District** - The fund accounts for the accumulation of resources necessary for, and the payment of, general long-term debt principal, interest, and related costs associated with all bonds issued on behalf of the Tower Drive Economic Development District. Financing of this debt is through incremental sales tax funds returned by the State of Louisiana.

**Sales Tax Bond** - The fund accounts for the accumulation of resources necessary for, and the payment of various bond issues and DEQ loans. The financing of this debt is through a one percent (1%) sales tax.

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR DEBT SERVICE FUNDS**  
**Combining Balance Sheet**  
**April 30, 2016**

**Exhibit 8**

	<b>I-20 ECONOMIC DEVELOPMENT DISTRICT</b>	<b>TOWER DRIVE ECONOMIC DEVELOPMENT DISTRICT</b>	<b>SALES TAX BOND</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,150,682	\$ 286,279	\$ 3,092,053	\$ 7,529,014
Receivables	718,158	259,599	-	977,757
<b>TOTAL ASSETS</b>	<b>4,868,840</b>	<b>545,878</b>	<b>3,092,053</b>	<b>8,506,771</b>
<b>FUND BALANCES:</b>				
Restricted for debt service	4,868,840	545,878	3,092,053	8,506,771
<b>TOTAL FUND BALANCES</b>	<b>\$ 4,868,840</b>	<b>\$ 545,878</b>	<b>\$ 3,092,053</b>	<b>\$ 8,506,771</b>



**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR DEBT SERVICE FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended April 30, 2016**

Exhibit 9

	I-20 ECONOMIC DEVELOPMENT DISTRICT	TOWER DRIVE ECONOMIC DEVELOPMENT DISTRICT	SALES TAX BOND	TOTAL
<b>REVENUES</b>				
Local sources:				
Taxes				
Sales	\$ 3,209,139	\$ 1,021,470	\$ -	\$ 4,230,609
Use of money and property	1,180	454	25,304	26,938
	<u>3,210,319</u>	<u>1,021,924</u>	<u>25,304</u>	<u>4,257,547</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Financial administration	8,385	-	-	8,385
Debt service:				
Principal retirement	2,225,000	765,000	2,199,400	5,189,400
Interest and bank charges	788,801	239,284	1,744,124	2,772,209
	<u>3,022,186</u>	<u>1,004,284</u>	<u>3,943,524</u>	<u>7,969,994</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	188,133	17,640	(3,918,220)	(3,712,447)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	5,394,242	5,394,242
Transfers out	-	-	(5,643,655)	(5,643,655)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(249,413)</u>	<u>(249,413)</u>
<b>NET CHANGE IN FUND BALANCES</b>	188,133	17,640	(4,167,633)	(3,961,860)
<b>FUND BALANCES - BEGINNING</b>	<u>4,680,707</u>	<u>528,238</u>	<u>7,259,686</u>	<u>12,468,631</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 4,868,840</u>	<u>\$ 545,878</u>	<u>\$ 3,092,053</u>	<u>\$ 8,506,771</u>

**City of Monroe  
Monroe, Louisiana**

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**City of Monroe  
Monroe, Louisiana**

**COMBINING NONMAJOR  
CAPITAL PROJECT FUNDS  
STATEMENTS**

**DIVIDER**

**City of Monroe  
Monroe, Louisiana**

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**DIVIDER**

**City of Monroe  
Monroe, Louisiana  
Capital Project Funds**

**US 165 Lighting project** - This fund is to account for the lighting project along US Hwy 165.

**North 18TH Street Extension** - The fund is used to account for construction along the North 18th Street Extension.

**Tower Drive** - The fund is used to account for the infrastructure improvement projects within the defined Tower Drive District that are funded from the issuance of incremental sales tax bonds.

**Street Construction** - The fund is used to account for the reconstruction and repair of the streets in the City.

**Fire/Drainage Improvements** - The fund accounts for improvements to the City's overall drainage system/facilities, and constructing fire stations or acquiring fire trucks and apparatus. The fund is financed by bond funds and the 1% Capital Infrastructure Tax.

**US 165 Business Connector** - The fund is used to account for expenses associated with the construction of a connector road from US Hwy 165 to the Louisiana Purchase Gardens & Zoo entrance. The funding source is the State of Louisiana, Facility, Planning and Control.

**Kansas Lane Connector** - The fund is used to account for expenses associated with the construction of a connector road running from Kansas Lane to US Hwy 165 North. The project will be financed primarily by federal funds, with the balance coming from both state and local funds.

**Community Center Roof Repairs** - The fund is used to account for expenses associated with the roof repairs at the City's community centers. The project is funded by the City and is the City's match for the Community Center repair grant from GOHSEP.

**Community Center Repairs** - The fund accounts for the expenses associated with repairs and upgrades to the restrooms/dressing rooms at the City's community centers and Civic Center, thereby enabling these facilities to be utilized as official GOHSEP disaster relief shelters. The project is funded by GOHSEP and the city match is repairs to the community center roofs.

**DeSiard Street Beautification** - The fund is used to account for the expenses associated with the improvements and beautification of DeSiard Street between the Endom Bridge and 5th and 6th Street. The project is funded 90% by the LADOTD Enhancement Grant with a 10% match by the City.

**Louisville Enhancement PH2** - The fund is used to account for the expenses associated with the improvements and beautification of the Louisville Avenue corridor from 6th Street to 18th Street. The project is funded 90% by the LADOTD Enhancement Grant with a 10% match by the City.

**Jackson Street Enhancement PH1** - The fund is used to account for the expenses associated with the improvements and beautification of Jackson Street between DeSiard Street and Plum Street. The project is funded 90% by the LADOTD Enhancement Grant with a 10% match by the City.

**City of Monroe  
Monroe, Louisiana  
Capital Project Funds**

**DRU Gustav/Ike Storm Water** - The fund accounts for the expenses associated with the repairs/replacement of certain storm water facilities throughout the City. The City's match is the engineering expense.

**Rochelle pump station** - The fund accounts for the building of a retention pond and pump station project. It is part of the statewide flood control projects. The project is funded by the State along with the City's 1% infrastructure sales tax.

**Trails Grant Levee** - The fund is used to account for the expenses of multiple airport improvement projects funded by the State of Louisiana.

**Hwy 165 South Infrastructure Development** - The fund is used to account for the infrastructure for development along Hwy 165 South funded by the City.

**City of Monroe  
Monroe, Louisiana**

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**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR CAPITAL PROJECTS FUNDS**  
**Combining Balance Sheet**  
**April 30, 2016**

	<b>U. S. 165 LIGHTING PROJECT</b>	<b>NORTH 18TH STREET EXTENSION</b>	<b>TOWER DRIVE</b>	<b>STREET CONSTRUCTION</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 104,713	\$ 639,994	\$ 234,831
Receivables	-	-	-	-
Interfund receivables	6,487	-	-	-
<b>TOTAL ASSETS</b>	<b>6,487</b>	<b>104,713</b>	<b>639,994</b>	<b>234,831</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts and retainage payable	-	-	-	6,289
Interfund payables	6,487	-	-	-
<b>TOTAL LIABILITIES</b>	<b>6,487</b>	<b>-</b>	<b>-</b>	<b>6,289</b>
<b>FUND BALANCES:</b>				
Spendable				
Restricted for capital improvements	-	104,713	639,994	228,542
Unassigned (deficit)	-	-	-	-
<b>TOTAL FUND BALANCES (Deficit)</b>	<b>-</b>	<b>104,713</b>	<b>639,994</b>	<b>228,542</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (Deficit)</b>	<b>\$ 6,487</b>	<b>\$ 104,713</b>	<b>\$ 639,994</b>	<b>\$ 234,831</b>



Exhibit 10

<b>FIRE/DRAINAGE IMPROVEMENTS</b>	<b>US 165 BUSINESS CONNECTOR</b>	<b>KANSAS LANE CONNECTOR</b>	<b>COMMUNITY CENTER ROOF REPAIRS</b>	<b>COMMUNITY CENTER REPAIRS</b>	<b>DESIARD STREET BEAUTIFICATION</b>
\$ 294,164	\$ 91,759	\$ -	\$ -	\$ -	\$ -
-	-	252,291	-	1,017,460	-
-	-	-	6,190	268,071	561
<u>294,164</u>	<u>91,759</u>	<u>252,291</u>	<u>6,190</u>	<u>1,285,531</u>	<u>561</u>
169,424	3,710	13,951	-	289,318	-
-	-	269,036	6,190	996,213	561
<u>169,424</u>	<u>3,710</u>	<u>282,987</u>	<u>6,190</u>	<u>1,285,531</u>	<u>561</u>
124,740	88,049	-	-	-	-
-	-	(30,696)	-	-	-
<u>124,740</u>	<u>88,049</u>	<u>(30,696)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 294,164</u>	<u>\$ 91,759</u>	<u>\$ 252,291</u>	<u>\$ 6,190</u>	<u>\$ 1,285,531</u>	<u>\$ 561</u>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR CAPITAL PROJECTS FUNDS**  
**Combining Balance Sheet**  
**April 30, 2016**

	<b>LOUISVILLE ENHANCEMENT PH 2</b>	<b>JACKSON STREET ENHANCEMENT PH 1</b>	<b>DRU GUSTAV/IKE STORM WATER</b>	<b>ROCHELLE PUMP STATION</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables	-	-	60,267	-
Interfund receivables	6,966	3,840	74,090	170,677
<b>TOTAL ASSETS</b>	<b>6,966</b>	<b>3,840</b>	<b>134,357</b>	<b>170,677</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts and retainage payable	-	-	74,091	-
Interfund payables	6,966	3,840	60,266	170,677
<b>TOTAL LIABILITIES</b>	<b>6,966</b>	<b>3,840</b>	<b>134,357</b>	<b>170,677</b>
<b>FUND BALANCES:</b>				
Spendable				
Restricted for capital improvements	-	-	-	-
Unassigned (deficit)	-	-	-	-
<b>TOTAL FUND BALANCES (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (Deficit)</b>	<b>\$ 6,966</b>	<b>\$ 3,840</b>	<b>\$ 134,357</b>	<b>\$ 170,677</b>

**Exhibit 10**

<b>TRAILS GRANT LEVEE</b>	<b>HWY 165 S INFRASTRUCTURE</b>	<b>TOTAL</b>
\$ -	\$ -	\$ 1,365,461
-	-	1,330,018
-	212,409	749,291
-	212,409	3,444,770
-	25,166	581,949
-	187,243	1,707,479
-	212,409	2,289,428
-	-	1,186,038
-	-	(30,696)
-	-	1,155,342
\$ -	\$ 212,409	\$ 3,444,770

**(Concluded)**

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR CAPITAL PROJECTS FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended April 30, 2016**

	<b>U.S. 165 LIGHTING PROJECT</b>	<b>NORTH 18TH STREET EXTENSION</b>	<b>TOWER DRIVE</b>	<b>STREET CONSTRUCTION</b>
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current:				
General government				
Financial administration	-	-	18,345	-
Culture and recreation	-	-	-	-
Capital outlay	6,487	-	-	106,288
<b>Total expenditures</b>	<b>6,487</b>	<b>-</b>	<b>18,345</b>	<b>106,288</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>(6,487)</b>	<b>-</b>	<b>(18,345)</b>	<b>(106,288)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,487	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>6,487</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>(18,345)</b>	<b>(106,288)</b>
<b>FUND BALANCES - BEGINNING</b>	<b>-</b>	<b>104,713</b>	<b>658,339</b>	<b>334,830</b>
<b>FUND BALANCES (Deficit) - ENDING</b>	<b>\$ -</b>	<b>\$ 104,713</b>	<b>\$ 639,994</b>	<b>\$ 228,542</b>

Exhibit 11

<u>FIRE/DRAINAGE IMPROVEMENTS</u>	<u>US 165 BUSINESS CONNECTOR</u>	<u>KANSAS LANE CONNECTOR</u>	<u>COMMUNITY CENTER ROOF REPAIRS</u>	<u>COMMUNITY CENTER REPAIRS</u>	<u>DESIARD STREET BEAUTIFICATION</u>
\$ -	\$ -	\$ 63,563	\$ -	\$ 1,017,027	\$ -
553	-	-	-	-	-
553	-	63,563	-	1,017,027	-
183	-	-	-	-	-
-	-	-	-	-	-
1,179,531	287,624	94,259	6,190	1,285,098	561
1,179,714	287,624	94,259	6,190	1,285,098	561
(1,179,161)	(287,624)	(30,696)	(6,190)	(268,071)	(561)
800,000	-	-	6,190	268,071	561
800,000	-	-	6,190	268,071	561
(379,161)	(287,624)	(30,696)	-	-	-
503,901	375,673	-	-	-	-
\$ 124,740	\$ 88,049	\$ (30,696)	\$ -	\$ -	\$ -

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR CAPITAL PROJECTS FUNDS**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended April 30, 2016**

