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February 6, 2020

RE: City of Monroe
Monroe, LA

To Whom It May Concern:

This report is replacing a previously issued report dated October 31, 2018. Subsequent of issuing the report dated October 31, 2018, it was brought to the auditor's attention that the City reported CFDA #66.202, Environmental Protection Agency – Congressional Mandated Projects, as a pass-through grant rather than direct funding. Additionally, the City had reported CFDA #20.205, passed through the Louisiana Department of Transportation, in the amount of \$319,115 as state funding rather than federal expenditures. The City has corrected the Schedule of Expenditures of Federal Awards for these items. Additional audit procedures were performed for the previously reported major federal program, CFDA #20.205, Highway Planning and Construction Cluster, to include the additional expenditures added to the Scheduled of Expenditures of Federal Awards.

These revisions did not change our independent auditor's report on the financial statements and related notes to the financial statements.

Sincerely,

Tim Green, CPA
Partner

**City of Monroe
Monroe, Louisiana**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For The Year Ended
April 30, 2018**

**Honorable James Mayo
Mayor**

**Mrs. Gretchen Ezernack
Chairwoman**

Prepared by the Department of Administration - Accounting Division

**Mrs. Stacey Rowell, CPA
Director of Administration**

**City of Monroe
Monroe, Louisiana**

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**City of Monroe
Monroe, Louisiana**

Table of Contents

	<u>Statement</u>	<u>Page</u>
INTRODUCTORY SECTION		
Transmittal Letter		1-12
Government Finance Officers Association Certificate		13
Organizational Chart		15
Principal Officials		16
Department Heads		17
FINANCIAL SECTION		
Independent Auditor's Report		20-22
Required Supplementary Information		23
Management's Discussion and Analysis (MD&A)		24-33
Basic Financial Statements		
Government-wide Financial Statements (GWFS)		35
Statement of Net Position	A	36-37
Statement of Activities	B	38-39
Fund Financial Statements (FFS)		41
Governmental Funds:		
Balance Sheet	C	42
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	43
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	44
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	45
Proprietary Funds:		
Statement of Fund Net Position	G	46
Statement of Revenues, Expenses and Changes in Fund Net Position	H	47
Statement of Cash Flows	I	48
Fiduciary Funds:		
Statement of Net Position	J	49
Statement of Changes in Net Position	K	50
Discretely Presented Component Units:		
Combining Statement of Net Position	L	51
Combining Statement of Activities	M	52
Notes to the Financial Statements		
Index		53
Notes		54-105

(Continued)

**City of Monroe
Monroe, Louisiana**

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information		
Schedule of Funding Progress for Other Post Employment Benefit Plan	1-1	108
Schedule of Other Post Employment Benefit Plan Employer Contributions		108
Schedule of Proportionate Share of Net Pension Liability	1-2	119
Schedule of Employer Contributions to Pension Plans	1-3	110
Notes to Required Supplementary Information for Pensions		111
Budgetary Comparison Information		
Budgetary Comparison Schedules		112
General Fund	2	113-115
Capital Infrastructure	3	116
Notes to the Budgetary Comparison Schedules		117-118
Supplementary Information		
Nonmajor Governmental Funds - by Fund Type		
Combining Balance Sheet	4	119
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	5	120
Nonmajor Special Revenue Funds		121-122
Combining Balance Sheet	6	124-131
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	7	132-139
Schedule of Revenues and Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual		
Fire Department Insurance	8	140
Community Development Block Grant	9	141
Urban Development Action	10	142
Fire and Police Capital Tax	11	143
Emergency Shelter	12	144
CDBG Home	13	145
CDBG Loan	14	146
Bond Forfeiture	15	147
Dare Program	16	148
Delta Fest	17	149
Diversion Program	18	150
Equitable Share Federal Seizure	19	151
Drug Seizure Local/State	20	152
Police Salary Sales Tax	21	153
Fire Salary Sales Tax	22	154
Justice Assistance Grant	23	155
Downtown Economic Development	24	156
Administrative Economic Development	25	157
Home Program Loans	26	158
Repairs and Maintenance	27	159

(Continued)

**City of Monroe
Monroe, Louisiana**

Table of Contents

Supplementary Information (Cont'd)

	<u>Exhibit</u>	<u>Page</u>
Schedule of Revenues and Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual		
Capital	28	160
Demolition	29	161
Employees' Benefits	30	162
Downtown River Market	31	163
MPD K-9 Donations	32	164
PTFA-2012	33	165
PTFA - 2015	34	166
Southside Economic Development District	35	167
 Nonmajor Debt Service Funds		 169
Combining Balance Sheet	36	170
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	37	171
 Nonmajor Capital Projects Funds		 173
Combining Balance Sheet	38	174-177
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)	39	178-181
 Nonmajor Enterprise Funds		 183
Combining Statement of Net Position	40	184
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	41	185
Combining Statement of Cash Flows	42	186-187
 Proprietary Fund Type - Internal Service Funds		 189
Combining Statement of Net Position	43	190
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	44	191
Combining Statement of Cash Flows	45	192
 Pension Trust Funds		 193
Combining Statement of Net Position	46	194
Combining Statement of Changes in Fiduciary Net Position	47	195
 Agency Funds		 197
Combining Statement of Fiduciary Assets and Liabilities	48	198-199
Combining Schedule of Changes in Assets and Liabilities	49	200-201

(Continued)

**City of Monroe
Monroe, Louisiana**

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
Supplementary Information (Cont'd)		
OTHER MISCELLANEOUS SCHEDULES		
Schedule of Long Term Obligations	50	203
Schedule of Compensation Paid Council Members	51	204
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	52	205
STATISTICAL SECTION	<u>Table</u>	<u>Page</u>
Net Position by Component	1	208
Changes in Net Position	2	209-211
Fund Balances of Governmental Funds	3	212
Changes in Fund Balances of Governmental Funds	4	213-214
Governmental Activities Tax Revenue by Source	5	215
Assessed Value of Taxable Property	6	216
Property Tax Rates and Tax Levies- Direct and Overlapping Governments	7	217
Principal Property Taxpayers	8	218
Property Tax Levies and Collections	9	219
Sales Tax Revenues	10	220
Direct and Overlapping Sales Tax Rates	11	221
Ratios of Outstanding Debt by Type	12	222
Ratio of General Bonded Debt Outstanding	13	223
Direct and Overlapping Governmental Activities Debt	14	224
Legal Debt Margin Information	15	225
Pledged-Revenue Coverage - Water and Sewer	16	226
Demographic and Economic Statistics	17	227
Principal Employers	18	228
Full-time Equivalent City Government Employees by Function	19	229
Operating Indicators by Function	20	230
Capital Asset Statistics by Function	21	231

City of Monroe, Louisiana
Mayor- Council Government

James E. "Jamie" Mayo
Mayor



Stacey Rowell, CPA
Director of Administration

October 31, 2018

The Citizens,
The Honorable Mayor,
And Members of the City Council
City of Monroe

*RE: Financial Statement Letter of Transmittal
Fiscal Year Ended April 30, 2018*

Dear Citizens, Mayor, and Council Members:

Pursuant to Louisiana State Statutes, I hereby issue the Comprehensive Annual Financial Report (CAFR) for the government of the City of Monroe for the fiscal year ended April 30, 2018. The Accounting Division of the Administration Department prepared this report in accordance with Generally Accepted Accounting Principles (GAAP). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City of Monroe as measured by the financial activities of its various funds and the entity-wide presentation; and that disclosures necessary to enable readers to gain an understanding of City of Monroe financial affairs have been included. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the local government.

The City of Monroe financial statements have been audited by *Allen, Green & Williamson, LLP*, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Government of the City of Monroe, Louisiana, financial statements for the fiscal year ended April 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first document of the financial section of this report.

The City of Monroe is required to undergo an annual single audit in conformance with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget 2CFR Part 200 (Uniform Guidance). Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the auditor's reports on the internal control structure and compliance with applicable laws and regulations are available in the City's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of **Management's Discussion and Analysis (MD&A)**. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT



1-Fort Miro historical marker commemorating an early French fort located in what is now Monroe.

Don Juan Filhiol was born Jean Baptiste Filhiol on September 21, 1740, in Eymet, France, to François Filhiol and Anne Marie Teyssonniere, who were cloth merchants and Calvinists. In 1763, at the age of twenty-three, Filhiol left France to seek his fortune in Santo Domingo, a French colony (present-day Haiti). He decided to return to France in 1779, traveling through Philadelphia, Pennsylvania. Missing his boat to France, he instead traveled to New Orleans, Louisiana. Once there, he assisted Don Bernardo de Galvez's military ventures in West Florida and Baton Rouge against the English during the American Revolution. As a result of his service, he was commissioned as a captain in the Opelousas Post militia. While at the post, Filhiol married François Poirat Berqueville in 1782. They had three children.

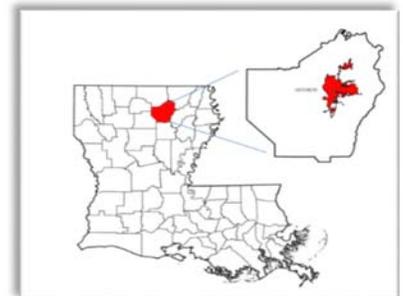
Credit: www.encyclopedioafarkansas.net

The first residents of what is now Monroe were the Ouachita Indians who inhabited the area around 1350 BC. The site later attracted a transitory population of traders, trappers, and hunters, but few permanent inhabitants. The first non-native settlers to Ouachita Parish were likely remnants of LaSalle's 1680 expedition to Louisiana. By the time these settlers arrived in the 17th century, little was left of the Ouachita Indians who had inhabited the area for generations.

In 1782, the Governor of New Orleans sent Don Juan (Jean) Filhiol to establish a post along the Ouachita River. By 1790, this trading post, called Ft. Miro, had evolved into a community of 49 families.

In 1803, the United States purchased the Louisiana Territory from France, and for the first time, Ft. Miro was under U.S. authority. Ouachita Parish was established March 31, 1807, with Ft. Miro as the parish seat. In 1819, the town's name was changed from Ft. Miro to Monroe.

Monroe is the eighth-largest city in the U.S. State of Louisiana. It is the parish seat of Ouachita Parish. In the official 2010 census, Monroe had a population of 48,815. The municipal population declined by 8.1 percent over the past decade; it was 53,107 in the 2000 census. After a recheck in 2012, the Census Bureau changed the 2010 population from 48,815 to 49,147.



2-Louisiana, Ouachita Parish, City of Monroe

Monroe is the principal City of the Monroe Metropolitan Statistical Area (MSA), which includes the parishes of Ouachita and Union. The two-parish area had a total population of 170,053 in 2000 and a total population of 177,782 in 2010, an increase of 4.5 percent. The larger Monroe-Bastrop Combined Statistical Area (CSA) is composed of both the Monroe Metropolitan Statistical Area and the Bastrop Micropolitan Statistical Area. The CSA had a population of 251,155 in 2010.

Monroe and the neighboring City of West Monroe (pop. 13,250), located just across the Ouachita River, are often referred to as the Twin Cities of northeast Louisiana.



4-Monroe Transit, Monroe PD Officer & K9, Monroe Airport

The City of Monroe provides a full range of services to the public, including police and fire protection, public works, social services, public transportation, planning and zoning, economic development, a garden

and zoo, an airport, a convention center, construction and maintenance of streets and infrastructure, courts, general administrative services, sewage collection and treatment, and solid waste collection and disposal.