	<u>LOUISVILLE ENHANCEMENT PH 2</u>	<u>JACKSON STREET ENHANCEMENT PH 1</u>	<u>DRU GUSTAV/IKE STORM WATER</u>	<u>ROCHELLE PUMP STATION</u>
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 91,243	\$ -
Use of money and property	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>91,243</u>	<u>-</u>
EXPENDITURES				
Current:				
General government				
Financial administration	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	6,966	3,840	165,333	170,677
Total expenditures	<u>6,966</u>	<u>3,840</u>	<u>165,333</u>	<u>170,677</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(6,966)</u>	<u>(3,840)</u>	<u>(74,090)</u>	<u>(170,677)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,966	3,840	74,090	170,677
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,966</u>	<u>3,840</u>	<u>74,090</u>	<u>170,677</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES (Deficit) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Exhibit 11**

<b>TRAILS GRANT LEVEE</b>	<b>HWY 165 S INFRASTRUCTURE</b>	<b>TOTAL</b>
\$ 1,821	\$ -	\$ 1,173,654
-	-	553
<u>1,821</u>	<u>-</u>	<u>1,174,207</u>
-	-	18,528
2,226	-	2,226
-	212,409	3,525,263
<u>2,226</u>	<u>212,409</u>	<u>3,546,017</u>
<u>(405)</u>	<u>(212,409)</u>	<u>(2,371,810)</u>
<u>405</u>	<u>212,409</u>	<u>1,549,696</u>
<u>405</u>	<u>212,409</u>	<u>1,549,696</u>
-	-	(822,114)
-	-	1,977,456
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,155,342</u>

(Concluded)

**City of Monroe  
Monroe, Louisiana**

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**City of Monroe  
Monroe, Louisiana**

**COMBINING  
NONMAJOR ENTERPRISE FUNDS  
STATEMENTS**

**DIVIDER**

**City of Monroe  
Monroe, Louisiana**

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**DIVIDER**

**City of Monroe  
Monroe, Louisiana  
Nonmajor Enterprise Funds**

**Monroe Transit System** - The fund is used to account for the operations of the Monroe Transit System, such as administration, operations, maintenance, billing and collection.

**Monroe Civic Center** - The fund is used to account for the operations of the Monroe Civic Center, such as administration, operations, maintenance, billing and collection.

**Louisiana Purchase Gardens and Zoo** - The fund is used to account for the operations of the Louisiana Purchase Gardens & Zoo, such as administration, operations and maintenance of the zoo grounds and related facilities.

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR ENTERPRISE FUNDS**  
**Combining Statement of Net Position**  
**April 30, 2016**

Exhibit 12

	<b>MONROE TRANSIT SYSTEM</b>	<b>MONROE CIVIC CENTER</b>	<b>LOUISIANA PURCHASE GARDENS AND ZOO</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 2,500	\$ 2,500
Receivables, net	1,326,808	13,740	11,241	1,351,789
Interfund receivables	-	18,097	-	18,097
Inventories	205,633	-	-	205,633
Prepaid expenses and other assets	184,788	72,768	3,920	261,476
<b>Total Current Assets</b>	<b>1,717,229</b>	<b>104,605</b>	<b>17,661</b>	<b>1,839,495</b>
Noncurrent Assets:				
Capital Assets				
Land and construction in progress	148,239	993,540	-	1,141,779
Depreciable assets, net of depreciation	2,673,529	4,073,643	816,315	7,563,487
<b>Total Noncurrent Assets</b>	<b>2,821,768</b>	<b>5,067,183</b>	<b>816,315</b>	<b>8,705,266</b>
<b>TOTAL ASSETS</b>	<b>4,538,997</b>	<b>5,171,788</b>	<b>833,976</b>	<b>10,544,761</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	821,791	356,311	335,048	1,513,150
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts and retainage payables	259,513	117,796	57,205	434,514
Unearned revenue	-	8,346	300	8,646
Interfund payables	1,364,158	119,353	-	1,483,511
Customer deposits, net	2,500	10,356	-	12,856
Current portion of long term debt	213,019	53,648	68,501	335,168
<b>Total Current Liabilities</b>	<b>1,839,190</b>	<b>309,499</b>	<b>126,006</b>	<b>2,274,695</b>
Noncurrent Liabilities:				
Compensated absences	126,766	31,925	40,764	199,455
Revenue bonds, notes payable, net and pension liability	2,822,675	1,223,850	1,150,816	5,197,341
<b>Total Noncurrent Liabilities</b>	<b>2,949,441</b>	<b>1,255,775</b>	<b>1,191,580</b>	<b>5,396,796</b>
<b>TOTAL LIABILITIES</b>	<b>4,788,631</b>	<b>1,565,274</b>	<b>1,317,586</b>	<b>7,671,491</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	142,926	61,969	58,271	263,166
<b>NET POSITION</b>				
Net investment in capital assets	2,821,768	5,067,183	816,315	8,705,266
Unrestricted - (deficit)	(2,392,537)	(1,166,327)	(1,023,148)	(4,582,012)
<b>TOTAL NET POSITION (Deficit)</b>	<b>\$ 429,231</b>	<b>\$ 3,900,856</b>	<b>\$ (206,833)</b>	<b>\$ 4,123,254</b>

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR ENTERPRISE FUNDS**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended April 30, 2016**

Exhibit 13

	<b>MONROE TRANSIT SYSTEM</b>	<b>MONROE CIVIC CENTER</b>	<b>LOUISIANA PURCHASE GARDENS AND ZOO</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>				
Rents and fees	\$ 311	\$ 1,106,684	\$ 1,290	\$ 1,108,285
Fares	605,383	-	-	605,383
Advertising	37,334	6,525	-	43,859
Ticket sales and other	-	5,905	-	5,905
Admissions	-	-	204,854	204,854
Concessions and rides	-	268,373	57,317	325,690
Other operating revenue	9,815	8,460	13,786	32,061
<b>Total operating revenues</b>	<b>652,843</b>	<b>1,395,947</b>	<b>277,247</b>	<b>2,326,037</b>
<b>OPERATING EXPENSES</b>				
Salaries, wages, and benefits	2,672,730	1,102,152	1,217,573	4,992,455
Materials, repairs and supplies	1,259,346	410,978	125,354	1,795,678
Utilities and communications	134,568	530,476	83,317	748,361
Insurance	501,407	69,963	14,140	585,510
Promoter's expenses	-	475,059	22,500	497,559
Other operating expenses	422,072	345,902	338,068	1,106,042
Depreciation and amortization	814,383	498,218	163,358	1,475,959
<b>Total operating expenses</b>	<b>5,804,506</b>	<b>3,432,748</b>	<b>1,964,310</b>	<b>11,201,564</b>
<b>OPERATING INCOME (Loss)</b>	<b>(5,151,663)</b>	<b>(2,036,801)</b>	<b>(1,687,063)</b>	<b>(8,875,527)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Operating grants	2,032,344	47,990	-	2,080,334
Interest income	-	2,011	2,012	4,023
Property taxes	-	1,032,089	1,032,089	2,064,178
<b>Total nonoperating revenues (expenses)</b>	<b>2,032,344</b>	<b>1,082,090</b>	<b>1,034,101</b>	<b>4,148,535</b>
<b>Income(Loss) before capital contributions and transfers</b>	<b>(3,119,319)</b>	<b>(954,711)</b>	<b>(652,962)</b>	<b>(4,726,992)</b>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>				
Capital contributions	-	-	-	-
Transfers in	2,147,450	472,331	478,900	3,098,681
<b>Total Capital Contributions and Transfers</b>	<b>2,147,450</b>	<b>472,331</b>	<b>478,900</b>	<b>3,098,681</b>
<b>CHANGE IN NET POSTION</b>	<b>(971,869)</b>	<b>(482,380)</b>	<b>(174,062)</b>	<b>(1,628,311)</b>
<b>NET POSITION - BEGINNING, AS ORIGINALLY STATED</b>				
	3,455,050	5,273,784	804,633	9,533,467
Prior Period Adjustment (See Note 22)	(2,053,950)	(890,548)	(837,404)	(3,781,902)
<b>NET POSITION - BEGINNING, AS RESTATED</b>	<b>1,401,100</b>	<b>4,383,236</b>	<b>(32,771)</b>	<b>5,751,565</b>
<b>NET POSITION (Deficit) - ENDING</b>	<b>\$ 429,231</b>	<b>\$ 3,900,856</b>	<b>\$ (206,833)</b>	<b>\$ 4,123,254</b>

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR ENTERPRISE FUNDS**  
**Combining Statement of Cash Flows**  
**For the Year Ended April 30, 2016**

Exhibit 14

	<b>MONROE TRANSIT SYSTEM</b>	<b>MONROE CIVIC CENTER</b>	<b>LOUISIANA PURCHASE GARDENS AND ZOO</b>	<b>TOTAL</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 652,843	\$ 1,395,947	\$ 277,247	\$ 2,326,037
Receipts from interfund services provided				
Payments to suppliers for goods and services	(989,125)	(3,416,079)	(618,737)	(5,023,941)
Payments for interfund services provided	360	(18,097)	442	(17,295)
Payments to employees for services and benefits	(2,612,700)	(1,046,595)	(1,172,830)	(4,832,125)
Net cash provided (used) for operating activities	<u>(2,948,622)</u>	<u>(3,084,824)</u>	<u>(1,513,878)</u>	<u>(7,547,324)</u>
<b>CASH FLOWS (USES) FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating grants	956,635	1,618,832	877	2,576,344
Ad valorem taxes	-	1,032,089	1,032,089	2,064,178
Transfers in	2,147,450	472,331	478,900	3,098,681
Net cash provided (used) for noncapital financing activities	<u>3,104,085</u>	<u>3,123,252</u>	<u>1,511,866</u>	<u>7,739,203</u>
<b>CASH FLOWS (USES) FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Capital grants	-	-	-	-
Acquisition of capital assets	(156,263)	(50,939)	-	(207,202)
Bond proceeds	-	-	-	-
Principal paid on debt	-	-	-	-
Interest paid on debt	-	-	-	-
Net cash provided (used) for capital and related financing activities	<u>(156,263)</u>	<u>(50,939)</u>	<u>-</u>	<u>(207,202)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Earnings on investments	-	2,011	2,012	4,023
Net cash provided (used) for investing activities	<u>-</u>	<u>2,011</u>	<u>2,012</u>	<u>4,023</u>
Net increase (decrease) in cash and cash equivalents	(800)	(10,500)	-	(11,300)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>800</u>	<u>10,500</u>	<u>2,500</u>	<u>13,800</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>
Reconciliation to balance sheet				
Cash	\$ -	\$ -	\$ 2,500	\$ 2,500
Restricted assets - cash	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>

(Continued)

**CITY OF MONROE**  
**Monroe, Louisiana**

**NONMAJOR ENTERPRISE FUNDS**  
**Combining Statement of Cash Flows**  
**For the Year Ended April 30, 2016**

Exhibit 14

	<b>MONROE TRANSIT SYSTEM</b>	<b>MONROE CIVIC CENTER</b>	<b>LOUISIANA PURCHASE GARDENS AND ZOO</b>	<b>TOTAL</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (5,151,663)	\$ (2,036,801)	\$ (1,687,063)	\$ (8,875,527)
Adjustments to reconcile operating income to net cash provided (used) for operating activities:				
Depreciation	814,383	498,218	163,358	1,475,959
Pension expense related to change in deferred outflows and deferred inflows	89,860	38,960	36,635	165,455
(Increase) decrease in accounts receivable	-	-	-	-
(Increase) decrease in interfund receivable	360	(18,097)	442	(17,295)
(Increase) decrease in inventories	(26,906)	-	-	(26,906)
(Increase) decrease in prepaid expenses	(1,195)	(49,569)	701	(50,063)
Increase (decrease) in accounts payable	(1,166)	(822,833)	5,277	(818,722)
Increase (decrease) in accrued liabilities	-	-	-	-
Increase (decrease) in unearned revenue	-	(24,909)	(450)	(25,359)
Increase (decrease) in interfund payable	1,357,535	(674,300)	(40,886)	642,349
Increase (decrease) in due to others	-	-	-	-
Increase (decrease) in customer deposits	-	(12,090)	-	(12,090)
Increase (decrease) in accrued interest	-	-	-	-
Increase (decrease) in compensated absences	(29,830)	16,597	8,108	(5,125)
Net cash provided (used) by operating activities	<u>\$ (2,948,622)</u>	<u>\$ (3,084,824)</u>	<u>\$ (1,513,878)</u>	<u>\$ (7,547,324)</u>

**Schedule of non-cash capital and related financing activities:**

Part of the operating grant revenue was recognized by the recordation of a receivable	\$ 1,075,709	\$ 13,740	\$ (877)	\$ 1,088,572
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(Concluded)

**City of Monroe  
Monroe, Louisiana**

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**City of Monroe  
Monroe, Louisiana  
Nonmajor Enterprise Funds**

**COMBINING  
INTERNAL SERVICE FUNDS  
STATEMENTS**

**DIVIDER**

**City of Monroe  
Monroe, Louisiana**

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**DIVIDER**

**City of Monroe  
Monroe, Louisiana  
Internal Service Funds**

**Employees' Group Insurance** - The fund is used to account for the provision of the City's self-insurance health benefits. This includes administration fees, collection of premiums and payment of expenses.

**Central Shop** - The fund is used to account for the provision of repair and maintenance services and motor fuels to the various City departments (except for Transit and Fire Department).

**CITY OF MONROE**  
**Monroe, Louisiana**

**PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS**  
**Combining Statement of Net Position**  
**April 30, 2016**

Exhibit 15

	<b>EMPLOYEES' GROUP INSURANCE</b>	<b>CENTRAL SHOP</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 923,683	\$ -	\$ 923,683
Inventories	-	55,989	55,989
Total current assets	923,683	55,989	979,672
Noncurrent Assets			
Land and construction in progress	-	45,000	45,000
Depreciable assets, net of depreciation	-	1,960,837	1,960,837
Total noncurrent assets	-	2,005,837	2,005,837
TOTAL ASSETS	923,683	2,061,826	2,985,509
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts and retainage payable	-	14,625	14,625
Accrued liabilities	527,648	-	527,648
Interfund payables	2,297,503	-	2,297,503
Total current liabilities	2,825,151	14,625	2,839,776
<b>NET POSITION</b>			
Net investment in capital assets	-	2,005,837	2,005,837
Unrestricted	(1,901,468)	41,364	(1,860,104)
Total Net Position (Deficit)	\$ (1,901,468)	\$ 2,047,201	\$ 145,733

**CITY OF MONROE**  
**Monroe, Louisiana**

**PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Net Position**  
**For the Year Ended April 30, 2016**

Exhibit 16

	<b>EMPLOYEES' GROUP INSURANCE</b>	<b>CENTRAL SHOP</b>	<b>TOTAL</b>
Operating revenues			
Charges for services	\$ 9,665,099	\$ 990,877	\$ 10,655,976
Total operating revenues	9,665,099	990,877	10,655,976
Operating expenses			
Benefits paid to participants	10,675,599	-	10,675,599
Salaries, wages, and benefits	-	926,173	926,173
Materials, repairs, and supplies	-	10,670	10,670
Utilities and communications	-	40,250	40,250
Shop expenses	-	459,655	459,655
Other operating expenses	238	133,091	133,329
Depreciation and amortization	-	87,856	87,856
Total operating expenses	10,675,837	1,657,695	12,333,532
Operating income (loss)	(1,010,738)	(666,818)	(1,677,556)
Nonoperating revenues (expenses)			
Interest income	122	-	122
Total nonoperating revenues (expenses)	122	-	122
Income (loss) before contributions and transfer	(1,010,616)	(666,818)	(1,677,434)
Other Financing Sources (Uses)			
Transfers in	197,960	616,313	814,273
Total other financing sources (uses)	197,960	616,313	814,273
Change in net position	(812,656)	(50,505)	(863,161)
Total net position (deficit) - Beginning	(1,088,812)	2,097,706	1,008,894
Total net position (deficit) - Ending	\$ (1,901,468)	\$ 2,047,201	\$ 145,733

**CITY OF MONROE**  
**Monroe, Louisiana**

**PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS**  
**Combining Statement of Cash Flows**  
**For the Year Ended April 30, 2016**

Exhibit 17

	<b>EMPLOYEES' GROUP INSURANCE</b>	<b>CENTRAL SHOP</b>	<b>TOTAL</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from interfund services provided	\$ 9,665,099	\$ 990,877	\$ 10,655,976
Payments to suppliers for goods and services	(9,332,711)	(681,017)	(10,013,728)
Payments to employees for services and benefits	-	(926,173)	(926,173)
Net cash provided (used) for operating activities	<u>332,388</u>	<u>(616,313)</u>	<u>(283,925)</u>
<b>CASH FLOW (USES) FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers in	197,960	616,313	814,273
Net cash provided (used) for noncapital financing activities	<u>197,960</u>	<u>616,313</u>	<u>814,273</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Earnings on investments	122	-	122
Net cash provided (used) for investing activities	<u>122</u>	<u>-</u>	<u>122</u>
Net increase (decrease) in cash and cash equivalents	530,470	-	530,470
CASH AND CASH EQUIVALENTS - BEGINNING	<u>393,213</u>	<u>-</u>	<u>393,213</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 923,683</u>	<u>\$ -</u>	<u>\$ 923,683</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (1,010,738)	\$ (666,818)	\$ (1,677,556)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	87,856	87,856
Changes in assets and liabilities			
(Increase) Decrease in Inventories	-	9,113	9,113
Increase (Decrease) in Accounts payable	-	(40,766)	(40,766)
Increase (Decrease) in Accrued liabilities	(344,771)	-	(344,771)
Increase (Decrease) in Due to other funds	1,687,897	(5,698)	1,682,199
Net cash provided (used) for operating activities	<u>\$ 332,388</u>	<u>\$ (616,313)</u>	<u>\$ (283,925)</u>

**City of Monroe  
Monroe, Louisiana**

**COMBINING  
PENSION TRUST FUNDS  
STATEMENTS**

**DIVIDER**

**City of Monroe  
Monroe, Louisiana**

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**DIVIDER**



**City of Monroe**  
**Monroe, Louisiana**  
**Pension Trust Funds**

**Bus Drivers' Pension Fund** - The fund accounts for the payments to the eligible retirees. In 1983 the employees of the Transit system agreed to join the Municipal Employees' Retirement System of Louisiana (MERS). This fund makes payments only and has sufficient funds to meet its obligations to remaining retirees.

**Police Pension Fund** - The fund accounts for the payments to the eligible retirees. In 1983 the employees of the Monroe Police Department agreed to join the Municipal Police Employees' Retirement System of Louisiana (MPERS). This fund makes payments only and has sufficient funds to meet its obligations to remaining retirees.

**CITY OF MONROE  
Monroe, Louisiana**

**FIDUCIARY FUNDS  
Combining Statement of Net Position  
April 30, 2016**

Exhibit 18

	<b>PENSION TRUST FUNDS</b>		<b>TOTAL</b>
	<b>BUS DRIVERS' PENSION FUND</b>	<b>POLICE PENSION FUND</b>	
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 16,229	\$ 107,932	\$ 124,161
Total assets	<u>16,229</u>	<u>107,932</u>	<u>124,161</u>
Net position			
Restricted for retirement benefits	<u>16,229</u>	<u>107,932</u>	<u>124,161</u>
Total net position	<u><u>\$ 16,229</u></u>	<u><u>\$ 107,932</u></u>	<u><u>\$ 124,161</u></u>

**CITY OF MONROE**  
**Monroe, Louisiana**

**FIDUCIARY FUNDS**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Year Ended April 30, 2016**

Exhibit 19

	PENSION TRUST FUNDS		TOTAL
	BUS DRIVERS' PENSION FUND	POLICE PENSION FUND	
<b>ADDITIONS</b>			
Investment income			
Interest	\$ 24	\$ 129	\$ 153
Total additions	24	129	153
<b>DEDUCTIONS</b>			
Benefits paid	3,300	2,418	5,718
Total deductions	3,300	2,418	5,718
Changes in net position	(3,276)	(2,289)	(5,565)
Net Position, beginning	19,505	110,221	129,726
Net Position, ending	\$ 16,229	\$ 107,932	\$ 124,161

**City of Monroe  
Monroe, Louisiana**

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**City of Monroe  
Monroe, Louisiana**

**COMBINING  
AGENCY FUNDS  
STATEMENTS**

**DIVIDER**

**City of Monroe  
Monroe, Louisiana**

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**DIVIDER**

**City of Monroe  
Monroe, Louisiana  
Agency Funds**

**Monroe Police Department Evidence** - The fund accounts for the assets seized by the Monroe Police Department.

**Property Tax Collection** - The fund accounts for the collection and distribution of property taxes for the City.

**Bid Bond Agency Fund** - The fund accounts for the collection/return of deposits for bids or permits to contractors.

**Sales Tax Collection Agency** - The fund accounts for the collection and distribution of sales taxes assessed by the various taxing bodies within Ouachita Parish.

**Hotel/Motel Tax Collection** - The fund accounts for the collection and distribution of the Hotel/Motel Tax assessed by the Monroe/West Monroe Convention and Visitors Bureau.

**BellSouth (AT&T)** - The fund accounts for the collection and remittance of payments on behalf of AT&T.

**CITY OF MONROE**  
**Monroe, Louisiana**

**AGENCY FUNDS**  
**Combining Statement of Net Position**  
**For the Year Ended April 30, 2016**

	<b>MONROE POLICE DEPARTMENT EVIDENCE</b>	<b>PROPERTY TAX COLLECTION</b>	<b>BID BOND AGENCY FUND</b>	<b>SALES TAX COLLECTION AGENCY</b>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 157,888	\$ 1,884	\$ 13,076	\$ 1,391,405
Receivables	-	-	-	15,247,476
Total assets	<u>157,888</u>	<u>1,884</u>	<u>13,076</u>	<u>16,638,881</u>
<b>LIABILITIES</b>				
Current liabilities				
Due to others	<u>157,888</u>	<u>1,884</u>	<u>13,076</u>	<u>16,638,881</u>
Total liabilities	<u>\$ 157,888</u>	<u>\$ 1,884</u>	<u>\$ 13,076</u>	<u>\$ 16,638,881</u>



**Exhibit 20**

<b>HOTEL/MOTEL TAX COLLECTION</b>	<b>BELL SOUTH (AT&amp;T)</b>	<b>TOTAL</b>
\$ -	\$ 2,548	\$ 1,566,801
-	-	15,247,476
-	2,548	16,814,277
-	2,548	16,814,277
\$ -	\$ 2,548	\$ 16,814,277

**CITY OF MONROE  
Monroe, Louisiana**

Exhibit 21

**AGENCY FUNDS  
Combining Statement of Changes in Assets and Liabilities  
For the Year Ended April 30, 2016**

	Balance May 1, 2015	Additions	Deductions	Balance April 30, 2016
<b>*****MONROE POLICE DEPARTMENT EVIDENCE*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 156,792	\$ 1,096	\$ -	\$ 157,888
Total assets	<u>156,792</u>	<u>1,096</u>	<u>-</u>	<u>157,888</u>
<b>LIABILITIES</b>				
Current liabilities				
Due to others	156,792	1,096	-	157,888
Total liabilities	<u>\$ 156,792</u>	<u>\$ 1,096</u>	<u>\$ -</u>	<u>\$ 157,888</u>
<b>*****PROPERTY TAX COLLECTION*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 59,954	\$ 79,696	\$ 137,766	\$ 1,884
Total assets	<u>59,954</u>	<u>79,696</u>	<u>137,766</u>	<u>1,884</u>
<b>LIABILITIES</b>				
Current liabilities				
Due to others	59,954	79,696	137,766	1,884
Total liabilities	<u>\$ 59,954</u>	<u>\$ 79,696</u>	<u>\$ 137,766</u>	<u>\$ 1,884</u>
<b>*****BID BOND AGENCY FUND*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 13,376	\$ 710	\$ 1,010	\$ 13,076
Total assets	<u>13,376</u>	<u>710</u>	<u>1,010</u>	<u>13,076</u>
<b>LIABILITIES</b>				
Current liabilities				
Due to others	13,376	710	1,010	13,076
Total liabilities	<u>\$ 13,376</u>	<u>\$ 710</u>	<u>\$ 1,010</u>	<u>\$ 13,076</u>
<b>*****SALES TAX COLLECTION AGENCY*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,249,002	\$ 189,837,518	\$ 189,695,115	\$ 1,391,405
Receivables	14,508,981	15,244,947	14,506,452	15,247,476
Total assets	<u>15,757,983</u>	<u>205,082,465</u>	<u>204,201,567</u>	<u>16,638,881</u>
<b>LIABILITIES</b>				
Current liabilities				
Due to others	15,757,983	205,082,465	204,201,567	16,638,881
Total liabilities	<u>\$ 15,757,983</u>	<u>\$ 205,082,465</u>	<u>\$ 204,201,567</u>	<u>\$ 16,638,881</u>

(Continued)

**CITY OF MONROE  
Monroe, Louisiana**

Exhibit 21

**AGENCY FUNDS  
Combining Statement of Changes in Assets and Liabilities  
For the Year Ended April 30, 2016**

	<u>Balance May 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance April 30, 2016</u>
<b>*****HOTEL/MOTEL TAX COLLECTION*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,548	\$ 3	\$ 9,551	\$ -
Total assets	<u>9,548</u>	<u>3</u>	<u>9,551</u>	<u>-</u>

<b>LIABILITIES</b>				
Current liabilities				
Due to others	9,548	3	9,551	-
Total liabilities	<u>\$ 9,548</u>	<u>\$ 3</u>	<u>\$ 9,551</u>	<u>\$ -</u>

**\*\*\*\*\*BELL SOUTH (AT&T)\*\*\*\*\***

<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,784	\$ 329,923	\$ 330,159	\$ 2,548
Total assets	<u>2,784</u>	<u>329,923</u>	<u>330,159</u>	<u>2,548</u>