A determination of the financial reporting entity to be included in this CAFR is made through the application of criteria established by section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* (as revised by GASB Statement No. 61 – The Financial Reporting Entity: Omnibus).

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.



Slagle House, a national register historic property that now houses the Masur Museum of Art.



3-Engineering, Louisiana Purchase Garden & Zoo, Fire Station No. 2., River Market, Masur Museum, Public Works

The GASB has set forth criteria to be considered in determining financial accountability, which include:

- Appointing a voting majority of an organization's governing body, and the ability of the City to impose its will on that organization and/or; the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
- 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.
- 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 financial statements included in this CAFR are as follows:

<u>Name of Organization</u>	<u>Type of Unit</u>
City of Monroe	Primary Government
Tower Drive Economic Development Corporation	Blended Component Unit
Garrett Road Economic Development Corporation	Blended Component Unit
Downtown Economic Development District	Blended Component Unit
Southside Economic Development District	Blended Component Unit
Monroe City Court	Discrete Component Unit
Monroe City Marshal	Discrete Component Unit

An explanation of the accounting policies of the City is contained in the Notes to the Financial Statements. The basis of accounting, fund structure, and other significant information on financial policies is explained in detail in the Notes to the Financial Statements.

BUDGETARY CONTROL

Budgetary control is maintained by the encumbrance of appropriations with purchase orders prior to their release to vendors. Purchase orders that exceed appropriation balances are not released unless additional appropriations are made available. The annual operating budget, or financial plan, is proposed by the Mayor and enacted by the City Council. Management control for the operating budget is maintained at the fund and department level. Additional details on the budget process are explained in the Notes to the Financial Statements.



Budget-to-actual comparisons are provided in this report for each individual governmental fund. For the General Fund and Capital Infrastructure Fund, this comparison is presented in Exhibits 2 and 3. For the other governmental funds, the annual budget comparison is presented in the Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual, Exhibits 8 through 35.

The Administration Department is entrusted with maintaining accounting systems for the City over which the City Council is the governing body, in accordance with the best recognized practices in governmental accounting. It keeps the records for and exercises financial and budgetary control over each City department.

In developing and evaluating the accounting system of the City, the Administration Department considers the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and regarding the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the City government is responsible for ensuring that adequate internal controls are in effect. All internal control evaluations occur within the framework described. The Administration Department believes that the internal controls of the City adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

ECONOMIC CONDITION AND OUTLOOK

The City of Monroe is located at the crossroads of Interstate 20, a major east-west highway in the southern United States and U.S. Route 165 running north-south. It's the principal home to the University of Louisiana at Monroe and the world headquarters of CenturyLink, Inc., a fortune 500 company and the third-largest telecommunications company in the United States.



5-University of Louisiana at Monroe, Bayou Desard

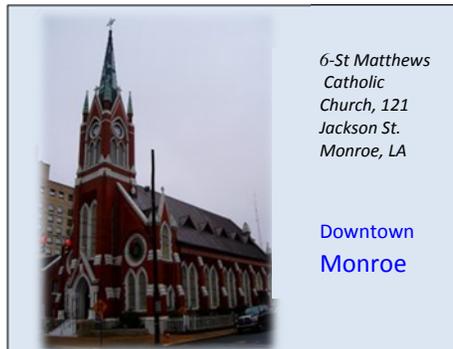
Monroe serves as the retail hub for the Northeast Louisiana region with premier retail shopping destinations such as Pecanland Mall with over 155 shops, restaurants and department stores. Downtown Monroe is an increasingly growing district anchored by the beautiful Ouachita River. Conveniently located just off Interstate 20, it is the central business district of Monroe. Home to the offices of the City, Parish, State and



7-Pecanland Mall Fountain

Federal governments, St. Francis Medical Center, and the Monroe Civic Center just to name a few. It is as rich in history as it is in hospitality. Downtown Monroe is also the home to a variety of award-winning restaurants, a collection of museums, and a variety of art. Monroe is an ideal place to live, work, and grow.

New energy is spurring new developments throughout Downtown Monroe. There are many new businesses entering downtown including restaurants and residential buildings. This energy is spearheaded by the Downtown Economic Development District (DEDD) in partnership with several public and private organizations. The DEDD works aggressively to invest in Downtown Monroe's future.



6-St Matthews Catholic Church, 121 Jackson St. Monroe, LA

Downtown Monroe

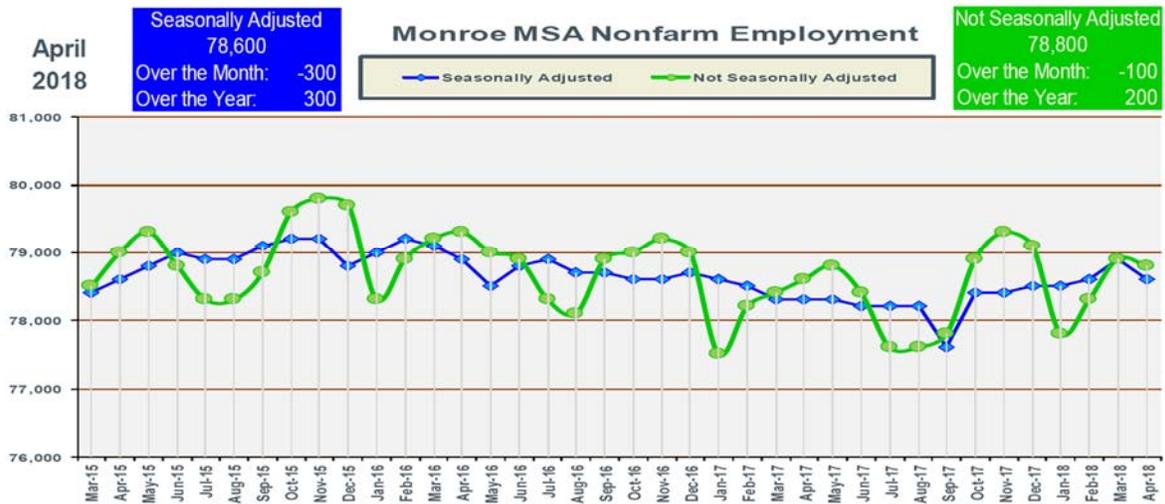
As the oldest parish of the diocese, it is from St. Matthew the origin from which all other parishes throughout the area were created. This has caused many to affectionately refer to St. Matthew as the "Mother Church" of northeast Louisiana. The history of the parish, beginning in 1851, is replete with the many contributions of the faithful and friends from throughout our region. St. Matthew and the clergy who served here have been a unifying force in this community throughout the last 150 years, and it will continue to be so into this third Millennium.

Credit: <https://stmatthewmonroe.org/history>

Employment

Statewide, nonfarm employment in Louisiana added 22,800 new jobs from the previous year. The Louisiana Workforce Commission’s April 2018 report estimates a total of 78,800 jobs in the Monroe Metropolitan Statistical Area (MSA). The MSA lost 100 jobs over the month but added 200 jobs from the previous year. Trade, transportation, and utilities added 200 jobs over the month but lost 400 jobs over the year. Professional and business services added 300 jobs over the year.

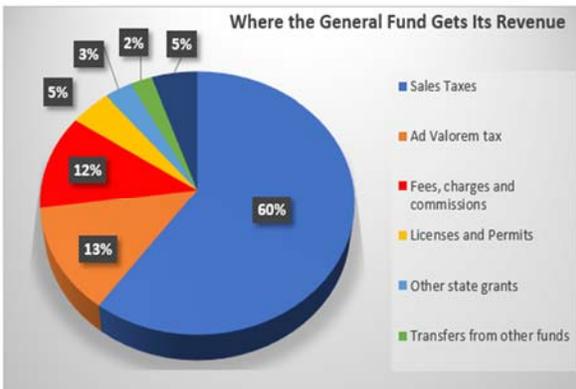
After 9 years of declines, the Monroe MSA has now enjoyed five straight years of modest growth. Expansions at IBM, CenturyLink and Vantage Health Plan should generate enough growth for the Monroe MSA to get back to its previous peak employment reached back in 2002.



8-Source: Louisiana Workforce Commission (www.laworks.net)

Revenue

General sales and use tax play a significant role in the financing of the General Fund, Street Improvement Fund and the Fire/Police Special Revenue Funds. Sales tax revenue accounts for 60% of all general fund revenue followed by ad valorem taxes at 13%. The remaining 27% comes from permits, licenses, fines, fees and grants.

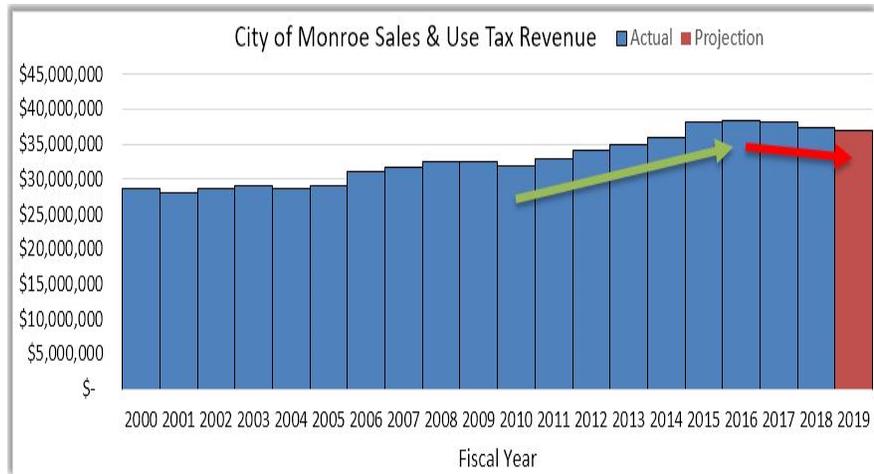


9-Source: City of Monroe Budget Office

Sales & Use Tax

The last quarter of fiscal 2018 showed a slowing of the decent in sales tax revenue from the high of -3.0% YTD in January 2018 to end the fiscal year at -2.1%. Although -2.1% is better than our worst-case revenue projections of negative 4%, the City still had to cut back on its expenditures to avoid deficit spending. To put the percentage into dollars, the City collected almost \$800 thousand less in sales tax revenue than it did in fiscal 2017. In addition to the decrease in sales tax collections, the City was required to payout one-half of a rather large Enterprise Zone Rebate which totaled in whole to \$940 thousand.

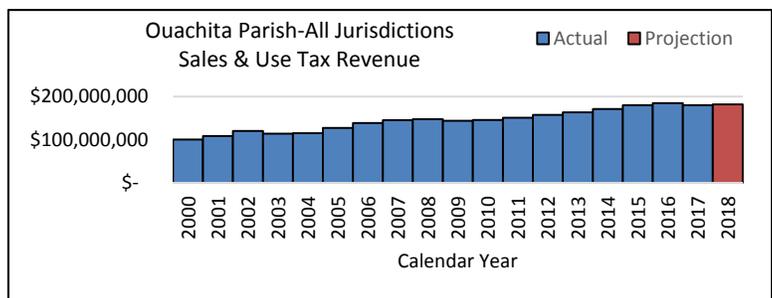
For fiscal 2019, the decline in sales tax revenue continues with the first quarter results showing a 1.0% reduction in collections compared to the same quarter last year. Projecting this negative 1% trend to the end of the year would result in annual sales tax revenue of \$37 million. When you factor in the other



10-Source: City of Monroe Budget Office

half of the enterprise zone rebate payment due this year, we are looking at roughly \$36.5 million. With a very conservative budget for sales tax revenue of \$35.8 million, \$36.5 million looks pretty good. Although we are optimistic with the recent Supreme Court case that favored the states and local government on the collection of sales tax on internet sales, we remain cautious and prepared for a downturn in sales tax revenue. As the graph above illustrates, the City of Monroe has been losing sales tax revenue since 2016 and the decline doesn't appear to be leveling out any time soon.