<b>LIABILITIES</b>				
Current liabilities				
Due to others	2,784	329,923	330,159	2,548
Total liabilities	<u>\$ 2,784</u>	<u>\$ 329,923</u>	<u>\$ 330,159</u>	<u>\$ 2,548</u>

**\*\*\*\*\*TOTAL\*\*\*\*\***

<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,491,456	\$ 190,248,946	\$ 190,173,601	\$ 1,566,801
Receivables	14,508,981	15,244,947	14,506,452	15,247,476
Total assets	<u>16,000,437</u>	<u>205,493,893</u>	<u>204,680,053</u>	<u>16,814,277</u>

<b>LIABILITIES</b>				
Current liabilities				
Due to others	16,000,437	205,493,893	204,680,053	16,814,277
Total liabilities	<u>\$ 16,000,437</u>	<u>\$ 205,493,893</u>	<u>\$ 204,680,053</u>	<u>\$ 16,814,277</u>

(Concluded)

**City of Monroe  
Monroe, Louisiana**

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**City of Monroe  
Monroe, Louisiana**

**OTHER MISCELLANEOUS SCHEDULES**

**DIVIDER**

**City of Monroe  
Monroe, Louisiana**

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**DIVIDER**

**City of Monroe  
Monroe, Louisiana**

**SCHEDULE OF LONG-TERM OBLIGATIONS  
FOR THE YEAR ENDED APRIL 30, 2016**

**Exhibit 22**

	Issue Dates	Remaining Interest Rates	Original Amount	Balance April 30, 2015	Issued	Retired	Balance April 30, 2016	Amount Due Within A Year	Principal Maturity Schedule For Future Years
<b>GOVERNMENTAL ACTIVITIES</b>									
<b>Tax Increment Bonds:</b>									
	2012	2.71%	\$ 10,590,000	\$ 8,670,000	-	\$ -	\$ 7,905,000	\$ 785,000	\$785,000 - \$975,000 to March 1, 2025
	2011	3.00% - 5.00%	10,000,000	7,840,000	-	(670,000)	7,170,000	690,000	\$690,000 - \$935,000 to March 1, 2025
	2012	2.71%	20,530,000	17,545,000	-	(1,555,000)	15,990,000	1,590,000	\$1,590,000 - \$1,975,000 to March 1, 2025
			41,120,000	34,055,000	-	(2,990,000)	31,065,000	3,065,000	
<b>Sales Tax Bonds:</b>									
	2007	1.703%	19,951,200	14,048,800	-	(989,400)	13,059,400	1,033,600	\$958,800 - \$2,230,400 to July 1, 2026
	2011	3.19%	14,690,000	14,150,000	-	(270,000)	13,880,000	280,000	\$280,000 - \$1,780,000 to July 1, 2027
	2012	2.00% - 4.00%	16,860,000	15,523,000	-	(640,000)	14,883,000	670,000	\$245,000 - \$1,740,000 to July 1, 2027
			51,501,200	43,718,800	-	(2,199,400)	41,319,400	2,283,600	
				642,088	-	(97,237)	544,851	89,164	
				78,415,888	-	(5,286,637)	73,129,251	5,437,764	
<b>Other:</b>									
			-	10,219,981	1,918,833	(1,998,110)	10,140,704	159,364	
		3.49%-7.30%	-	4,959,283	-	(835,213)	4,124,070	912,415	\$139,354 - \$912,415 to November 1, 2022
	2013	1.87%	6,967,113	2,444,321	3,886,508	(799,726)	1,644,595	814,680	\$814,680 - \$829,915 to March 1, 2021
			-	6,273,770	3,272,618	(3,838,636)	6,321,642	3,838,636	
			-	14,542,046	24,016,222	(1,394,347)	16,420,317	1,394,346	
			-	93,268,068	33,094,181	(18,049,675)	108,312,574	7,119,441	
			99,588,313	171,683,956	33,094,181	(23,336,312)	181,441,825	12,557,205	
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>									
<b>BUSINESS TYPE ACTIVITIES</b>									
<b>Sales Tax Bonds - Water:</b>									
	2006	3.45%	3,000,000	2,305,000	-	(130,000)	2,175,000	135,000	\$135,000 - \$205,000 to July 1, 2028
	2007	1.703%	1,877,760	1,322,240	-	(93,120)	1,229,120	97,280	\$97,280 - \$209,920 to July 1, 2026
	2011	2.50% - 5.00%	1,916,000	1,458,000	-	(223,000)	1,235,000	232,000	\$232,000 - \$264,000 to July 1, 2020
			6,793,760	5,085,240	-	(448,120)	4,637,120	464,280	
<b>Sales Tax Bonds - Sewer:</b>									
	2007	1.703%	7,511,040	5,288,960	-	(372,480)	4,916,480	389,120	\$389,120 - \$839,680 to July 1, 2026
	2008	0.95%	14,000,000	7,365,330	199,139	(667,680)	6,896,789	670,000	\$670,000 - \$765,000 to July 1, 2030
	2011	2.50% - 5.00%	7,664,000	5,832,000	-	(900,000)	4,932,000	928,000	\$928,000 - \$1,056,000 to July 1, 2020
	2012	2.89%	32,000,000	28,350,000	-	(1,830,000)	26,520,000	1,880,000	\$1,880,000 - \$2,575,000 to June 1, 2027
	2013	0.95%	11,700,000	885,209	871,724	(55,528)	1,701,405	674,495	\$736,340 - \$832,648 to July 1, 2029
			72,875,040	47,721,499	1,070,863	(3,825,688)	44,966,674	4,541,615	
<b>Airport General Obligation Bonds:</b>									
	2009	3.25% - 5.5%	19,250,000	16,885,000	-	(510,000)	16,375,000	545,000	\$510,000 - \$964,000 to February 1, 2039
			19,250,000	16,885,000	-	(510,000)	16,375,000	545,000	
				129,316	-	#	86,211	34,484	
				69,821,055	1,070,863	(4,826,913)	66,065,005	5,585,379	
<b>Other:</b>									
			\$ -	1,278,558	\$ 897,011	(838,341)	\$ 1,337,228	\$ 838,341	
			-	10,690,574	5,620,469	(1,644,340)	14,666,703	-	
			\$ 98,918,800	\$ 81,790,187	\$ 7,588,343	(7,309,594)	\$ 82,068,936	\$ 6,423,720	
			\$ 198,507,113	\$ 253,474,143	\$ 40,682,524	(30,645,906)	\$ 263,510,761	\$ 18,980,925	

( 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.

( B ) These two are the same \$1,452,000 issue. The \$816,468 is recorded directly on the Internal Service Fund books and the \$635,532 is recorded as general government debt. All are payable from general revenues.

**City of Monroe  
Monroe, Louisiana**

**Schedule of Compensation Paid Board Members  
For the Year Ended April 30, 2016**

**Exhibit 23**

The schedule of compensation paid Council members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the City 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.

<u>Board Member</u>	<u>District</u>	<u>Amount</u>
Dr. Ray Armstrong	1	\$13,384
Gretchen Ezernack	2	11,999
Betty Blakes	3	16,615
Kenneth Wilson	4	11,999
Eddie Clark	5	<u>11,999</u>
Total		<u>\$65,996</u>



**City of Monroe  
Monroe, Louisiana**

**Schedule of Compensation Benefits, and Other Payments to Agency Head  
or Chief Executive Officer**

**For the Year Ended April 30, 2016**

**Exhibit 24**

MAYOR JAMIE MAYO

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 90,000
Benefits-insurance	14,969
Benefits-retirement	17,775
Benefits - Life insurance	274
Benefits - Medicare	1,404
Car allowance	6,850
Vehicle provided by government	-
Per diem	-
Reimbursements	120
Travel	16
Registration fees	1,055
Conference travel	4,419
Continuing professional education	-
Housing	-
Unvouchered expenses	-
Special meals	-
Fuel card	1,441
	<u>\$ 138,323</u>

**City of Monroe  
Monroe, Louisiana**

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**City of Monroe  
Monroe, Louisiana**

**SINGLE AUDIT  
DIVIDER**

**City of Monroe  
Monroe, Louisiana**

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**DIVIDER**

**City of Monroe  
Monroe, Louisiana**

**REPORTS REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS*  
AND  
UNIFORM GUIDANCE**

# ALLEN, GREEN & WILLIAMSON, LLP



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Nicia Mercer, CPA, CFE  
Principal: Cindy Thomason, CPA

Matt Carmichael, CPA  
Eddi Hernandez, CPA  
Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA  
(Retired) 1963 - 2000

## **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**

### **Independent Auditor's Report**

Council Members and Honorable Mayor Mayo  
City of Monroe  
Monroe, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Monroe (the City) as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 31, 2016. Our report includes a reference to other auditors who audited the financial statements of the City Court of Monroe and the Monroe City Marshal, which represents the aggregate discretely presented component units, as described, in our report on the City's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditor.

### **Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*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 City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the significant deficiency described in the accompanying Schedule of Findings and Questioned Costs as 2016-002

a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as 2016-001, 2016-003, and 2016-004 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned Costs as item 2016-003.

### **The City's Response to Findings**

The City's response to the findings identified in our audit are described in the accompanying Corrective Action for Current Year Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Allen Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
October 31, 2016



# ALLEN, GREEN & WILLIAMSON, LLP

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(Retired) 1963 - 2000

## **Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; Required by Uniform Guidance**

### **Independent Auditor's Report**

Council Members and Honorable Mayor Mayo  
City of Monroe  
Monroe, Louisiana

#### **Report on Compliance for Each Major Federal Program**

We have audited the City of Monroe's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended April 30, 2016. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2, U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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



### ***Opinion on Each Major Federal Programs***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2016.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2016-005. Our opinion on each major federal program is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying Corrective Action Plan for Current Year Audit Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

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

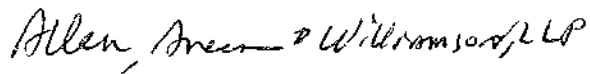
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2016-005 that we consider to be a significant deficiency.

The City's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan for Current Year Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Allen, Green & Williamson, LLP".

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
October 31, 2016

**City of Monroe**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended April 30, 2016**

Federal Grantor / Pass-Through Grantor / Program Title	CFDA No.	Pass-Through Grant Number	Grant Identification Number	Federal Expenditures
<b><u>U. S. Department of Housing and Urban Development</u></b>				
<b>Direct:</b>				
Community Development Block Grant - 2012	14.218	N/A	B-13-MC-22-0005	\$ 51,743
Community Development Block Grant - 2013	14.218	N/A	B-14-MC-22-0005	494,420
Community Development Block Grant -2014	14.218	N/A	B-15-MC-22-0005	120,144
CDBG Subtotal				<u>666,307</u>
Home Investment Partnership Grant 2013	14.239	N/A	M-13-MC-22-0206	21,731
Home Investment Partnership Grant 2014	14.239	N/A	M-14-MC-22-0206	81,128
Home Investment Partnership Grant Subtotal				<u>102,859</u>
<b>Pass-Through Programs:</b>				
Ouachita Parish Police Jury:				
CDBG DRU Gustav/Ike Stormwater	14.228		FEMA 178-DR-LA	91,243
				<u>91,243</u>
LA Dept of Social Services/Office of Community Services:				
Emergency Shelter Grants Program -2013	14.231	LHA13-15-16	N/A	219,687
Emergency Shelter Grants Program Subtotal				<u>219,687</u>
<b>Total Dept. Housing &amp; Urban Development</b>				<u>1,080,096</u>
<b><u>U. S. Department of Interior</u></b>				
<b>Direct:</b>				
Historic Preservation Fund Grants-in-Aid	15.904	15-HP-09-CLG	P15AF00046	3,000
				<u>3,000</u>
<b><u>U. S. Department of Justice</u></b>				
<b>Direct:</b>				
Office of Justice Program (JAG)-2013	16.738	N/A	2013 DJ-BX-0148	8,631
Bulletproof Vest Partnership Program 2013	16.607	N/A	N/A	3,637
<b>Total Department of Justice</b>				<u>12,268</u>
<b><u>U. S. Department of Transportation</u></b>				
<b>Direct:</b>				
Airport Improvement Program:				
Airport Terminal- Construct Term. Blding, Ph III; ARFF & & Wildlife	20.106	N/A	3-22-0033-32-2014	1,459,353
				<u>1,459,353</u>
Federal Transit Cluster				
New Freedom Program	20.507	N/A	LA-90-X363-01	34,146
Federal Transit Formula Grants	20.507	N/A	LA-90-X412-00	65,559
Federal Transit Formula Grants	20.507	N/A	LA-90-X337-01	73,259
Federal Transit Formula Grants	20.507	N/A	LA-90-X352-00	6,010
Federal Transit Formula Grants	20.507	N/A	LA-90-X429-03	397,047
Federal Transit Formula Grants	20.507	N/A	1513-2016-1	1,254,188
Total Federal Transit Cluster				<u>1,830,209</u>
<b>Pass-Through Programs:</b>				
<b>Highway Planning and Construction Cluster</b>				
LA Highway Safety Commission				
Highway Safety Improvement Program	20.205	2015-30-43	N/A	23,988
State and Community Highway Safety (Section 402)	20.600	2015-30-43	N/A	16,505
Alcohol High Visibility Enforcement (Section 410 HVE)	20.601		N/A	23,560
Total Highway Planning and Construction Cluster				<u>40,065</u>
LA Dept of Transportation and Development				
Kansas Lane Connector	20.205	700-37-0125	STP-3705(500)	63,563
<b>Total Department of Transportation</b>				<u>\$ 3,417,178</u>

**City of Monroe**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended April 30, 2016**

Federal Grantor / Pass-Through Grantor / Program Title	CFDA No.	Pass-Through Grant Number	Grant Identification Number	Federal Expenditures
<b>Various Agencies</b>				
Delta Regional Area Economic Development	90.201			\$ 58,300
				58,300
<b><u>U. S. Department of Homeland Security</u></b>				
<b>Direct:</b>				
Disaster Grants-Public Assistance (Severe Storms, Tornadoes, & Flooding)-FEMA	97.036	N/A	FEMA-1863-DR-LA	427,541
Transportation Security Administration	97.090	N/A	HSTS0208HSLR215	90,220
Assistance to Firefighters Grant	97.044	N/A	EMW-2014-FO-06122	97,691
<b>Pass-Through Programs:</b>				
LA Governor's Office of Homeland Security and Emergency Ouachita Parish Office of Homeland Security and Emergency Preparedness				
Hazard Mitigation Grant	97.039	FEMA-1603-DR-LA-0079	N/A	32,990
State Homeland Security Program- LETPP 08	97.067	2008-GE-T8-0013	SHSP FY-2014	18,689
<b>Total U. S. Department of Homeland Security</b>				667,131
<b><u>U.S. Department of Health and Human Services</u></b>				
<b>Pass-Through Programs:</b>				
Jefferson Parish Sheriff's Office/West Monroe Police Department Office of National Drug Control Policy-High Intensity Drug Trafficking Area (HIDTA)	93.276		N/A	52,499
<b>Total U.S. Department of Health and Human Services - Office of National Drug Policy</b>				52,499
<b>Total Federal Expenditures</b>				\$ 5,290,472

**City of Monroe**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended April 30, 2016**

**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, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where in certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - LOANS OUTSTANDING** The City has loans outstanding under Federal loan or loan guarantee award programs of \$263,415 at April 30, 2016.

**NOTE 4 - FUNDS PROVIDED TO SUBRECIPIENTS** Of the Federal expenditures presented on this schedule, the City provided \$275,313 through the Community Development Block Grants, Home Investment Partnership Grants and the Emergency Shelter Grant Programs to sub recipients.

**NOTE 5 - 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, 2016:

Major funds:	
General Fund	\$ 640,950
Monroe Regional Airport	1,459,353
Nonmajor special revenue funds:	
Fire Dept. Insurance	97,691
Community Development Block Grant	666,307
Emergency Shelter	219,687
CDBG Home	102,859
Justice Assistance Program	8,631
State Homeland Security	18,689
DRA Grant - S. 1st Street Sewer	58,300
Nonmajor capital project funds:	
Kansas Lane Connector	63,563
DRU Gustav/Ike Storm Water	91,243
Nonmajor Enterprise Funds:	
Monroe Transit System	1,863,199
Total	\$ 5,290,472

**NOTE 6 - DE MINIMIS INDIRECT COST RATE** The City did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**City of Monroe**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended April 30, 2016**

**Part I - Summary of the Auditor's Results**

**Financial Statement Audit**

- i. The type of audit report issued was unmodified.
- ii. There were four significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America. The significant deficiency described as 2016-002 was considered to be a material weakness.
- iii. There was one instance of noncompliance, as defined by the Government Auditing Standards, to the financial statement.

**Audit of Federal Awards**

- iv. There was one significant deficiency required to be disclosed by Uniform Guidance. The significant deficiency was not considered to be a material weakness.
- v. The type of report the auditor issued on compliance for major programs was unmodified.
- vi. The audit disclosed one audit finding which the auditor is required to report under Uniform Guidance.
- vii. The major federal programs are:

CFDA #14.218	Community Development Block Grant – Entitlement Program
CFDA #20.106	Airport Improvement Program
CFDA #14.228	CDBG DRU Gustav/Ike Stormwater
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in Uniform Guidance, Section .520(b) was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under Uniform Guidance.

**City of Monroe**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended April 30, 2016**

**Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

**Reference # and Title:**                **2016-001**                **Internal Controls over Inventory**

**Entity-wide or program/department specific:** This finding is entity-wide.

**Criteria or specific requirement:** In order to have good internal controls over inventory, policies and procedures should be established to ascertain that inventory is properly maintained and tracked. Annual inventory reports should have proper totals, include updated unit cost information and agree to year-end inventory counts.

**Condition found:** When testing the main four departments of the City that account for inventory, the following items were noted:

- Transit Department –
  - Various exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.
  - Some items noted on the inventory listing with a negative number as the final count reported.
  - When tracing unit cost, exceptions were noted in which the unit cost per invoices paid did not agree to the unit cost per the inventory listing.
- Central Shop –
  - It was noted that the final count report contained formula errors, which caused the report not to total correctly.
  - When tracing unit cost, exceptions were noted in which the unit cost per invoices paid did not agree to the unit cost per the inventory listing.
- Water Department –
  - Two exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.
  - When tracing unit cost per listing to invoices, it was noted that unit cost is not being updated as cost of the items increase as well as some unit cost data could not be traced to support.
  - The inventory listing has improved from prior year; however, the listing is still piecemealed. One part of the inventory listing is maintained in excel, which shows units and unit cost, whereas the other part of the inventory listing is in the purchasing system, which only shows unit cost. The final inventory has to be manually calculated.
- Purchasing Department –
  - There were nine exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.
  - When tracing unit cost, exceptions were noted in which the unit cost per invoices paid did not agree to the unit cost per the inventory listing.

**Possible asserted effect (cause and effect):**

**Cause:** The auditor was unable to determine the cause.

**Effect:** Controls over inventory are weakened as well as inventory value could be incorrect on the financial statements due to unit cost and inventory on-hand containing errors.

**Recommendation to prevent future occurrences:** The City should establish quality control procedures to ensure year end reports are accurate and unit costs are being updated. Additionally, it is recommended to establish one system in maintaining the Water Department's inventory.

**City of Monroe**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended April 30, 2016**

**Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

**View of responsible official:** The City as a whole will continue to work toward minimizing inventory exceptions in every area and utilize the internal audit function to self-correct errors before the audit.

**Reference # and Title:**                **2016-002**                **Year-End Financial Reporting**

**Entity-wide or program/department specific:** This finding is entity-wide.

**Criteria or specific requirement:** Good internal control over financial reporting requires that accounting records contain accurate and complete information to ensure that financial accruals are accurate at year-end.

**Condition found:** During the testing year-end report balances associated with accounts receivable and accounts payable, it was noted several accrual items were required to be given back to the City to research and provide necessary adjustments to the auditor to correct.

**Possible asserted effect (cause and effect):**

**Cause:** The City is not performing quality reviews of accrual balances to ensure the accruals are valid, complete, and accurate.

**Effect:** The City's controls over year-end financial reporting are weakened.

**Recommendation to prevent future occurrences:** The City should establish quality control procedures to ensure that year-end financial reporting is complete and accurate.

**View of responsible official:** The City concurs with finding. Many of the questioned accruals arose from the prior years' accruals not being reversed at the beginning of the next fiscal year. Many of these errors would have been found earlier if a good system of review had been in place. See corrective action plan discussed in the *Corrective Action Plan for Current Year Findings and Questioned Costs*.

**Reference # and Title:**                **2016-003**                **Louisiana Ethics Training**

**Entity-wide or program/department specific:** This finding is entity-wide.

**Criteria or specific requirement:** La. Revised Statute 42:1170A, each public servant who is required to complete education and training of a minimum of one hour of education and training on the Code of Governmental Ethics during each year of his/her public employment.

**Condition found:** In testing twenty-five employees of the City, it was noted that four employees did not take the required ethics training and one employee's training certificate was over a year old.



**City of Monroe**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended April 30, 2016**

**Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

**Possible asserted effect (cause and effect):**

**Cause:** The City does not have a monitoring system in place to ensure all employees are meeting one hour ethic requirement on an annual basis.

**Effect:** The City has not met all compliance requirements regarding ethics training.

**Recommendation to prevent future occurrences:** The City should establish a monitoring/quality control system to ensure all employees are meeting the required ethics education and training.

**View of responsible official:** The City is committed to meeting the 100% compliance of ethics training for employees. A better tracking and filing system would facilitate meeting this goal as discussed in the *Corrective Action Plan for Current Year Findings and Questioned Costs*.

**Reference # and title:**                **2016-004**                **Airport Cash Receipts/Reporting**

**Entity-Wide or program/department specific:** This finding is related to the Monroe City Airport.

**Criteria or specific requirement:** Proper internal controls require that funds received by the airport be deposited daily.

**Condition found:** In testing forty individual receipts of funds it was noted that three were not deposited timely. One check was received January 13, 2016 and deposited January 19<sup>th</sup>. One check was received June 1, 2015 and deposited June 10<sup>th</sup>. One check from a rental car company was dated by the vendor July 1, 2015, but was not deposited by the airport until October 22, 2015. It was also noted that the amounts billed to airlines monthly for passengers arriving or departing were not being reviewed for accuracy by management before the invoices were sent. In addition the PFC 127 report, Airport Operating and Financial Summary, was not prepared timely. This report was completed by the accounting department and probably should be completed by the Airport staff as they should be more knowledgeable in its preparation.

**Possible asserted effect (cause and effect):**

**Cause:** In July 2015, the clerk who handled airport banking quit unexpectedly. Another clerk took over making the deposits until a replacement could be hired. A new clerk was hired and started training in August. In October, the new clerk discovered the check from a rental car company in a desk drawer from back in July and brought it to the attention of management. This check was deposited at that time. The cause of the other two checks not being deposited timely is unknown. It is also unknown why the PFC 127 report was not completed timely.

**Effect:** Controls over the timely depositing of funds were weak at the Airport. Also, emphasis is not being placed on completing the PFC 127 report.

**City of Monroe**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended April 30, 2016**

**Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

**Recommendation to prevent future occurrences:** It was observed and verified that the new clerk is making deposits timely and is tracking with spreadsheets the monthly billings and payment receipts for airlines, rental car companies and other customers. She is reviewing her spreadsheets monthly to ensure that any amounts billed are paid and deposited timely. It is recommended that this be continued and that further segregation of duties by the staff be implemented so that the same person who prepares invoices is not receiving funds and making deposits. We recommend that the Airport staff begin completing the PFC 127 report as they would be more familiar with the information needed.

**View of responsible official:** The City concurs with this finding and will implement corrective action plan as discussed in the *Corrective Action Plan for Current Year Findings and Questioned Costs*.

**City of Monroe**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended April 30, 2016**

**Part III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):**

**Reference # and title:**                **2016-005**                **Suspension and Debarment**

**Federal program and specific federal award identification:** The finding relates to the Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2014 and 2015 received from Federal Agency: Department of Housing and Urban Development; Airport Improvement Program, CFDA #20.106, for the Federal Award Years 2010 and 2011 received from Federal Agency: Department of Transportation; and Community Development Block Grant – State Program, CFDA #14.228, for the Federal Award Year 2011 received from Federal Agency: Department of Housing and Urban Development pass-through from Ouachita Parish Police Jury.

**Criteria or specific requirement:** According to 2 CFR section 180.220, non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. This includes those procurement contracts for goods and services awarded that are expected to equal or exceed \$25,000. Therefore, the City is required to establish controls to verify vendors are not suspended and debarred from receiving federal funds. This verification process may be accomplished by (a) checking the Excluded Parties List system at [www.sam.gov](http://www.sam.gov); (b) collecting a certification from the vendor, or (c) adding a clause or condition to the vendor's contract.

**Condition found:** For the CDBG Program, the City did perform verifications on some vendors; however, verifications were not completed during the fiscal year for all required vendors. For the Airport Improvement Program, the City did not complete any verifications during the fiscal year; however, the City did after fiscal year end.

**Possible asserted effect (cause and effect):**

**Cause:** The auditor was unable to determine the cause.

**Effect:** The City did not meet all federal compliance requirements regarding suspension and debarment.

**Recommendations to prevent future occurrences:** The City should continue to monitor the procedures regarding suspension and debarment to ensure verifications are completed vendors are expected to be paid \$25,000 or more.

**View of Responsible Official:** The City concurs with this finding and will implement corrective plan as discussed in the *Corrective Action Plan for Current Year Findings and Questioned Costs*.