Growth in surrounding parishes has affected commerce in the City of Monroe and this threatens to continue. The City of Ruston boasts a new movie theater, three new hotels, potentially a new Target store, and sports complex. Ruston's economy is performing well and growth of small business continues. This allows consumers from the local universities and surrounding communities to stay close to home to seek entertainment and to spend their money. As well, West Monroe is promising a new major retailer and hotels to anchor areas marked for growth.

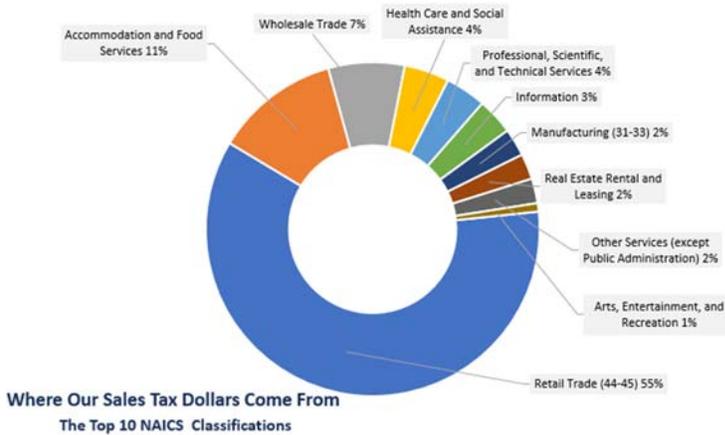


11-Source: City of Monroe Budget Office

Growth in surrounding communities like Sterlington impact Monroe, as businesses seek opportunities in new areas of population growth.

When you combine all taxing jurisdictions within Ouachita Parish, the collective sales tax revenue shows an upward trend of approximately 1.1% which is due in part to the addition of a new sales tax in East and West Ouachita Parish and other economic growth in areas outside of the City of Monroe.

Fifty-five percent of sales tax revenue within the city comes from the Retail Trade sector followed by a distance second from the Accommodation and Food Services sector at 11%, and third is the Wholesale Trade sector at 7%. With such a large percentage coming from the retail trade sector, Monroe has seen their sales tax revenue dwindle from the highs in 2016. Sales tax from the retail sector has declined by approximately 1% from 2016 to 2017 for a loss in taxable sales of \$8.5 million. All sectors combined show a decrease in taxable sales of \$32 million.



12-Source City of Monroe Budget Office

City of Monroe
Taxable Sales by NAICS Classifications
 (in millions)

Code	Industry Title	2013	2014	2015	2016	2017	Change From 2016 to 2017		Graph				
							Dollar	Percent	13	14	15	16	17
44	Retail Trade (44-45)	746.96	766.11	814.82	853.89	845.44	(8.45)	-1.0%	█	█	█	█	█
72	Accommodation and Food Services	113.01	128.91	149.34	157.95	169.76	11.81	7.5%	█	█	█	█	█
42	Wholesale Trade	72.63	98.12	95.36	97.42	103.67	6.25	6.4%	█	█	█	█	█
62	Health Care and Social Assistance	35.05	41.89	73.01	68.40	61.21	(7.19)	-10.5%	█	█	█	█	█
54	Professional, Scientific, and Technical Services	77.46	64.43	68.94	53.78	55.40	1.62	3.0%	█	█	█	█	█
51	Information	24.16	46.50	41.66	43.82	49.73	5.91	13.5%	█	█	█	█	█
31	Manufacturing (31-33)	26.94	34.00	35.37	35.32	37.71	2.40	6.8%	█	█	█	█	█
53	Real Estate Rental and Leasing	28.97	32.83	32.23	32.54	34.79	2.25	6.9%	█	█	█	█	█
81	Other Services (except Public Administration)	25.01	26.72	31.80	30.56	33.58	3.02	9.9%	█	█	█	█	█
71	Arts, Entertainment, and Recreation	7.38	8.44	10.72	12.20	11.39	(0.81)	-6.6%	█	█	█	█	█
23	Construction	6.08	14.49	14.84	6.96	9.50	2.54	36.5%	█	█	█	█	█
52	Finance and Insurance	5.87	7.55	7.16	9.00	6.75	(2.25)	-25.0%	█	█	█	█	█
56	Administrative, Support, Waste Management and Remediation	2.01	2.59	3.42	3.53	4.73	1.20	34.0%	█	█	█	█	█
48	Transportation and Warehousing (48-49)	3.86	3.76	3.80	3.20	2.89	(0.31)	-9.8%	█	█	█	█	█
61	Educational Services	0.83	0.91	1.01	1.11	0.50	(0.60)	-54.6%	█	█	█	█	█
22	Utilities	0.05	0.07	0.09	0.77	0.21	(0.56)	-72.8%	█	█	█	█	█
11	Agriculture, Forestry, Fishing and Hunting	0.01	0.09	0.00	0.02	0.15	0.13	747.1%	█	█	█	█	█
21	Mining	0.00	0.00	0.03	0.00	0.00	0.00	68.1%	█	█	█	█	█
55	Management of Companies and Enterprises	0.01	0.01	0.35	0.02	0.00	(0.01)	-87.8%	█	█	█	█	█
92	Public Administration	-	0.00	0.00	-	(0.00)	(0.00)	N/A	█	█	█	█	█

13-Source: City of Monroe Budget Office

MAJOR INITIATIVES DURING 2017-2018

The Mayor, along with his staff, developed a list of 60 priority projects for the City. It had been titled “60 for 60” and covers services or improvements provided by every function of the City and which the administration plans to complete during the current term or have been completed during the current administration. A major focus area for 2018 is monthly benevolent projects spearheaded by various departments within the City. This is #12 on Mayor Mayo’s 60 for 60 Project list.



MONTH	DEPARTMENT LEAD	PROJECT
January	Public Works	Comfort Kits for the Homeless
February	Legal	Senior Sweethearts Valentines for Seniors
March	Engineering	Mentoring Moments – Reading at local elementary schools
April	Community Affairs	Entergy-City of Monroe Community Service Scholarship Scramble Golf Tournament
May	Community Affairs	NELA Sickle Cell Walk/Run
June	PUD	Summer Fan Drive for Seniors
July	PUD	Bottled Water Drive for the Homeless
August	Fire	School Supply Drive for Needy Students
September	Police	Susan G. Komen Race for the Cure
October	Administration	Canned Food Drive for NELA Food Bank
November	Mayor’s Office	Mayor’s Annual Turkey Giveaway
December	Mayor-City Council Fire Mayor’s Office	Mayor-Council Bike Giveaway Twin City Firefighters Toy Drive NELA Foodbank Senior Distribution Day



Tom Janway and the Public Works department led the January project “*Comfort Kits for the Homeless*”. Mayor Jamie Mayo comments, “*Our goal was to collect funds from City employees to create 200 Comfort Kits for the Homeless. The love and support from our personnel allowed us to collect enough funds to purchase 400 comfort kits and some other supplies which will be donated to the Desiard Street Shelter.*”

February’s benevolent project was “*Senior Sweethearts*” led by the Legal department. City employees donated their personal funds to purchase Valentine’s Day Cards for approximately 600 men and women in local nursing homes, senior centers, assisted living facilities and the NELA War Veterans Home. Volunteers from each City of Monroe department went and delivered the signed cards on Valentine’s Day.

In March, City Engineer Kim Golden and the Engineering department led the monthly project “*Mentoring Moments-Promoting Literacy in Local Elementary Schools*”. Dozens of City employees volunteered to read at multiple schools throughout the city.

The “*16th Annual Entergy-City of Monroe Community Service Scholarship Scramble Golf Tournament*” was April’s benevolent project focus. Spearheaded by the Community Affairs department, 185 students were awarded a total of \$92,500 in scholarship money, all from private donations. With support from Entergy, Community Outreach of Ouachita, and the local business community has allowed

14-City Employment Community
Benevolent Project, Comfort Kit Stuff-A-Thon

us to reward deserving students who have excelled in the classroom and in the field of community service.

Other projects on the 60 for 60 list include project #57 ***“Update Bus Fleet for MTS”***. In February 2018, the Monroe Transit System received five 35-foot heavy duty buses to replace some aging buses in the fleet. These five new buses were manufactured by California based Gillig Corporation. They took eleven months to complete - at a cost of approximately \$2.1 million dollars.



15- Monroe Transit System, 35-Foot Bus

Infrastructure

Phase I of the *Highway 165 North Water Infrastructure Improvement Project* was completed this year for a total construction cost of \$950 thousand. The City of Monroe will provide approximately \$700 thousand in matching funds, together with the right-of-way. The project added a new 10-inch water main to feed the Century Village development which includes the new IBM/Century Tower and other mixed residential, commercial and retail developments. The project also extended the existing 16-inch water main along U.S. Highway 165 North to improve potable water service and fire protection to the CenturyLink corporate headquarters and residential developments around it (which include Egrets Landing and The Reserve).

Phase II of the project will be completed soon which will construct a new water storage tank and booster station near the intersection of Forsythe Extension and U.S. Highway 165 North. Bid advertisements for the project are expected the summer of 2018. The funding for the project comes from a Delta Regional Authority Grant (\$1 million), City of Monroe Capital Infrastructure Sales Tax Revenue Fund and City of Monroe Water Capital Fund.

Water System Improvement Program



Proceeds from the water rate increase approved in March 2018 will fund a comprehensive water system improvement program. It will include:

Water Plant Improvements

- An approximate \$38 million expansion and renovation of the existing circa 1960, 12 million gallons per day (MGD) rated water treatment plant to add an additional rated capacity of 6 to 8 MGD
 - Replace and upgrade the motor control centers and switch gear at the plant
- Upgrade the raw water pump station and intake structure
- Replace the sludge rake system
- Install new settlor plates and aeration towers to the existing water treatment trains
- Add a state-of-the-art chemical storage and handling building

Distribution System Improvements

- Approximately \$20 million+ in Distribution System Improvements
- The addition of a 1.5 million gallons ground water storage tank
- Rehab or replacement of an existing 500,000-gal elevated tank

- Rehab of a 3-million-gallon ground water storage tank
- Replacement or rehab of miles of water mains and trunk lines throughout the system

Approximate timeline for various projects

- Sludge rake system replacement: Work in progress, schedule to complete in summer 2018
- New 1.5 million-gal water storage tank: Construction start Fall 2018, 12 months to complete
- Rehab filter bays and replace underdrains at existing plant: Construction start Fall 2018-9 months to complete

Water treatment plant expansion - milestone schedule

- Selection of Design and Construction professionals: April 2018 - September 2018 (6 months)
- Engineering and Design: January - December 2019 (12- 18 months)
- Advertise for bids and award contract: June 2020
- Construction complete: December 2023 (42 months)
- Water Distribution System Improvements: 2018 through 2028



This project will allow us to replace antiquated and tuberculated pipes in our distribution system.