**City of Monroe  
Monroe, Louisiana**

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**City of Monroe**

**PASSENGER FACILITY CHARGE PROGRAM (PFC)  
REPORTS AS REQUIRED BY FEDERAL AVIATION  
ADMINISTRATION**

**DIVIDER**

**City of Monroe**

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**DIVIDER**



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Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA  
(Retired) 1963 - 2000

## INDEPENDENT AUDITOR'S 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 (the "Guide"), for its passenger facility charge program for the year ended April 30, 2016.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the City's compliance based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the Guide. Those standards and the Guide 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 the Program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on the Passenger Facility Charge Program***

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Passenger Facility Charge Program for the year ended April 30, 2016.

### ***Internal Control Over Compliance***

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 the requirements that could have a direct and material effect on compliance in order to determine the auditing procedures that are appropriate under the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control 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, misstatements 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 a material noncompliance with a compliance requirement of the Program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement of the Program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on compliance and internal control over compliance is solely to describe the scope of our testing of compliance and internal control over compliances and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose. Although the report is not suitable for any other purpose, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

### ***Report on Schedule of Expenditures of Passenger Facility Charges***

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Monroe as of and for the year ended April 30, 2016, and the related notes to the financial statements which collectively comprise the City's basic financial statements. We have issued our report thereon dated October 31, 2016 that includes a reference to the report of other auditors, which contained unmodified opinions on the those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements which collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Passenger Facility Charges is presented for the purpose of additional analysis, as required by the Guide, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the



financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Passenger Facility Charges is fairly stated in all material respects in relation to the basic financial statement as a whole.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
October 31, 2016

**Schedule of Expenditures of Passenger Facility Charges  
Monroe Regional Airport  
For the Year Ended April 30, 2016**

	<b>FY-15 Program Total</b>	<b>Quarter 1 May-July</b>	<b>Quarter 2 Aug - Oct</b>	<b>Quarter 3 Nov-Jan</b>	<b>Quarter 4 Feb-Apr</b>	<b>FY-16 Total</b>	<b>Program Total</b>
<b>Revenue</b>							
Collections	\$ 4,721,563	\$ 132,993	\$ 120,146	\$ 98,368	\$ 93,129	\$ 444,636	\$ 5,166,199
Interest, net of service charges	50,211	67	95	244	250	656	50,867
<b>Total Revenue, net of service charges</b>	<b>4,771,774</b>	<b>133,060</b>	<b>120,241</b>	<b>98,612</b>	<b>93,379</b>	<b>445,292</b>	<b>5,217,066</b>
<b>Disbursements</b>							
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	2,566,573	105,000	105,000	105,000	105,000	420,000	2,986,573
Application 08-03-C-00-MLU-002	41,700	8	8	9	185	210	41,910
Total Disbursements	3,967,776	105,008	105,008	105,009	105,185	420,210	4,387,986
Net PFC Revenue	803,998	28,052	15,233	(6,397)	11,806	25,082	829,080
PFC Account Balance (cash basis)	\$ 803,998	\$ 832,050	\$ 847,283	\$ 840,886	\$ 829,080	\$ 829,080	\$ 829,080

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**Reference # and Title:**            **2015-001**            **Inadequate Controls over Inventory**

**Origination date:** This finding originated fiscal year ended April 30, 2015.

**Entity-wide or program/department specific:** This finding is entity-wide.

**Condition:** In order to have good internal controls over inventory, policies and procedures should be established to ascertain that inventory is properly maintained and tracked. Annual inventory reports should have proper totals, include updated unit cost information and agree to year-end inventory counts.

When testing the main four departments of the City that account for inventory, the following items were noted:

- Transit Department –
  - Various exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.
  - Some items noted on the inventory listing with a negative number as the final count reported.
  - When tracing unit cost, exceptions were noted in which the unit cost per invoices paid did not agree to the unit cost per the inventory listing.
- Central Shop –
  - It was noted that the final count report contained formula errors, which caused the report not to total correctly.
  - Various exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.
  - It was also noted at the time of observation, when the auditor performed recounts, differences were noted.
  - When tracing unit cost, exceptions were noted in which the unit cost per invoices paid did not agree to the unit cost per the inventory listing.
- Water Department –
  - It was noted that the final count report contained calculation errors, which caused the report not to total correctly.
  - Various exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.
  - The inventory for this department is piecemealed in which part of the inventory is maintained on the Water Departments system, and located at the Water Department. The larger part of the inventory is maintained at the Purchasing Department, and is tracked on the Purchasing Department's system.
  - Furthermore, it was noted that the Water Department's inventory system is not updated regarding counts and unit cost information.
- Purchasing Department –
  - Various exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.

**Corrective action planned:** See current year finding 2016-001.

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**Reference # and Title: 2015-002      Controls over Utility Adjustments and Disconnections**

**Origination date:** This finding originated fiscal year ended April 30, 2015.

**Entity-wide or program/department specific:** This finding relates to the Utility Department.

**Condition:** Good internal controls over utilities requires the establishment of policies and procedures over adjustments and disconnections. This should require that all adjustments are properly approved and have adequate supporting documentation for the purpose of the adjustments. Additionally, disconnection procedures should be properly implemented, which would require all delinquent customers to pay the full balance before service is reconnected as well as waivers of reconnect fees should be properly documented.

In testing 40 adjustments to utility bills, it was noted that 25 adjustments did not have scanned support to substantiate the basis of the adjustment and 24 of those scanned did not have proper documentation to show the adjustment was approved.

When testing 40 delinquent accounts from the cut-off listing, it was noted that 1 account had the reconnect fee waived and 6 accounts were allowed to continue service without paying the bill in full.

**Corrective action taken:** The management and staff of the Utility Operations division currently observes ordinance # 11567 sec 36-23.1 page 4 as it relates to adjustments. Utility currently has 3 authorized individuals that can approve and 2 of the 3 that post those adjustments. The 3 individuals that can give approval to adjust consist of the Director of Administration or his appointee, Utility Operations Supervisor and the Support Service Specialist.

Utility Operations management has revised the adjustment policy and procedures to provide better separation between those who post and approve adjustments, and ensuring each adjustment has the necessary supporting documents.

Management created a form that allows the customer to request an adjustment from the City of Monroe Utility Operations division. Utility agents (CSRs and Clerks) accepts the form along with supporting documents, after which the agent enters the adjustment amount and scans all documents to the customer's account. When the agents have completed their process, the Supervisor or Support Service Specialist reviews and approves the adjustment within 3-5 business days. To ensure that all Utility agents are aware of the process, management has written a step by step list of the procedures.

This finding is considered cleared.

**Reference # and Title:            2015-003            Year-End Financial Reporting**

**Origination date:** This finding originated fiscal year ended April 30, 2015.

**Entity-wide or program/department specific:** This finding relates to entity-wide.

**Condition:** Good internal control over financial reporting requires that accounting records contain accurate and complete information to ensure that financial accruals are accurate at year-end. Additionally, reconciliations should be performed on sub ledgers for agreement to the general ledger.

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During the testing year-end report balances, it was noted that accruals were not properly reported. Several departments had recorded transactions to cash rather than to accounts receivable accounts as well as transactions that should have been recorded as an accounts payable were not accrued. On the other hand, there were some receivables that should have been accrued, but were not.

It was also noted that the year-end report balances for some accounts were not reconciled to subsidiary ledgers such as the CDBG/HOME loan programs and the utility customer deposits. Additionally, due to lack of understanding of the software program, the airport subsidiary ledger did not agree with the year-end accounts receivable balance. As a result of these items noted, the Accounting Department made journal entries to correct the year-end report balances in order for the financial data to be relied upon.

**Corrective action planned:** This finding is partially cleared. The City has provided additional assistance to the CDBG/HOME program and Airport. However, regarding year-accruals, the City did not clear the finding. See current year finding 2016-002.

**Reference # and Title:**                **2015-004**                **Uncollateralized Deposits**

**Origination date:** This finding originated fiscal year ended April 30, 2015.

**Entity-wide or program/department specific:** This finding relates to entity-wide.

**Condition:** Louisiana Revised Statute 39:1218 requires that all deposits over the \$250,000 FDIC insured limit be secured by collateral with designated security and deposited with an unaffiliated bank. Additionally, the bank must comply within five business days from receipt of demand to provide the collateralized security.

During the testing of collateralized deposits, it was noted that the City had one bank that was uncollateralized, beyond the FDIC insured limit, by approximately \$2 million.

**Corrective action taken:** Accounting has worked more closely with the banks to ensure that all deposits are fully collateralized. This finding is considered cleared.

**Reference # and Title:**                **2015-005**                **Full Implementation of Enterprise Fund Reporting**

**Origination date:** This finding originated fiscal year ended April 30, 2015.

**Entity-wide or program/department specific:** This finding relates to entity-wide.

**Condition:** The Governmental Accounting Standards Board, the standard setter for governmental financial reporting in the United States, prescribes two distinct accounting methods to be used by governments for fund financial statement reporting in the fund financial statements: modified accrual and full accrual.

A bit of background is in order to understand the issue noted in this finding. There are three fund types for reporting by a government – governmental fund types, proprietary fund types and or fiduciary fund types. The method of accounting for the governmental fund types versus proprietary fund types and fiduciary fund types reporting is different. Governmental fund types are reported on a current resources measurement focus and modified accrual basis of accounting (what we describe as a fancy cash basis) whereas the proprietary fund types

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and fiduciary fund types are reported on an economic resources measurement focus and the accrual basis of accounting. In simple terms governmental fund types, such as the general fund, are accounted for on a short term view using a fancy cash basis of accounting whereas proprietary fund types and fiduciary fund types are more of a long term view and full accrual basis of accounting, similar to what is used for reporting by public and private companies.

The big differences between the two accounting methods are that governmental fund types do not generally capitalize long-term assets nor report long term debt balances within a fund. For reporting in the proprietary fund types the financial statements include all assets, liabilities and related transactions, including those for capital assets and long-term debt.

A government's annual financial report includes two sets of financial statements: government-wide financial statements and fund financial statements.

- The "Government-wide Financial Statements" is what we describe as a repackaging of the "Fund Financial Statements" information. Both categories of financial statements are complete sets of financial statements prepared from different perspectives. The Governmental Fund Types and generally the Internal Service Funds roll up into the Governmental Activities in the "Government-wide Financial Statements" whereas the Enterprise Funds roll up into the Business-type Activities at the "Government-wide Financial Statements."
- The "Fund Financial Statements" provide a detail short-term view on a cash basis of accounting of the government's operation whereas the "Government-wide Financial Statements" present a much aggregated long-term view on an accrual basis of accounting, much like a commercial business' financial statements. For the City, the "Government-wide Financial Statements" reflect four columns of information in two financial statements whereas the "Fund Financial Statements" include nine financial statements and twenty columns of information. To a non-accountant and even many, and maybe most, governmental accountants, this repackaging is ludicrous. However, there is value in the two financial statements presentations once you understand what each perspective provides.

The City's financial reporting of Enterprise Funds, such as the Airport, Water and Sewer funds, in the Fund Financial Statements and the corresponding roll up into the Business-type activities has historically included all capital and other long-term assets, but did not include the related long term debt. The long term debt balances and activities, such as revenue and general obligation bonds, were not reported in the Enterprise Funds at the Fund Financial Statement level nor in the Business-type Activities at the Government-wide Financial Statement level. The long-term debt transactions were instead being reported as part of the Governmental Activities in the Government-wide Financial Statements and in the Governmental Fund Types in the Fund Financial Statements.

In other words, the long term debt was being reported in the Governmental Activities and as part of the Governmental Fund Types. These long-term debt balances and related transactions should have been included as part of the Enterprise Funds reporting and the related rollup into the Business-type Activities for the three Enterprise Funds that had long-term debt – Airport, Water and Sewer.

This required reporting would provide the reader of the report a comprehensive view of the operations of the Enterprise Funds including long-term debt obligations transactions and balances.

Also, a separate issue regarding full implementation of Enterprise Fund accounting was unbilled revenues for utilities services provided during the City's fiscal year by the Water and Sewer Funds but were not accrued at April 30. This unbilled utility revenue was for services provided by the City to utility customers in April but not

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billed until the first week of May.

**Corrective action taken:** Administration has reported these activities in separate funds for tracking purposes; however for reporting purposes the City has taking the measures to ensure the affected funds are rolled up in the respective Enterprise Fund of which they belong for full accrual purposes. This finding is considered to be cleared.

**Reference # and Title:**                    **2015-006**                    **Community Development Division – Allowable Costs**

**Origination date:** This finding originated fiscal year ended April 30, 2014.

**Federal program and specific federal award identification:** The finding relates to the Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.

**Condition:** Louisiana Revised Statute 37:2175.2 provides in part, that no person shall undertake; offer to undertake, or agree to perform home improvement contracting services unless registered with and approved by the Residential Building Contractors. Subcommittee of the Louisiana State Licensing Board for Contractors as a home improvement contractor.

The City of Monroe utilizes contractors to complete Community Development Block Grant (CDBG) projects during the year. For the year ended April 30, 2016, one of the contractors hired by the City was not licensed prior to being awarded the project through a bidding process, nor was the contractor licensed during any of the time projects were underway. The City awarded projects through a bidding process on January 29, 2015 in which one of the contractors awarded did not have a valid contractor’s license due to not properly maintaining required insurances. The unlicensed contractor was awarded a total of five projects.

**Corrective action planned:** Community Development Housing Programs staff has continued to require verification of license through the Louisiana State Licensing Board for Contractors as a home improvement contractor, as well as implemented the new procedure of contacting the respective insurance agencies to request documentation of cancellation notices for all contractors in order to verify that there has been “No Lapse of Policy” before the contractor is allowed to submit a bid on housing rehabilitation projects. The Community Development Division’s Project Specialist staff person has ensured that all bidding contractors properly maintain their licenses before they are allowed to submit bids on projects. This finding is considered to be cleared.

**Reference # and Title:**                    **2015-007**                    **Community Development Division – Cash Management**

**Origination date:** This finding originated fiscal year ended April 30, 2015.

**Federal program and specific federal award identification:** The finding relates to the Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development and the Home Investment Partnership Program (HOME), CFDA #14.239, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.

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**Condition:** When entities are funded on a cost reimbursement basis, program costs must be paid for by the entity before reimbursement is requested from the federal government.

In testing a sample of 11 claims for reimbursement submitted to the federal government, it was noted that 4 claims included retainage payable amounts which had not been paid for by the City before the reimbursement was requested.

**Corrective action taken:** The CDBG Accountant began drawing only the net invoice amounts for contractor payments. The Director of CDBG has ensured that drawdowns were at the net amount before approving. This finding is considered to be cleared.

**Reference # and Title:**                **2015-008**                **Community Development Division - Earmarking**

**Origination date:** This finding originated fiscal year ended April 30, 2015.

**Federal program and specific federal award identification:** The finding relates to the Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.

**Condition:** According to 24 CFR sections 570.200(a)(3) and 570.208(a), not less than 70 percent of the funds must be used for activities that benefit low- and moderate-income persons. However, according to the City's 2014 consolidated annual action plan, 100 percent will be earmarked for providing services to benefit low-moderate income residents.

In testing the files for six residents receiving benefits during the fiscal year, it was noted that the City incorrectly calculated income for two of the residents. When recalculating the income for the two residents, it was determine that one resident would not have met the definition of low- and moderate-income. Therefore, the resident was not eligible to receive such benefit per the City's policy.

**Corrective action taken:** Community Development Housing Programs' Technicians have calculate correctly all program participants' income to ensure that 100 percent of services provided are benefitting low-moderate income residents. This finding is considered to be cleared.

**Reference # and Title:**                **2015-009**                **Community Development Division – Subrecipient Monitoring**

**Origination date:** This finding originated fiscal year ended April 30, 2015.

**Federal program and specific federal award identification:** The finding relates to the Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.

**Condition:** Any non-federal entity that receives federal funding and the entity passes the funds through to a subrecipient, the non-federal entity is required to perform variance pass-through responsibilities. Part of the responsibilities include establishing policies and procedures regarding subrecipient risk assessments and monitoring of the subrecipient. The monitoring activities normally occur throughout the year and may take



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various forms such as reviewing financial and performance reports submitted by the subrecipient, on-site visits at the subrecipient's location to observe operations, and staying in regular contact with sub recipients.

Although the City has established policies regarding subrecipient monitoring, in reviewing the subrecipients for the CDBG program, it was noted that the City did not perform any monitoring during the fiscal year April 30, 2016 for those subrecipients that had received funding during the audit period.

**Corrective action taken:** On-site Monitoring of Subrecipients per grant (HOME & CDBG) has been conducted by the Programs Monitor. This finding is considered to be cleared.

**Reference # and Title:**                    **2015-010**                    **Suspension and Debarment**

**Origination date:** This finding originated fiscal year ended April 30, 2015.

**Federal program and specific federal award identification:** The finding relates to the following programs:

- Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.
- Home Investment Partnership Program (HOME), CFDA #14.239, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Housing and Urban Development.
- Federal Transit Formula Grants, CFDA #20.507, for the Federal Award Years 2013 and 2014 received from Federal Agency: Department of Transportation.
- Community Development Block Grant – State Program, CFDA #14.228, for the Federal Award Year 2011 received from Federal Agency: Department of Housing and Urban Development pass-through from Ouachita Parish Police Jury.

**Condition:** According to 2 CFR section 180.220, non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. This include those procurement contracts for goods and services awarded that are expected to equal or exceed \$25,000. Therefore, the City is required to establish controls to verify vendors are not suspended and debarred from receiving federal funds. This verification process may be accomplished by (a) checking the Excluded Parties List system at [www.sam.gov](http://www.sam.gov); (b) collecting a certification from the vendor, or (c) adding a clause or condition to the vendor's contract.

In testing transactions for the programs listed above, it was noted that, unless the City purchased from the La. State Contract, no vendors of the above federal programs were reviewed by the City to ensure the vendor was not suspended nor debarred.

**Corrective action planned:** Although the City has completed suspension debarment reviews, these were completed after the fiscal year ended April 30, 2016. See current year finding 2016-004.

**City of Monroe**  
**Corrective Action Plan for Current Year Findings and Questioned Costs**  
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**Reference # and Title:**                **2016-001**                **Internal Controls over Inventory**

**Entity-wide or program/department specific:** This finding is entity-wide.

**Condition:** In order to have good internal controls over inventory, policies and procedures should be established to ascertain that inventory is properly maintained and tracked. Annual inventory reports should have proper totals, include updated unit cost information and agree to year-end inventory counts.

When testing the main four departments of the City that account for inventory, the following items were noted:

- Transit Department –
  - Various exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.
  - Some items noted on the inventory listing with a negative number as the final count reported.
  - When tracing unit cost, exceptions were noted in which the unit cost per invoices paid did not agree to the unit cost per the inventory listing.
- Central Shop –
  - It was noted that the final count report contained formula errors, which caused the report not to total correctly.
  - When tracing unit cost, exceptions were noted in which the unit cost per invoices paid did not agree to the unit cost per the inventory listing.
- Water Department –
  - Two exception noted in which the final count noted during the inventory observation did not agree to the final listing provided.
  - When tracing unit cost per listing to invoices, it was noted that unit cost is not being updated as cost of the items increase as well as some unit cost data could not be traced to support.
  - The inventory listing has improved from prior year; however, the listing is still piecemealed. One part of the inventory listing is maintained in excel, which shows units and unit cost, whereas the other part of the inventory listing is in the purchasing system, which only shows unit cost. The final inventory has to be manually calculated.
- Purchasing Department –
  - There were nine exceptions noted in which the final count noted during the inventory observation did not agree to the final listing provided.
  - When tracing unit cost, exceptions were noted in which the unit cost per invoices paid did not agree to the unit cost per the inventory listing.

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Transit Department

**Corrective action planned:** Currently MTS conducts a 100% inventory check each month. The parts room doors are locked and the inventory specialist meets the mechanic at the door to ensure parts are not taken out of stock without charging them out. Going forward we can put a policy in place that would require that a mechanic cannot enter the parts room at all. He/she would need to ask the inventory specialist or Manager to get parts for them.

Since transit purchases parts throughout the year from multiple vendors at different costs, the system averages the cost of the part. Currently, there is no report showing a cost of a particular part on a certain date. However the Manager will contact the parts software vendor to see it is possible to make a custom report showing the cost of a part on a certain date.

**Person responsible for corrective action:**

Marc Keenan, General Manager                      Phone (318) 329-3230  
Monroe Transit System  
700 Washington St  
Monroe, La 71201

**Anticipated completion date:** April 30, 2017.

Central Shop

**Corrective action planned:**

1. To make sure that during inventory the overall count is correct.
2. Double check that all entries and formulas are correct on Excel Spreadsheet.
3. Make sure all prices are correct and updated in the computer.
4. Make sure no one gets parts during count

Parts were used during inventory that caused the count and formulas to be off; this has been corrected.

**Person responsible for corrective action:**

Darryll Scott - Shop Manager      Telephone: (318) 329-2200  
City of Monroe  
P. O. Box 123  
Monroe, Louisiana 71210

**Anticipated completion date:** This is an ongoing process; we have been and will continue to update pricing in the computer.

Water Department

**Corrective action planned:** Our division (Water Distribution Division) will coordinate with the MIS division to correct the issue with the unit pricing.

**City of Monroe**  
**Corrective Action Plan for Current Year Findings and Questioned Costs**  
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**Person responsible for corrective action:**

Angela Campbell, Water Distribution Supervisor Telephone: 318-329-2385  
City of Monroe  
P. O. Box 123  
Monroe, LA 71210

**Anticipated completion date:** November 4, 2016.

**Purchasing Department**

**Corrective action planned:** We are working on tracing the unit cost on which the unit cost per invoices paid did not agree to the unit cost per the inventory listing. It has been recommended to establish one system in maintaining the Water Department's inventory.

**Person responsible for corrective action:**

Greg Yoes, Purchasing Manager Telephone: (318) 329-3295  
City of Monroe  
P. O. Box 123  
Monroe, Louisiana 71210

**Anticipated completion date:** We will continue to work on both on a daily basis.

**Reference # and Title:**            **2016-002**            **Year-End Financial Reporting**

**Entity-wide or program/department specific:** This finding is entity-wide.

**Condition:** Good internal control over financial reporting requires that accounting records contain accurate and complete information to ensure that financial accruals are accurate at year-end.

During the testing year-end report balances associated with accounts receivable and accounts payable, it was noted several accrual items were required to be given back to the City to research and provide necessary adjustments to the auditor to correct.

**Corrective action planned:** Utilizing the general ledger system and Excel, a system of checking for variances or lack of variance in accounts is now in place. Variances are checked quarterly and researched. Specific emphasis is placed on the receivable and payable accounts to ensure validity.

**Person responsible for corrective action:**

Stacey Rowell, Director of Accounting Telephone: (318) 329-4925  
City of Monroe  
P. O. Box 123  
Monroe, Louisiana 71210

**Anticipated completion date:** Ongoing, culminating at April 30, 2017

**City of Monroe**  
**Corrective Action Plan for Current Year Findings and Questioned Costs**  
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**Reference # and Title:**                **2016-003**                **Louisiana Ethics Training**

**Entity-wide or program/department specific:** This finding is entity-wide.

**Condition:** La. Revised Statute 42:1170A, each public servant who is required to complete education and training of a minimum of one hour of education and training on the Code of Governmental Ethics during each year of his/her public employment.

In testing twenty-five employees of the City, it was noted that four employees did not take the required ethics training and one employee's training certificate was over a year old.

**Corrective action planned:** In response to the finding in the audit concerning Ethics Training, the following actions will be taken:

- Ethics Training Certificates will be filed in a binder in alphabetical order
- When an employee takes the Ethics Training it will be notated under the skills on each employee who takes the training
- In order to keep track of Ethics Training HR will run reports by Department/Divisions on November 1st of each year, this report will indicate who has or has not taken Ethics Training.
- On November 1st of each year HR will send a list to each Department Head
- The month of December each year HR will follow up weekly with Department Heads in reference to who has not currently taken Ethics Training
- In December of each year HR will provide additional Ethics Training Session to ensure that all City of Monroe Employees have taken Ethics Training and that we have certificates on each employee

**Person responsible for corrective action:**

Christine Winfield, Director of Human Resources  
City of Monroe  
P. O. Box 123  
Monroe, Louisiana 71210

Telephone: (318) 329-2200

**Anticipated completion date:** December 31, 2016

**Reference # and title:**                **2016-004**                **Airport Cash Receipts/Reporting**

**Entity-Wide or program/department specific:** This finding is related to the Monroe City Airport.

**Condition:** Proper internal controls require that funds received by the airport be deposited daily.

In testing forty individual receipts of funds it was noted that three were not deposited timely. One check was received January 13, 2016 and deposited January 19<sup>th</sup>. One check was received June 1, 2015 and deposited June 10<sup>th</sup>. One check from a rental car company was dated by the vendor July 1, 2015, but was not deposited by the airport until October 22, 2015. It was also noted that the amounts billed to airlines monthly for passengers arriving or departing were not being reviewed for accuracy by management before the invoices were sent. In addition the PFC 127 report, Airport Operating and Financial Summary, was not prepared timely. This report

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was completed by the accounting department and probably should be completed by the Airport staff as they should be more knowledgeable in its preparation.

**Corrective action planned:** Listed below is the corrective action plan for addressing the airport audit findings:

1. Every check received at the airport will be stamped with the date and time it was received. This procedure will be effective immediately.
2. Collections received will be deposited daily. The administrative secretary will receive the checks and stamp each one with the actual date and time it was received. This process will be verified and the checks deposited by Joycie Stewart, the airport's Administrative Clerk.
3. When a check is received, it will be immediately logged into New World and also entered into a spreadsheet for tracking. The airport director will review the spreadsheet on a weekly basis to ensure that the process is being followed.
4. All airline invoices are being verified for accuracy by the administrative clerk and the airport director prior to being sent to the airlines.
5. The airport staff will assume the responsibility for completing the PFC 127 report. The airport staff will file the PFC 127 report with the FAA.