Artist's Rendering of Water Plant Expansion

LONG-TERM FINANCIAL PLANNING

In accordance with section 5-05 of the City Charter, the Mayor submitted the year 2018-2022 Capital Improvement Plan to the City Council. There are 15 projects that total approximately \$17.5 million in progress as of April 30, 2018. There are 29 projects from years 2018 through 2022, which total approximately \$145.4 million.

PROJECT	FUNDING	AMOUNT (IN MILLIONS)
BRIDGE REPLACEMENT/REPAIRS MULTIPLE SITES	1% Sales Tax/FEMA	\$5.6
HWY 165 CONNECTOR-PHASE I	Capital Outlay	3.6
JACKSON ST. OVERLAY	1% Sales Tax/Urban Systems	1.6
NORTH AREA PUMP STATION	DEQ Loan/Bond Fund	2.3
NORTH AREA BASIN REHAB	DEQ Loan/Bond Fund	4.2
JACKSON ST. SEWER REHAB	DEQ Loan/Bond Fund	4.5

DIGESTER ROOF REMOVAL/REPLACE	DEQ Loan/EPA SAAP	4.9
GEORGIA ST. PUMP STATION - STATEWIDE FLOOD PROGRAM	State Grant/HMGP	5.4
ROCELLE PUMP STATION – STATEWIDE FLOOD PROGRAM	State Grant/HMGP	2.9
WTP FILTER #2	Water Improvement Fund	3.5
HWY 165 TANK & MAIN	Grant, CIC, Water Impr Fund	2.2
SIDEWALK & LIGHTING PROJECTS	Capital Special Revenue Fund	4.1
AIRPORT TAXIWAY REALIGNMENT	Grants	12.0
AIRPORT RUNWAY EXTENSION	Grants	8.0
I-20 GARRETT-KANSAS CONNECTOR	Multiple	35.0
KANSAS LANE CONNECTOR	Multiple	30.0
FRONTAGE ROAD PROJECT	I-20 Bond Fund	13.5

The City’s administration will continue the process of looking ahead financially for its operational and capital needs.

AWARDS AND ACKNOWLEDGMENTS



Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Monroe for its comprehensive annual financial report for the fiscal year ended April 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting to GFOA to determine its eligibility for another certificate.

Respectfully submitted,

Stacey Rowell, CPA
Director of Administration



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Monroe
Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2017

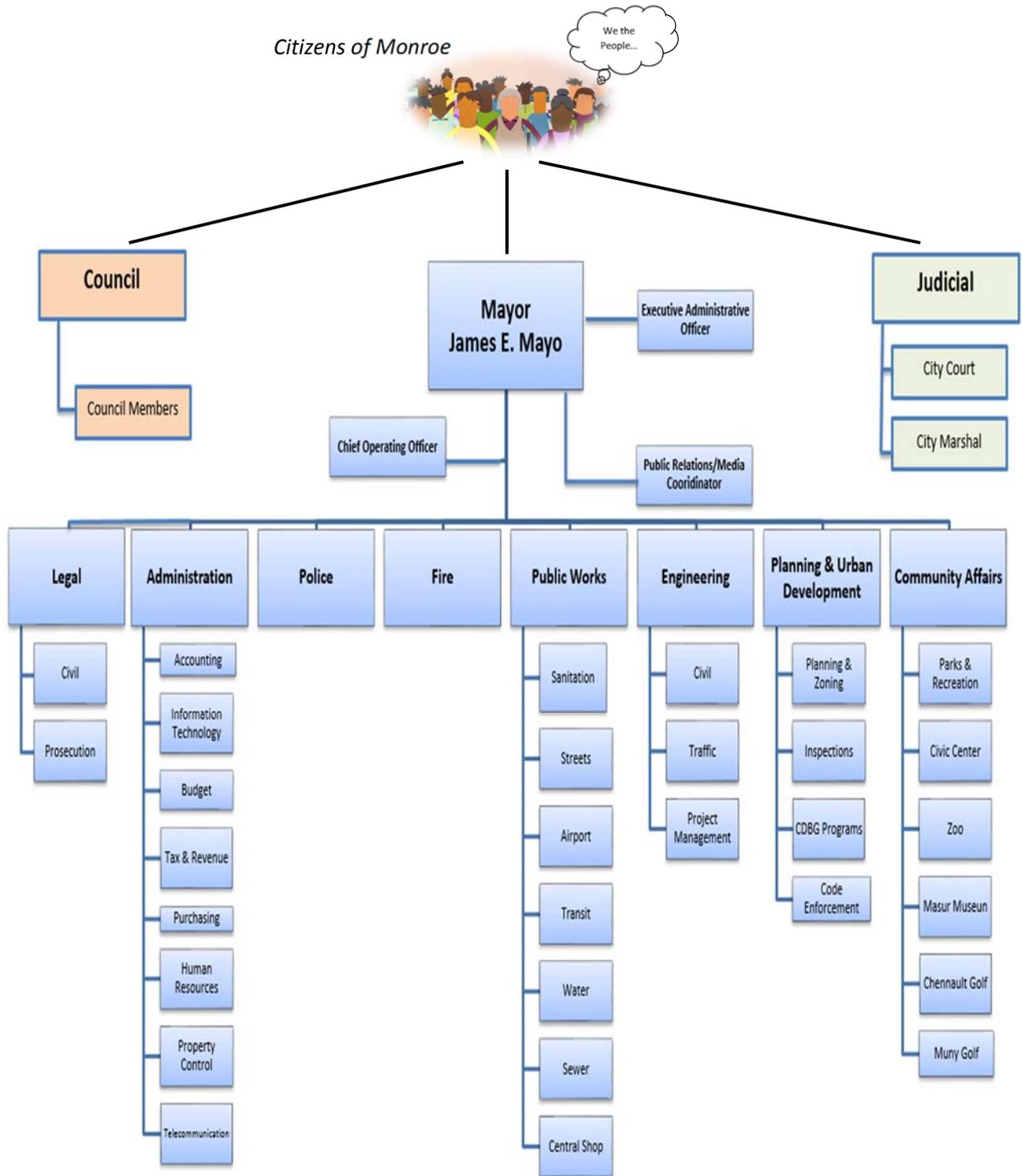
Christopher P. Morill

Executive Director/CEO

**City of Monroe
Monroe, Louisiana**

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CITY OF MONROE ORGANIZATIONAL CHART



**CITY OF MONROE
PRINCIPAL OFFICIALS
APRIL 30, 2018**



Mayor
James E. "Jamie" Mayo



Council District 1
Michael Echols



Council District 2
Gretchen Ezernack



Council District 3
Juanita G. Woods



Council District 4
Kenneth Wilson



Council District 5
Eddie Clark

**CITY OF MONROE
DEPARTMENT HEADS**

<u>EMPLOYEE</u>	<u>DEPARTMENT</u>
Angie Baldwin, City Attorney Nanci Summersgill (Retired Feb 2018)	Legal
Stacey Rowell, Director David Barnes, Jr. (Retired May 2017)	Administration
Eugene Ellis, Chief Quentin Holmes (Retired July 2017)	Police
Terry Williams, Chief	Fire
Tom Janway, Director	Public Works
Kim Golden, City Engineer	Engineering
Ellen Hill, Director Chris Fisher (Resigned Oct 2017)	Planning & Urban Development
Robert C. Johnson, Director John Ross (Retired July 2017)	Community Affairs

**City of Monroe
Monroe, Louisiana**

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**City of Monroe
Monroe, Louisiana**

Independent Auditor's Report



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe, LA 71201

Telephone: (318) 388-4422

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Partners: Tim Green, CPA
Amy Tynes, CPA, CFE
Aimee Buchanan, CPA
Nicia Bamburg, CPA, CFE
Principal: Cindy Thomason, CPA

Sandra Harper, CPA
Jennie Henry, CPA
Audit Manager: Margie Williamson, CPA

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

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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the 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, 2018, 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 for 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 Introductory and Statistical Sections 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, 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, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections 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, 2018 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 the effectiveness of the City's 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

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
October 31, 2018

**City of Monroe
Monroe, Louisiana**

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

DIVIDER

**City of Monroe
Monroe, Louisiana**

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DIVIDER

REQUIRED SUPPLEMENTARY INFORMATION:

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

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2018

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, 2018. 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 2018, the City adopted a new statement of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 82 – Pension Issues:* This Statement establishes standards to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to statements No. 67, No. 68, and No. 73. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The adoption of this standard had no impact on the government-wide or the governmental fund financial statements.

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 \$141.8 million. Of this amount, \$56.5 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 increased by \$38,860. This increase is mainly due to a reduction in spending in anticipation of a decrease in sales tax revenue.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$62.2 million, a decrease of \$3.0 million in comparison with the prior year. Of this amount, approximately \$12.2 million is in unassigned fund balance.
- The General Fund's fund balance was \$14 million at the end of the fiscal year, in which \$0.4 was nonspendable for inventories and prepaid items and the remaining \$13.5 million was unassigned.
- The City's total debt for bonds payable decreased by approximately \$5.7 million during the current fiscal year.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2018

Using This Report

The City's comprehensive annual financial report consists of a series of sections and a series of financial statements, which are presented in the tables below that show information for the City as a whole, its funds and its fiduciary responsibilities.

Comprehensive Annual Financial Report
<u>Introductory Section</u> Transmittal Letter Organization Chart Elected Officials and Selected Administrative Officers
<u>Financial Section</u> (Details outlined in the next chart)
<u>Statistical Section</u> Financial Trends Revenue Capacity Debt Capacity Demographic and Economic Information Operating Information

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**

**Fund
Financial Statements**

Notes to the Basic Financial Statements

Required Supplementary Information

Schedule of Funding Progress for Other Post Employment Benefit Plan
Schedule of Employers Proportional Share of the Net Pension Liability
Schedule of Employer Contributions to Pension Plans
Budgetary Information for Major Funds

Supplementary Information

General Fund Accounts
Nonmajor Funds Combining Statements
Agency Funds Statements/Schedules
Schedule of Compensation Paid Board Members
Schedule of Compensation, Benefits and Other Payments to Agency Head

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2018

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 are comprised of 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 a useful indicator of whether the financial position of the City of Monroe is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the 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, planning and urban development, 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 as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2018

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 fund and the Capital Infrastructure Special Revenue Fund, both 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 as Required Supplementary Information for the General Fund and the Capital Infrastructure Special Revenue Fund to demonstrate compliance with this budget. The nonmajor special revenue budgetary comparison statements have been provided as Supplementary Information.

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 \$141.8 million at April 30, 2018. Of this amount \$87.9 million was a deficit. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the City's ability to use the net position for day-to-day operations. Our analysis on the following page focuses on the net position, (Table 1) and the change in net position (Table 2) of the City's governmental and business-type activities.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2018

Table 1
Net Position
April 30,
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	\$ 70.9	\$ 70.2	\$ 19.4	\$ 20.5	\$ 90.3	\$ 90.7
Capital assets	142.1	143.5	159.6	161.2	301.7	304.7
Total assets	213.0	213.7	179.0	181.7	392.0	395.4
Deferred outflow of resources	18.3	26.6	6.8	5.8	25.0	32.4
Liabilities						
Current and other liabilities	6.8	4.5	4.6	4.4	11.4	8.9
Long-term liabilities	178.0	192.1	79.2	81.4	257.2	273.5
Total liabilities	184.8	196.6	83.8	85.8	268.6	282.4
Deferred inflow of resources	5.6	3.0	1.0	0.6	6.6	3.6
Net position						
Net investment in capital assets	75.1	80.6	98.1	98.0	173.2	178.6
Restricted	49.4	40.7	7.1	8.3	56.5	49.0
Unrestricted	(83.6)	(80.6)	(4.3)	(5.2)	(87.9)	(85.8)
Total net position	\$ 40.9	\$ 40.7	\$ 100.9	\$ 101.1	\$ 141.8	\$ 141.8

The deficit of \$83.6 million in unrestricted net position of governmental activities represents accumulated results of all past years' 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 \$83.6 million.

The results of this year's operations for the City as a whole are reported in the Statement of Activities. Table 2 on the following page, 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, 2018

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

	Governmental Activities		Business-Type		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues						
Charges for services	\$ 11.6	\$ 12.8	\$ 22.3	\$ 22.7	\$ 33.9	\$ 35.5
Operating grants and contributions	4.7	3.6	1.1	1.2	5.8	4.8
Capital grants and contributions	5.2	1.9	4.8	2.0	10.0	3.9
General Revenues						
Property taxes	9.3	8.9	2.7	2.5	12.0	11.4
Sales taxes	64.7	66.9	-	-	64.7	66.9
Other taxes	0.9	0.9	-	-	0.9	0.9
Other general revenues	2.3	1.6	-	-	2.3	1.6
Total revenues	98.7	96.6	30.9	28.4	129.6	125.0
Expenses:						
General government	18.3	17.3	-	-	18.3	17.3
Public safety	37.8	37.9	-	-	37.8	37.9
Public works	22.8	23.6	-	-	22.8	23.6
Culture and recreation	4.7	4.3	-	-	4.7	4.3
Planning and urban development	2.4	2.2	-	-	2.4	2.2
Economic development	0.1	0.1	-	-	0.1	0.1
Interest in debt	2.1	2.6	-	-	2.1	2.6
Other	0.1	-	-	-	0.1	-
Airport	-	-	7.5	7.5	7.5	7.5
Transit	-	-	5.1	6.0	5.1	6.0
Civic center	-	-	3.8	4.1	3.8	4.1
Water	-	-	10.6	10.6	10.6	10.6
Sewer	-	-	12.2	11.6	12.2	11.6
Zoo	-	-	2.1	1.9	2.1	1.9
Total expenses	88.3	88.0	41.3	41.7	129.6	129.7
Increase (decrease) in net position before transfers and special items	10.4	8.6	(10.4)	(13.3)	0.0	(4.7)
Transfers	(10.2)	(10.9)	10.2	10.9	-	-
Change in net position	0.2	(2.3)	(0.2)	(2.4)	0.0	(4.7)
Net position - beginning, as originally stated	40.7	44.7	101.1	103.5	141.8	148.2
Prior period adjustment	-	(1.7)	-	-	-	(1.7)
Net position- beginning, restated	40.7	43.0	101.1	103.5	141.8	146.5
Net position- ending	\$ 40.9	\$ 40.7	\$ 100.9	\$ 101.1	\$ 141.8	\$ 141.8

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2018

Governmental Activities Expenses are classified by functions/programs. Public safety accounts for approximately \$37.8 million for fiscal year 2018. Other functions such as general government, public works, planning and urban development, culture and recreation and economic development totaled approximately \$84.4 million. The remaining cost represents payments for debt service and judgments totaling approximately \$2.1 million.

The related program revenues for fiscal year 2018 directly related to these expenses totaled \$21.5 million, which resulted in net program expenses of \$66.8 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 \$64.7 million of general revenues.
- Property taxes are the second largest revenue source to the City, generating approximately \$9.3 million of general revenues.

Business-type activities Business-type activities decreased the City's net position by approximately \$.2 million. The key element of this increase is due to monitoring of expenditures to facilitate savings.

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 the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$62.2 million, a decrease of \$3.0 million in comparison with the prior year. Approximately \$50.0 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 \$12.2 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 \$14.0 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 increased by approximately \$.2 million during the current fiscal year.

The Capital Infrastructure Fund, a major special revenue fund, has a fund balance of \$23.9 million, which is a decrease of \$2.5 million from prior year. This fund decreased due to a decrease in sales tax collections as well as increased spending to fund current projects.

The nonmajor special revenue funds have a total fund balance of \$7.4 million. The nonmajor special revenue funds had an increase of \$0.5 million.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2018

The debt service funds have a total fund balance of \$9.8 million, all of which is restricted for the payment of debt service. These funds had an increase of \$0.8 million.

The capital project funds have a fund balance of approximately \$7.1 million all of which is restricted for capital improvements.

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, 2017 and the final budget amendment was adopted on April 24, 2018.

The City had decreased the total amounts available for appropriations by \$150 thousand due to anticipated decrease in general sales tax revenue and increases to federal grant revenue and insurance proceeds. The actual amounts available for appropriations were \$75.3 million, which was \$0.6 million under the final budgeted amount. The decrease of the \$0.6 million was due to decreases in general sales tax revenue, licenses and permits, fees, charges and commissions, and fines and forfeitures, while increases in ad valorem taxes and insurance proceeds.

The City had increased the final budgeted charges to appropriation of \$1.9 million from the original budget due to anticipated increases in fringe benefits and costs related to repairs to the City Hall Annex South building. However, the actual amount of charges for appropriation was less than the final budget amount by \$2.5 million. This decrease of actual charges in comparison to the final budget was due to across the board cuts in all departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At April 30, 2018, the City had \$301.7 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 \$3.0 million or 1% from last year. See Note 5 in the notes to the financial statements for more information.

Capital Assets
April 30, (in millions)

	Governmental Activities		Business-Type		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 24.8	\$ 22.2	\$ 5.9	\$ 5.6	\$ 30.7	\$ 27.8
Buildings and improvements	44.0	43.9	77.7	77.7	121.7	121.6
Furniture and equipment	36.7	36.4	23.7	22.5	60.4	58.9
Construction in progress	19.2	14.5	15.6	14.1	34.8	28.6
Infrastructure	178.5	175.1	202.2	196.5	380.7	371.6
Totals	303.2	292.1	325.1	316.4	628.3	608.5
Less: accumulated depreciation	(161.1)	(148.6)	(165.5)	(155.2)	(326.6)	(303.8)
Total Net Capital Assets	\$ 142.1	\$ 143.5	\$ 159.6	\$ 161.2	\$ 301.7	\$ 304.7

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2018

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

- CenturyLink Village Water Line
- Plum Street Underpass
- Transit Buses
- Sewer Basin – MR 04/05/07A
- Raw Water Pump Station Switchgear Replacement
- Flocculation System Repair & Prefabrication for North & South Sedimentation Basin

Debt Administration At April 30, 2018, the City had \$257.1 million outstanding versus \$273.5 million in 2017 which is a decrease of 6%. See Notes 8 through 11 in the notes to the financial statements for more information. At April 30, 2018, the City's outstanding debt consisted of:

Outstanding Debt
April 30
(in millions)

	Governmental Activities		Business-Type		Total	
	2018	2017	2018	2017	2018	2017
Tax increment bonds	\$ 24.8	\$ 28.0	\$ -	\$ -	\$ 24.8	\$ 28.0
Sales tax bonds	-	-	13.7	12.1	13.7	12.1
Sales tax refunding bonds, net	38.8	39.6	32.4	35.3	71.2	74.9
Airport revenue bonds, net	-	-	15.4	15.8	15.4	15.8
Claims and judgments	8.4	10.0	-	-	8.4	10.0
Capital leases	3.4	4.7	-	-	3.4	4.7
Notes payable	-	0.8	-	-	-	0.8
Compensated absences	5.7	6.4	1.2	1.3	6.9	7.7
Other post employment	23.3	19.3	-	-	23.3	19.3
Net pension liability	73.5	83.3	16.5	16.9	90.0	100.2
Total	\$ 177.9	\$ 192.1	\$ 79.2	\$ 81.4	\$ 257.1	\$ 273.5

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES The following are currently known economic factors to be considered for the 2018-2019 fiscal year:

For fiscal year 2019, the City expects to continue to see a decline in sales tax revenue with the first quarter results showing a 1.0% reduction in collections compared to the same quarter last year. Growth in surrounding parishes has affected commerce in the City of Monroe and this threatens to continue. Although we are optimistic with the recent Supreme Court case that favored the states and local government on the collection of sales tax on internet sales, we remain cautious and prepared for a downturn in sales tax revenue.

The City has continued its economic development activities. Phase II of the Highway 165 North Water Infrastructure Improvement Project is expected to be completed soon. This project will construct a new water storage tank and booster station near the intersection of Forsythe Extension and U.S. Highway 165 North. Additionally, the City has begun a comprehensive water system improvement program. This initiative includes an approximate \$38 million expansion and renovation of the existing circa 1960, 12 million gallons per day (MGD) rated water treatment plant to add an additional rated capacity of 6 to 8 MGD. The City also continues to aggressively pursue the idea of a new downtown event center surrounded by mixed-use development.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2018

For fiscal year 2018-2019, City management continues to monitor revenue and expenditures in an effort to find operational savings to ensure long-term financial stability.

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.

Note 1 A of the Notes to the Financial Statements includes information on how to obtain copies of the separately issued financial statement of the discretely presented component units.