**Person responsible for corrective action:**

Ron Phillips, Airport Director  
City of Monroe  
P. O. Box 123  
Monroe, Louisiana 71210

Telephone: (318) 329-5927

**Anticipated completion date:** These procedures will be effective immediately.

**Reference # and title:**                    **2016-005**                    **Suspension and Debarment**

**Federal program and specific federal award identification:** The finding relates to the Community Development Block Grant Entitlement Program (CDBG), CFDA #14.218, for the Federal Award Years 2014 and 2015 received from Federal Agency: Department of Housing and Urban Development; Airport Improvement Program, CFDA #20.106, for the Federal Award Years 2010 and 2011 received from Federal Agency: Department of Transportation; and Community Development Block Grant – State Program, CFDA #14.228, for the Federal Award Year 2011 received from Federal Agency: Department of Housing and Urban Development pass-through from Ouachita Parish Police Jury.

**Condition:** According to 2 CFR section 180.220, non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. This include those procurement contracts for goods and services awarded that are expected to equal or exceed \$25,000. Therefore, the City is required to establish controls to verify vendors are not suspended and debarred from receiving federal funds. This verification process may be accomplished by (a) checking the Excluded Parties List system at [www.sam.gov](http://www.sam.gov); (b) collecting a certification from the vendor, or (c) adding a clause or condition to the vendor's contract.

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For the CDBG Program, the City did perform verifications on some vendors; however, verifications were not completed during the fiscal year for all required vendors. For the Airport Improvement Program, the City did not complete any verifications during the fiscal year; however, the City did after fiscal year end.

**Corrective action planned:** Departments spending federal funds will be educated on how to use the EPLS at [www.sam.gov](http://www.sam.gov) and will be responsible for the verification process of vendors before purchases are made or contracts are awarded. Training will be held in November 2016 and departments will implement immediately. Administration will facilitate adding a clause or condition to the vendor contract format being used by the City.

**Person responsible for corrective action:**

Stacey Rowell, Director of Accounting  
City of Monroe  
P. O. Box 123  
Monroe, Louisiana 71210

Telephone: (318) 329-4925

**Anticipated completion date:** Training will be complete by November 30, 2016 and implemented immediately. Administration will provide the contract language by November 30, 2016, to Legal for review and addition to the city's future contracts and implement as soon as approved by Legal.



# ALLEN, GREEN & WILLIAMSON, LLP

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## Management Letter

City of Monroe  
Monroe, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Monroe (the City) as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, we considered the City's internal control over financial reporting (internal control) to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving internal control that are presented for your consideration. This letter does not affect our report dated October 31, 2016, on the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Monroe (the City). We will review the status of this comment during our next audit engagement. Our comment and recommendation, which has been discussed with appropriate members of management, is intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comments and management's response are summarized as follows:

### **2016-M1**                      **Timesheet and Leave Documentation**

**Comment:** In testing fifty-six employees, it was noted that five employees did not have timesheets signed off by the employee or supervisor. Additionally, in testing twenty-nine employees' sick and vacation leave balances, it was noted five employees did not report any leave taken for the year as well as two employees have not reported leave taken for multiple years, which does not appear to be reasonable.

**Recommendation:** The City should establish quality control procedures to ensure all timesheets are appropriately signed off by employees and supervisors. Additionally, the City should review its procedures regarding leave documentation to ensure employees are completing the proper leave documentation. If time is not being adequately documented for all employees, then this could potentially significantly impact the City financially. Also, the Louisiana Legislative Auditor's Office is developing new agreed upon procedures requiring additional testing of support for documentation of employee vacations and sick time taken. The City need to be sure it is prepared for these new procedures.

**Management's response:** We will have HR and internal audit canvas the files to verify with department heads that vacation and sick leave is correctly posted. During staff meetings, senior management will strongly encourage employees to take leave.



**2016-M2**

**Testing of Receipts**

**Comment:** In testing a total of fifty receipts between the community center, and civic center, it was noted that seven receipts were not deposited in a timely manner.

**Recommendation:** The City should strengthen procedures over receipts to ensure all deposits are made timely. In accordance with La. Revised Statute 39:1212, deposits should be made daily whenever practicable.

**Management's response:**

**Civic Center**

The Civic Center Box Office makes daily deposits; collections from the weekend are deposited the following Monday morning. Receipts collected by the Contracts Manager will be deposited daily as well.

**Parks and Recreation**

Center supervisors will bring receipts to the Harvey H. Benoit Community Center daily so that the funds can be deposited in a timely manner. Procedures for receipting money and properly documenting receipts have been reviewed with personnel.

Follow-up meetings with all supervisors will be held to confirm that all procedures are being followed in the process.

Finally, supervisors have been informed that failure to follow the policies and procedures will result in the recommendation for termination. The City of Monroe is a business, and we have to ensure that we operate in a businesslike manner while following all policies & procedures set forth in both City and Parks & Recreation Division policies & procedures.

\*\*\*\*\*

Our audit procedures are designed primarily to enable us to form opinions on the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe, as of and for the year ended April 30, 2016, which collectively comprise the City's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

Immediately following this letter are Status of Prior Management Letter Items. This information has not been audited by Allen, Green & Williamson, LLP, and no opinion is expressed. However, we did follow-up on the prior management letter item and performed procedures to assess the reasonableness of the Status of Prior Management Letter Item prepared by management and we would report, as a current-year management item when Allen, Green & Williamson, LLP concludes that the Status of Prior Management Letter Item materially misrepresents the Status of any prior management letter item.

Also included are management's responses to our current year management letter items. We have performed no audit work to verify the content of the responses.

This report is intended solely for the information and use of the council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this letter may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

ALLEN, GREEN & WILLIAMSON, LLP

*Allen, Green & Williamson, LLP*

Monroe, Louisiana  
October 31, 2016

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**2015-M1**                      **Monitoring Reports by Outside Agencies**

**Comment:** During the audit process, it was noted that not all monitoring reports performed on the City's programs by state and federal agencies are being addressed to the City Hall first for their review before it is forwarded to the applicable departments. In some cases, these monitoring reports are going directly to the departments rather than to the Mayor's Office.

**Recommendation:** The City should establish procedures to ensure that all monitoring reports are being directly submitted to the Mayor's Office by the state and federal agencies before the reports are being disbursed to the individual departments. Additionally, all departments should be informed of such procedures so they may direct those state and federal agencies to incorporate the correct submission address.

**Management's response:** The City has contacted the state and federal agencies requesting that all monitoring reports be sent to the Mayor's office as well as to the department responsible for the program. This item is considered cleared.

**2015-M2**                      **Issuance of Police Traffic Tickets**

**Comment:** One audit procedure performed of the Police Department by the auditors was to test the accounting for ticket books issued by the Police Department to the patrol officers. The ticket books included ten blank tickets that are used by the patrol officers to issue a citation whenever a driver violates a traffic ordinance. During this testing, it was noted that the number of ticket books issued to each patrol officer during the audit period averaged seven ticket books or seventy tickets per officer. Using fifty work weeks in a year, it appears an officer is issuing 1 ½ tickets per week. This calculated average number of tickets being issued per officer seems low.

When testing the police tickets, the following internal control items were noted:

- Ticket books are not being issued in numerical order as well as it was noted the numbers being issued are not always entered into the Police Department's tracking system correctly.
- Once the ticket/citation goes to the City Court and payments are received back from the City Court, it does not appear anyone is reconciling the revenue with the tickets/citations issued by the Police Department.

**Recommendation:** Based on the raw data provided concerning ticket books disbursed, the number of tickets issued by the officers appears to be low by averaging one to two tickets being issued per week. Management should study this matter to determine if the number of tickets being issued appears reasonable.

Internal Control Items:

- The Police Department should strengthen internal controls over ticket books to ensure these are being issued in numerical order and being entered into the tracking program.
- The City should establish procedures to reconcile the number of tickets and expected after the resolution of the citation by the City Court. Without this reconciliation, tickets could inadvertently be lost in the system.

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**Management's response:** State law prohibits an organization from establishing a quota system, as stated below. Therefore, the suggestion that the "number of tickets being issued per officer seems low" (1 ½ tickets per week) is in conflict with this statute.

§R.S. 40:2401.1. Prohibition against quotas

*A.* No municipality or any police department thereof, nor any parish or any sheriff's department thereof, shall establish or maintain, formally or informally, a plan to evaluate, promote, compensate, or discipline a law enforcement officer on the basis of the officer making a predetermined or specified number of any type or combination of types of arrests or require or suggest to a law enforcement officer, that the law enforcement officer is required or expected to make a predetermined or specified number of any type or combination of types of arrests within a specified period.

*B.* No municipality or any police department thereof, nor any parish or any sheriff's department thereof, shall establish or maintain, formally or informally, a plan to evaluate, promote, compensate, or discipline a law enforcement officer on the basis of the officer's issuance of a predetermined or specified number of any type or combination of types of traffic citations or require or suggest to a law enforcement officer, that the law enforcement officer is required or expected to issue a predetermined or specified number of any type or combination of types of traffic citations within a specified period.

*C.* No state agency, political subdivision, or law enforcement agency shall offer a financial reward or other benefit to a law enforcement officer which is determined by or based on the number of citations issued.

*D.* This Section shall not prohibit a municipality from obtaining budgetary information from a municipal court or a municipal court of record, including an estimate of the amount of money the court anticipates will be collected in a budget year.

Acts 2008, No. 479, §1, eff. June 25, 2008.

As such, each Patrol Team Leader (the Lieutenant) has the discretion regarding what strategy to implement the enforcement of traffic laws. One Team Leader may require officers on his/her team to enforce traffic laws by making traffic stops and either issue a traffic citation or conduct a field interview. Another Team Leader, on the other hand, may elect to review an officer's performance at the end of the week or month and verbally discuss with the officer regarding his/her self-initiated activity, which includes traffic enforcement.

Also, for clarification purposes, the Patrol Bureau operates out of the City Hall Annex South and consist of 5 divisions. The 5 divisions consist of 4 Patrol Teams (A, B, C & D) and Patrol Support (consisting of Traffic, CASE Unit, DARE, OK Program, Fleet Manager and Meter Clerk). Each Patrol Team, at the time of this audit, is staffed with 1 lieutenant, 4 sergeants and 15 officers. The 4 patrol teams has the primary responsibility for patrolling throughout the entire city.

The ticket books may not always be issued in numerical due to a mistake of opening the wrong bundle before issuance or due to the order in which they were signed out based on the number of officers requesting ticket books at one time. The distribution of paper ticket books will be monitored closely to correct this concern to prevent future occurrences. Additionally, the agency is currently field testing an electronic ticketing system and expect to have full implementation during the next calendar year.

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The department does not collect any revenue from traffic citations and, therefore, do not track the funds generation from each citation. As stated above, the department will improve efforts to adequately track all paper citations issued to officers until this is done electronically. This item is considered cleared.

**2015-M3**                      **Internal Audit Functions**

**Comment:** During the course of the audit, we gained an understanding of some of the internal audit functions that are performed throughout the year. From our understanding, we concluded that the role of the Internal Auditor is not functioning as well as it could. There are operational audits of the City's departments that could be performed by the Internal Auditor to help ensure certain aspects of those departments are performing in a manner that provides good internal controls. This would help alert management of potential issues before they become a problem.

Per the Institute of Internal Auditors' website, internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The following is a partial list of operational audits that could be performed by the Internal Auditor:

Follow up on all findings reported by the external auditor with the various departments in an effort to assist in correcting the finding and minimize the risk of the finding being repeated in the subsequent external audit.

Obtain the Federal and State monitoring reports of departments of the City and perform subsequent tests of any area cited in those reports. This testing would provide management assurance that the findings have been cleared up and the system is now working to prevent further reoccurrence or to alert management to the fact that there is a continuing problem.

Perform test counts on inventories in various departments and provide a report of the outcome.

Investigate reports of fraud, waste and abuse.

Test/Investigate areas of high risk identified by Management or those high risk areas identified through the Internal Auditor's risk assessment.

Review periodically the transactions that flow through the Tax and Revenue Department.

Reconcile traffic tickets issued by the Police Department to the resulting revenue after accounting for the disposed tickets by the City Court.

Perform tests throughout the year on capital asset purchases for validity and accuracy.

Additionally, written reports of the internal audits performed throughout the year would add significance and assurance to Administration and Council that policies and procedures are being adhere to.

**Recommendation:** We recommend that the Internal Auditor's role be expanded and redirected in order to focus more on operational audits.

This recommendation requires the support of both the Council and the Administration for this initiative to work effectively.

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**Management's response:** The Internal Auditor has worked closely with the external auditors during the audit process as well as provided the external auditors with test work that has been completed during the fiscal year. The Internal Auditor will continue to work with the external auditor as well as expand testing during the fiscal years ahead to reduce audit risk. This items is considered cleared.