**City of Monroe
Monroe, Louisiana**

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**City of Monroe
Monroe, Louisiana**

BASIC FINANCIAL STATEMENTS

DIVIDER

**City of Monroe
Monroe, Louisiana**

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DIVIDER

BASIC FINANCIAL STATEMENTS:

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

CITY OF MONROE
Monroe, Louisiana

STATEMENT OF NET POSITION
April 30, 2018

Statement A

	<i>PRIMARY GOVERNMENT</i>			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS				
Cash and cash equivalents	\$ 57,553,672	\$ 5,173,215	\$ 62,726,887	\$ 1,113,873
Investments	-	-	-	3,630
Restricted assets				
Cash and cash equivalents	-	8,488,138	8,488,138	-
Receivables, net	12,226,493	5,033,578	17,260,071	40,610
Internal balances	251,834	(251,834)	-	-
Inventories	151,882	611,613	763,495	-
Prepaid expenses	750,526	313,266	1,063,792	25,425
Capital assets				
Land and construction in progress	44,009,928	21,494,665	65,504,593	-
Depreciable assets, net of depreciation	98,092,503	138,102,490	236,194,993	142,138
TOTAL ASSETS	213,036,838	178,965,131	392,001,969	1,325,676
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	18,349,119	4,899,518	23,248,637	-
Deferred outflows related to refunding	-	1,851,356	1,851,356	-
TOTAL DEFERRED OUTFLOWS	18,349,119	6,750,874	25,099,993	-
LIABILITIES				
Accounts and retainage payable	3,545,901	2,138,285	5,684,186	31,350
Accrued liabilities	2,567,449	266,280	2,833,729	10,461
Unearned revenues	10,220	109,107	119,327	-
Due to others	164,017	10,464	174,481	-
Deposits due others	-	1,589,108	1,589,108	-
Accrued interest payable	541,600	532,781	1,074,381	-
Long term liabilities				
Due within one year	11,774,124	6,968,962	18,743,086	641
Due in more than one year	166,208,665	72,185,437	238,394,102	-
TOTAL LIABILITIES	184,811,976	83,800,424	268,612,400	42,452
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	\$ 5,625,998	\$ 1,023,313	\$ 6,649,311	\$ -

(Continued)

CITY OF MONROE
Monroe, Louisiana

STATEMENT OF NET POSITION
April 30, 2018

Statement A

	<i>PRIMARY GOVERNMENT</i>			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
NET POSITION				
Net investment in capital assets	\$ 75,062,895	\$ 98,129,417	\$ 173,192,312	\$ 141,497
Restricted for				
Debt service	23,582,418	6,071,919	29,654,337	-
Capital improvements	9,572,110	-	9,572,110	-
Public safety	2,935,579	-	2,935,579	-
Public works	13,002,807	-	13,002,807	-
Planning and urban development	343,709	-	343,709	-
Judicial	13,106	-	13,106	-
Recreation facilities	-	-	-	-
Revenue producing activity for airport	-	141,569	141,569	-
Passenger facility charges	-	859,851	859,851	-
Unrestricted (deficit)	(83,564,641)	(4,310,488)	(87,875,129)	1,141,727
TOTAL NET POSITION	\$ 40,947,983	\$ 100,892,268	\$ 141,840,251	\$ 1,283,224

(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, 2018

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
General government	\$ 18,295,015	\$ 10,565,990	\$ 812,436	\$ 1,002,000
Public safety	37,803,395	72,009	2,591,298	319,115
Public works	22,796,686	74,899	-	3,899,846
Culture and recreation	4,740,849	525,534	195,857	-
Planning and urban development	2,400,399	369,927	1,085,992	-
Economic development and assistance	128,128	-	-	-
Debt service interest	2,069,249	-	-	-
Capital lease interest	45,867	-	-	-
Total Governmental Activities	88,279,588	11,608,359	4,685,583	5,220,961
Business-Type Activities:				
Airport	7,553,682	3,590,506	285,891	1,576,287
Transit	5,081,582	585,480	851,642	2,247,731
Civic Center	3,783,823	1,446,497	-	-
Water	10,666,783	9,437,868	-	-
Sewer	12,162,425	6,895,015	-	970,000
Zoo	2,065,467	354,887	-	-
Total Business-Type Activities	41,313,762	22,310,253	1,137,533	4,794,018
Total Primary Government	129,593,350	33,918,612	\$ 5,823,116	\$ 10,014,979
Component units				
City Court	377,606	\$ 295,576		
City Marshal	204,172	210,201		
Total Component Units	\$ 581,778	\$ 505,777		

General revenues:

Ad valorem tax
Sales tax
Other taxes
Earnings on investments
Miscellaneous
Other Uses
Transfers
Total general revenues and transfers
Changes in net position
Net position - beginning
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
\$ (5,914,589)	\$ -	\$ (5,914,589)	
(34,820,973)	-	(34,820,973)	
(18,821,941)	-	(18,821,941)	
(4,019,458)	-	(4,019,458)	
(944,480)	-	(944,480)	
(128,128)	-	(128,128)	
(2,069,249)	-	(2,069,249)	
(45,867)	-	(45,867)	
<u>(66,764,685)</u>	<u>-</u>	<u>(66,764,685)</u>	
-	(2,100,998)	(2,100,998)	
-	(1,396,729)	(1,396,729)	
-	(2,337,326)	(2,337,326)	
-	(1,228,915)	(1,228,915)	
-	(4,297,410)	(4,297,410)	
-	(1,710,580)	(1,710,580)	
<u>-</u>	<u>(13,071,958)</u>	<u>(13,071,958)</u>	
<u>(66,764,685)</u>	<u>(13,071,958)</u>	<u>(79,836,643)</u>	
			\$ (82,030)
			6,029
			<u>\$ (76,001)</u>
9,306,674	2,662,801	11,969,475	-
64,706,353	-	64,706,353	-
872,303	-	872,303	-
242,471	27,521	269,992	3,478
2,057,380	-	2,057,380	7,038
-	-	-	-
(10,151,549)	10,151,549	-	-
<u>67,033,632</u>	<u>12,841,871</u>	<u>79,875,503</u>	<u>10,516</u>
<u>268,947</u>	<u>(230,087)</u>	<u>38,860</u>	<u>(65,485)</u>
<u>40,679,036</u>	<u>101,122,355</u>	<u>141,801,391</u>	<u>1,348,709</u>
<u>\$ 40,947,983</u>	<u>\$ 100,892,268</u>	<u>\$ 141,840,251</u>	<u>\$ 1,283,224</u>

**City of Monroe
Monroe, Louisiana**

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**City of Monroe
Monroe, Louisiana**

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

CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS
Balance Sheet
April 30, 2018

Statement C

	GENERAL	SPECIAL REVENUE CAPITAL INFRASTRUCTURE	NONMAJOR GOVERNMENTAL	TOTAL
ASSETS				
Cash and cash equivalents	\$ 9,056,032	\$ 23,509,535	\$ 22,895,459	\$ 55,461,026
Receivables, net	4,864,562	1,799,884	4,498,557	11,163,003
Interfund receivables	2,818,356	-	419,847	3,238,203
Inventories	119,012	-	-	119,012
Prepaid expenses and other assets	317,807	-	432,719	750,526
TOTAL ASSETS	17,175,769	25,309,419	28,246,582	70,731,770
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts and retainage payable	1,139,276	1,138,100	1,240,770	3,518,146
Accrued liabilities	1,889,513	-	-	1,889,513
Interfund payables	61,501	284,338	2,640,495	2,986,334
Unearned revenue	6,910	-	3,310	10,220
Due to others	124,383	-	39,634	164,017
TOTAL LIABILITIES	3,221,583	1,422,438	3,924,209	8,568,230
FUND BALANCES:				
Nonspendable				
Prepaid expenses and other assets	317,807	-	432,719	750,526
Inventories	119,012	-	-	119,012
Spendable				
Restricted	-	23,886,981	22,700,307	46,587,288
Committed	-	-	1,059,831	1,059,831
Assigned	-	-	1,438,315	1,438,315
Unassigned (deficit)	13,517,367	-	(1,308,799)	12,208,568
TOTAL FUND BALANCES	13,954,186	23,886,981	24,322,373	62,163,540
TOTAL LIABILITIES AND FUND BALANCES	\$ 17,175,769	\$ 25,309,419	\$ 28,246,582	\$ 70,731,770

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, 2018

Statement D

Total fund balances - governmental funds \$ 62,163,540

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 and construction in progress	\$	43,964,928	
Costs of capital assets - depreciable assets		255,566,814	
Depreciation expense to date		<u>(159,262,587)</u>	
			140,269,155

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 - Capital Infrastructure Assets	\$	716,490	
Receivable - Sales tax increment - I-20 Corridor		272,000	
Receivable - Sales tax increment - Tower Drive		<u>75,000</u>	
			1,063,490

Deferred outflows of resources are not available to pay current period expenditures are therefore are not reported in the governmental funds. 18,349,119

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, 2018 are:			
Accrued interest payable			(541,600)
Bonds payable	\$	(63,305,800)	
Bond premium		(293,507)	
Claims and judgments payable		(8,411,965)	
Obligation under capital leases		(3,440,229)	
Compensated absences payable		(5,739,079)	
Other post employment benefits		(23,318,319)	
Net pension obligation		<u>(73,473,890)</u>	
			(177,982,789)

Deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the governmental funds. (5,625,998)

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	\$	2,092,646	
Inventories		32,870	
Capital assets cost	\$	3,717,285	
Less accumulated depreciation		<u>(1,884,009)</u>	
Total capital assets, net		1,833,276	
Accounts payable and accrued expenses		(705,691)	
Interfund payable		<u>(35)</u>	
			3,253,066
Total net position - governmental activities	\$	<u><u>40,947,983</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, 2018

	GENERAL	SPECIAL REVENUE		TOTAL
		CAPITAL INFRASTRUCTURE	NONMAJOR GOVERNMENTAL	
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 7,974,634	\$ -	\$ 1,332,040	\$ 9,306,674
Sales	36,843,648	15,916,623	11,973,833	64,734,104
Other taxes, penalties and interest	872,303	-	-	872,303
Licenses, permits and assessments	2,869,768	-	36,000	2,905,768
Intergovernmental revenues	2,842,626	1,179,842	5,139,835	9,162,303
Fees, charges and commissions for services	7,162,393	-	840,635	8,003,028
Fines and forfeitures	587,018	-	9,677	596,695
Use of money and property	146,124	60,395	135,663	342,182
Miscellaneous revenues	84,760	-	216,843	301,603
Total revenues	59,383,274	17,156,860	19,684,526	96,224,660
EXPENDITURES				
Current:				
General government				
Legislative	568,093	-	-	568,093
Judicial	2,807,644	-	-	2,807,644
Executive	878,545	-	-	878,545
Financial administration	10,448,376	-	2,213,906	12,662,282
Other general government	1,302,920	-	6,962	1,309,882
Public Safety				
Police	12,689,205	-	4,724,813	17,414,018
Fire	12,674,395	-	4,149,633	16,824,028
Public Works				
Culture and recreation	9,809,659	1,663,823	903,560	12,377,042
Planning and urban development	3,987,931	-	278,011	4,265,942
Economic development and assistance	1,093,045	-	1,243,587	2,336,632
Capital outlay	-	-	128,128	128,128
Capital outlay	161,530	5,916,268	5,145,265	11,223,063
Debt service:				
Principal retirement	269,849	-	7,247,824	7,517,673
Interest and bank charges	53,831	-	2,356,793	2,410,624
Total expenditures	56,745,023	7,580,091	28,398,482	92,723,596
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	2,638,251	9,576,769	(8,713,956)	3,501,064
OTHER FINANCING SOURCES (USES)				
Transfers in	1,521,805	-	6,784,244	8,306,049
Transfers out	(4,648,017)	(12,097,095)	(1,402,143)	(18,147,255)
Sale of assets	101,453	-	-	101,453
Insurance recoveries	556,819	-	1,100,463	1,657,282
Refunding bonds issued	-	-	12,535,800	12,535,800
Payment to refunded bond escrow agent	-	-	(10,948,000)	(10,948,000)
TOTAL OTHER FINANCING SOURCES (USES)	(2,467,940)	(12,097,095)	8,070,364	(6,494,671)
NET CHANGE IN FUND BALANCES	170,311	(2,520,326)	(643,592)	(2,993,607)
FUND BALANCES - BEGINNING	13,783,875	26,407,307	24,965,965	65,157,147
FUND BALANCES - ENDING	\$ 13,954,186	\$ 23,886,981	\$ 24,322,373	\$ 62,163,540

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, 2018

Total net change in fund balances - governmental funds \$ (2,993,607)

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	\$ 11,194,141	
Depreciation	(12,508,519)	
		(1,314,378)

The net effect of various miscellaneous transactions involving capital assets, such as sales and trade-ins:

Basis of capital assets sold and traded in	(2,958)	
		(2,958)

Some revenues will not be collected for several months after year-end. They are not considered "available" revenues in the governmental funds.

Capital Infrastructure	716,490	
		716,490

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 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	73,017	
Bonds principal payments	16,465,800	
Capital leases and notes payable payments	2,117,278	
		18,656,095

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	105,086	
Claims and judgments payable	1,597,646	
Accrued vacation and sick pay	609,212	
		2,311,944

The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the governmental funds are the amounts actually paid.

(1,031,071)

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.

(4,027,823)

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.

490,055

Debt proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities.

(12,535,800)

Total net change in net position - governmental activities.

\$ 268,947

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

CITY OF MONROE
Monroe, Louisiana

Statement G

PROPRIETARY FUNDS
Statement of Fund Net Position
April 30, 2018

	BUSINESS - TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	Major Funds					ACTIVITIES -
	MONROE REGIONAL AIRPORT	WATER FUND	SEWER FUND	NON-MAJOR	TOTAL ENTERPRISE	INTERNAL SERVICE FUNDS
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ -	\$ 4,125,523	\$ 1,033,892	\$ 13,800	\$ 5,173,215	\$ 2,092,646
Restricted assets						
Cash and cash equivalents	1,464,668	2,449,335	4,574,135	-	8,488,138	-
Receivables, net	963,224	1,769,181	2,176,246	124,927	5,033,578	-
Interfund receivables	260	2,137,605	-	22,751	2,160,616	-
Inventories	-	467,082	58,429	86,102	611,613	32,870
Prepaid expenses and other assets	6,208	1,775	2,130	303,153	313,266	-
Total Current Assets	2,434,360	10,950,501	7,844,832	550,733	21,780,426	2,125,516
Noncurrent Assets:						
Capital Assets						
Land and construction in progress	7,369,255	2,845,623	10,138,008	1,141,779	21,494,665	45,000
Depreciable assets, net of depreciation	52,490,092	19,668,966	59,281,921	6,661,511	138,102,490	1,788,276
Total Noncurrent Assets	59,859,347	22,514,589	69,419,929	7,803,290	159,597,155	1,833,276
TOTAL ASSETS	62,293,707	33,465,090	77,264,761	8,354,023	181,377,581	3,958,792
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	518,667	1,769,807	986,366	1,624,678	4,899,518	-
Deferred outflows related to refunding	1,851,356	-	-	-	1,851,356	-
TOTAL DEFERRED OUTFLOWS	2,370,023	1,769,807	986,366	1,624,678	6,750,874	-
LIABILITIES						
Current Liabilities:						
Accounts and retainage payables	263,126	349,715	1,346,657	178,787	2,138,285	27,755
Accrued liabilities	-	266,280	-	-	266,280	677,936
Unearned revenue	-	-	-	109,107	109,107	-
Interfund payables	1,202,096	15,545	1,194,809	-	2,412,450	35
Due to others	3,000	-	-	7,464	10,464	-
Customer deposits, net	-	1,584,737	1,871	2,500	1,589,108	-
Accrued interest	136,652	33,195	362,934	-	532,781	-
Current portion of long term debt	753,290	788,998	5,059,989	366,685	6,968,962	-
Total Current Liabilities	2,358,164	3,038,470	7,966,260	664,543	14,027,437	705,726
Noncurrent Liabilities:						
Compensated absences	8,165	124,897	80,765	89,001	302,828	-
Revenue bonds, notes payable, net and pension liability	16,504,844	9,231,477	40,739,362	5,406,926	71,882,609	-
Total Noncurrent Liabilities	16,513,009	9,356,374	40,820,127	5,495,927	72,185,437	-
TOTAL LIABILITIES	18,871,173	12,394,844	48,786,387	6,160,470	86,212,874	705,726
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	150,254	352,704	196,573	323,782	1,023,313	-
NET POSITION						
Net investment in capital assets	44,546,741	18,670,749	27,108,637	7,803,290	98,129,417	1,833,276
Restricted						
Debt service	931,599	929,119	4,211,201	-	6,071,919	-
Revenue producing activity for airport	141,569	-	-	-	141,569	-
Passenger facility charges	859,851	-	-	-	859,851	-
Unrestricted (Deficit)	(837,457)	2,887,481	(2,051,671)	(4,308,841)	(4,310,488)	1,419,790
TOTAL NET POSITION (Deficit)	\$ 45,642,303	\$ 22,487,349	\$ 29,268,167	\$ 3,494,449	\$ 100,892,268	\$ 3,253,066

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, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	Major Funds					ACTIVITIES
	MONROE REGIONAL AIRPORT	WATER FUND	SEWER FUND	NON-MAJOR	TOTAL ENTERPRISE	INTERNAL SERVICE FUNDS
OPERATING REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,950,894
Rents and fees	2,739,543	-	-	1,161,909	3,901,452	-
Fares	-	-	-	543,880	543,880	-
Passenger facility fee	414,360	-	-	-	414,360	-
Advertising	12,859	-	-	37,813	50,672	-
Ticket sales and other	-	-	-	6,815	6,815	-
Admissions	-	-	-	279,412	279,412	-
Concessions and rides	-	-	-	327,311	327,311	-
Water sales	-	9,434,747	-	-	9,434,747	-
Sewerage fees	-	-	6,895,015	-	6,895,015	-
Other operating revenue	166,481	3,121	-	29,724	199,326	-
Air Industrial Park rent	257,263	-	-	-	257,263	-
Total operating revenues	3,590,506	9,437,868	6,895,015	2,386,864	22,310,253	12,950,894
OPERATING EXPENSES						
Benefits paid to participants	-	-	-	-	-	10,476,921
Salaries, wages, and benefits	1,929,710	4,312,362	2,712,860	4,604,812	13,559,744	963,313
Materials, repairs and supplies	648,028	2,366,916	1,847,799	1,493,966	6,356,709	8,889
Utilities and communications	386,567	722,948	742,306	838,039	2,689,860	45,447
Shop expenses	-	-	-	-	-	562,055
Insurance	11,917	-	-	429,970	441,887	-
Promoter's expenses	6,000	-	-	607,707	613,707	-
Other operating expenses	463,131	1,154,753	1,338,257	1,080,926	4,037,067	11,122
Depreciation and amortization	3,324,732	1,963,971	4,522,933	1,875,452	11,687,088	85,906
Total operating expenses	6,770,085	10,520,950	11,164,155	10,930,872	39,386,062	12,153,653
OPERATING INCOME (Loss)	(3,179,579)	(1,083,082)	(4,269,140)	(8,544,008)	(17,075,809)	797,241
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental grants	285,891	-	-	851,642	1,137,533	-
Gain (loss) on sale of assets	(5,155)	(7,569)	(10,289)	-	(23,013)	-
Interest income	7,623	4,865	9,869	5,164	27,521	3,157
Property taxes	446,019	-	-	2,216,782	2,662,801	-
Bond Issuance Cost	(344,294)	-	-	-	(344,294)	-
Interest expense	(434,148)	(138,264)	(987,981)	-	(1,560,393)	-
Total nonoperating revenues (expenses)	(44,064)	(140,968)	(988,401)	3,073,588	1,900,155	3,157
Income(Loss) before capital contributions and transfers	(3,223,643)	(1,224,050)	(5,257,541)	(5,470,420)	(15,175,654)	800,398
CAPITAL CONTRIBUTIONS AND TRANSFERS						
Capital contributions	1,576,287	-	970,000	2,247,731	4,794,018	-
Transfers in	-	651,957	5,897,577	3,623,613	10,173,147	461,657
Transfers out	-	-	(21,598)	-	(21,598)	(772,000)
Total Capital Contributions and Transfers	1,576,287	651,957	6,845,979	5,871,344	14,945,567	(310,343)
CHANGE IN NET POSTION	(1,647,356)	(572,093)	1,588,438	400,924	(230,087)	490,055
NET POSITION - BEGINNING	47,289,659	23,059,442	27,679,729	3,093,525	101,122,355	2,763,011
NET POSITION - ENDING	\$ 45,642,303	\$ 22,487,349	\$ 29,268,167	\$ 3,494,449	\$ 100,892,268	\$ 3,253,066

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, 2018

Statement I

GOVERNMENTAL

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					ACTIVITIES
	Major Funds					INTERNAL SERVICE FUNDS
	MONROE REGIONAL AIRPORT	WATER FUND	SEWER FUND	NON-MAJOR	TOTAL ENTERPRISE	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 3,159,934	\$ 9,258,727	\$ 5,950,180	\$ 2,378,180	\$ 20,747,021	\$ -
Payments to suppliers for goods and services	(1,460,345)	(4,253,993)	(3,693,944)	(4,450,609)	(13,858,891)	(10,837,606)
Payments to interfund services provided	49,566	1,999,921	1,055,694	(11,405)	3,093,776	12,950,893
Payments to employees for services and benefits	(1,747,730)	(4,057,293)	(2,613,031)	(4,150,716)	(12,568,770)	(963,313)
Net cash provided (used) for operating activities	<u>1,425</u>	<u>2,947,362</u>	<u>698,899</u>	<u>(6,234,550)</u>	<u>(2,586,864)</u>	<u>1,149,974</u>
CASH FLOWS (USES) FROM NONCAPITAL FINANCING ACTIVITIES:						
Operating grants	-	-	-	851,642	851,642	-
Ad valorem taxes	446,019	-	-	2,216,782	2,662,801	-
Transfers ins (outs)	-	651,957	5,875,979	3,623,613	10,151,549	(310,343)
Net cash provided (used) for noncapital financing activities	<u>446,019</u>	<u>651,957</u>	<u>5,875,979</u>	<u>6,692,037</u>	<u>13,665,992</u>	<u>(310,343)</u>
CASH FLOWS (USES) FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Capital grants	1,862,178	-	970,000	2,247,731	5,079,909	-
Acquisition of capital assets	(1,929,271)	(1,096,630)	(4,905,243)	(2,192,958)	(10,124,102)	-
Proceeds from bond refunding	15,625,000	1,179,840	7,952,036	-	24,756,876	-
Bond issuance costs	(344,294)	-	-	-	(344,294)	-
Other long term changes in LT Debt	122,159	48,853	(9,817)	-	161,195	-
Deferred outflows related to refunding	(1,851,356)	-	-	-	(1,851,356)	-
Principal paid on debt	(16,030,000)	(1,508,840)	(8,828,360)	(517,424)	(26,884,624)	-
Interest paid on debt	(503,665)	(147,472)	(1,045,042)	-	(1,696,179)	-
Net cash provided (used) for capital and related financing activities	<u>(3,049,249)</u>	<u>(1,524,249)</u>	<u>(5,866,426)</u>	<u>(462,651)</u>	<u>(10,902,575)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Earnings on investments	7,623	4,865	9,869	5,164	27,521	3,157
Interest expense	-	-	-	-	-	-
Net cash provided (used) for investing activities	<u>7,623</u>	<u>4,865</u>	<u>9,869</u>	<u>5,164</u>	<u>27,521</u>	<u>3,157</u>
Net increase (decrease) in cash and cash equivalents	(2,594,182)	2,079,935	718,321	-	204,074	842,788
CASH AND CASH EQUIVALENTS - BEGINNING	4,058,850	4,494,923	4,889,706	13,800	13,457,279	1,249,857
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 1,464,668</u>	<u>\$ 6,574,858</u>	<u>\$ 5,608,027</u>	<u>\$ 13,800</u>	<u>\$ 13,661,353</u>	<u>\$ 2,092,645</u>
Reconciliation to balance sheet						
Cash	\$ -	\$ 4,125,523	\$ 1,033,892	\$ 13,800	\$ 5,173,215	\$ 2,092,646
Restricted assets - cash	1,464,668	2,449,335	4,574,135	-	8,488,138	-
	<u>\$ 1,464,668</u>	<u>\$ 6,574,858</u>	<u>\$ 5,608,027</u>	<u>\$ 13,800</u>	<u>\$ 13,661,353</u>	<u>\$ 2,092,646</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (3,179,579)	\$ (1,083,082)	\$ (4,269,140)	\$ (8,544,008)	\$ (17,075,809)	\$ 797,241
Adjustments to reconcile operating income to net cash provided (used) for operating activities:						
Depreciation	3,324,732	1,963,971	4,522,933	1,875,452	11,687,088	85,906
Pension expense related to change in net pension liability	181,038	414,789	213,980	499,836	1,309,643	-
(Increase) decrease in accounts receivable	(430,572)	(226,431)	(944,116)	(70,481)	(1,671,600)	-
(Increase) decrease in interfund receivable	-	2,298,261	-	(11,405)	2,286,856	-
(Increase) decrease in inventories	-	13,282	(58,429)	72,220	27,073	20,721
(Increase) decrease in prepaid expenses	3,417	202	(2,130)	(33,762)	(32,273)	-
Increase (decrease) in accounts payable	51,881	(235,714)	294,977	(38,459)	72,685	3,303
Increase (decrease) in accrued liabilities	-	-	-	-	-	242,769
Increase (decrease) in unearned revenue	-	-	-	61,797	61,797	-
Increase (decrease) in interfund payable	49,566	(298,340)	1,055,694	-	806,920	35
Increase (decrease) in due to others	-	212,854	-	-	212,854	-
Increase (decrease) in customer deposits	-	47,290	(719)	-	46,571	-
Increase (decrease) in compensated absences	942	(159,720)	(114,151)	(45,740)	(318,669)	-
Net cash provided (used) by operating activities	<u>\$ 1,425</u>	<u>\$ 2,947,362</u>	<u>\$ 698,899</u>	<u>\$ (6,234,550)</u>	<u>\$ (2,586,864)</u>	<u>\$ 1,149,975</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, 2018

	PENSION TRUST FUNDS	AGENCY FUNDS	TOTAL
ASSETS			
Current assets			
Cash and cash equivalents	\$ 113,295	\$ 1,671,323	\$ 1,784,618
Accounts receivable	-	14,858,761	14,858,761
	113,295	16,530,084	16,643,379
LIABILITIES			
Current liabilities			
Accounts payable	-	103,402	103,402
Due to others	-	16,426,682	16,426,682
	-	16,530,084	16,530,084
Net position			
Restricted for pensions	113,295	-	113,295
	\$ 113,295	\$ -	\$ 113,295
Total net position	\$ 113,295	\$ -	\$ 113,295

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, 2018**

	Statement K
	PENSION TRUST FUNDS
ADDITIONS	
Investment income	
Interest	\$ 328
Total additions	<u>328</u>
DEDUCTIONS	
Benefits paid	<u>5,696</u>
Total deductions	<u>5,696</u>
Changes in net position	(5,368)
Net Position, beginning	<u>118,663</u>
Net Position, ending	<u><u>\$ 113,295</u></u>

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, 2018

	<u>CITY COURT OF MONROE</u>	<u>MONROE CITY MARSHAL</u>	<u>Statement L TOTAL</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,098,631	\$ 15,242	\$ 1,113,873
Investment	-	3,630	3,630
Receivables	29,947	10,663	40,610
Prepaid expenses	24,233	1,192	25,425
	<hr/>	<hr/>	<hr/>
Total current assets	1,152,811	30,727	1,183,538
Capital assets, net of accumulated depreciation			
	138,256	3,882	142,138
	<hr/>	<hr/>	<hr/>
Total assets	<u>1,291,067</u>	<u>34,609</u>	<u>1,325,676</u>
LIABILITIES			
Current liabilities			
Accounts payable	30,934	416	31,350
Accrued expenses	-	10,461	10,461
Noncurrent liabilities			
Obligation under capital lease			
Due within one year	641	-	641
	<hr/>	<hr/>	<hr/>
Total liabilities	31,575	10,877	42,452
	<hr/>	<hr/>	<hr/>
NET POSITION			
Net investment in capital assets	137,615	3,882	141,497
Unrestricted	1,121,877	19,850	1,141,727
	<hr/>	<hr/>	<hr/>
Total Net Position	1,259,492	23,732	1,283,224
	<hr/>	<hr/>	<hr/>
Total liabilities and net position	<u>\$ 1,291,067</u>	<u>\$ 34,609</u>	<u>\$ 1,325,676</u>

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, 2018

	CITY COURT OF MONROE	MONROE CITY MARSHAL	Statement M TOTAL
EXPENDITURES			
Judiciary			
Personal services	\$ 1,598,728	\$ 1,220,912	\$ 2,819,640
Operating services	312,708	166,336	479,044
Materials and supplies	62,141	10,615	72,756
Travel and other	78,661	7,406	86,067
Depreciation	19,451	2,856	22,307
Interest	62	172	234
	<hr/>	<hr/>	<hr/>
Total expenditures	2,071,751	1,408,297	3,480,048
PROGRAM REVENUES			
Fees, charges, and court costs			
Marshal's fees	-	186,579	186,579
Court costs	117,551	-	117,551
Civil fees	43,720	-	43,720
Agency fees	6,101	-	6,101
Probation fees	80,587	-	80,587
Reinstatement fees	1,888	-	1,888
Bond forfeitures	8,824	-	8,824
Other charges for services	36,905	23,622	60,527
	<hr/>	<hr/>	<hr/>
Total program revenues	295,576	210,201	505,777
Net program expense	<hr/> (1,776,175)	<hr/> (1,198,096)	<hr/> (2,974,271)
GENERAL REVENUES			
Intergovernmental - City of Monroe	1,603,522	1,204,125	2,807,647
Grant income - State	90,623		
Investment earnings	3,468	10	3,478
Bond forfeitures	-	7,038	7,038
	<hr/>	<hr/>	<hr/>
Total general revenues	1,697,613	1,211,173	2,818,163
Changes in net assets	(78,562)	13,077	(65,485)
NET POSITION			
Beginning of year (deficit)	<hr/> 1,338,054	<hr/> 10,655	<hr/> 1,348,709
End of year	<hr/> <u>\$ 1,259,492</u>	<hr/> <u>\$ 23,732</u>	<hr/> <u>\$ 1,283,224</u>

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

**City of Monroe
Monroe, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS

DIVIDER

**City of Monroe
Monroe, Louisiana**

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DIVIDER

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

<u>INDEX</u>	<u>Page</u>
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	54
A. FINANCIAL REPORTING ENTITY.....	54
B. BASIS OF PRESENTATION	
Government-wide Financial Statements	56
Fund Financial Statements.....	57
C. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS	59
Government-wide Financial Statements	59
Fund Financial Statements.....	59
D. BUDGET PRACTICES	61
E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY.....	62
F. INTERFUND ACTIVITIES	67
G. ACCOUNTING ESTIMATES.....	67
H. DEDICATED REVENUES	67
I. PROPERTY TAXES.....	68
NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY.....	70
NOTE 3 - CASH AND CASH EQUIVALENTS.....	71
NOTE 4 - RECEIVABLES	72
NOTE 5 - CHANGES IN CAPITAL ASSETS	73
NOTE 6 - ACCRUED LIABILITIES.....	75
NOTE 7 - ELECTRICAL SYSTEM OPERATING AGREEMENT	75
NOTE 8 - PENSION AND RETIREMENT PLANS	75
NOTE 9 - OTHER POST EMPLOYMENT BENEFITS	85
NOTE 10 - CAPITAL LEASES.....	88
NOTE 11 - LONG-TERM OBLIGATIONS	89
NOTE 12 - PLEDGED REVENUES	94
NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES.....	96
NOTE 14 - INTERFUND TRANSFERS	96
NOTE 15 - COMMITMENTS, LITIGATION AND CONTINGENCIES	97
NOTE 16 - ON-BEHALF PAYMENTS	98
NOTE 17 - RISK FINANCING ACTIVITIES	98
NOTE 18 - SALES TAX COLLECTIONS REMITTED TO OTHER TAXING AUTHORITES (CASH BASIS)	99
NOTE 19 - NONSPENDABLE, RESTRICTED, COMMITTED AND ASSIGNED FUND BALANCES	100
NOTE 20 - PASSENGER FACILITY CHARGE – MONROE REGIONAL AIRPORT	102
NOTE 21 - NEW GASB STANDARDS.....	103
NOTE 22 - TAX ABATEMENTS	104
NOTE 23 - SUBSEQUENT EVENTS	105

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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 significant 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
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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. The City provides 85% of the City Courts operating expenses. 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. The City provides 85% of the Monroe City Marshall's operating expenses. 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.

Management of the City considers these two component units to be significant enough that if the information was not included it would make these statements misleading.

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. 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

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

categories of the City's general-purpose financial statements.

Other Potential Component Units

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

B. BASIS OF PRESENTATION

The City's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the primary government and its component units and the fund financial statements. 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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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, deferred outflows/inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate.

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

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

Governmental 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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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.

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 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.

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.

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. The City operates the following four funds.

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

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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.

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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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 sales are incurred by the vendor.

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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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.

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, 2018, the City adopted a budget for the General Fund and all Special Revenue funds.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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.

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

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

for use by the airport. The amounts restricted for each are listed below:

General Obligation Bonds	\$6,071,919
Air Industrial Park	141,569
Passenger Facilities Charges	859,851
Utility Deposits	<u>1,589,108</u>
Total	<u>\$8,662,447</u>

ACCOUNTS RECEIVABLE:

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

INTERFUND RECEIVABLES AND PAYABLES:

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as interfund receivables/payables. 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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

All purchased capital assets are valued at cost where historical records are available and at estimated cost where no historical records are available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition 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.

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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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.

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, 2018, 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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

NET POSITION/FUND BALANCE:

In the Statement of Net Position, the difference between a government's assets, liabilities and deferred outflows/inflows of resources 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.

The following net positions are considered restricted through enabling legislation:

- Debt service resources from sales and use taxes levied specifically to meet the principal and interest payments of various revenue bond issues via an approved public referendum in accordance with state law and bond covenants with investors. The total amount restricted for this purpose was \$14,975,690.
- Available resources from ad valorem taxes specifically dedicated by taxing propositions approved by voters for the payment of capital improvements for the fire and police departments. The total amount restricted for this purpose was \$1,515,365.
- Available resources from sales taxes specifically dedicated by taxing propositions approved by voters for the payment of salaries and benefits to fire and police departments. The total amount restricted for this purpose was \$2,136,689.
- Available resources from sales taxes specifically dedicated by taxing propositions approved by voters for the payment of public works infrastructures. The total amount restricted for this purpose was \$23,886,981.

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

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. Committed fund balance is the result of resolutions that were passed at a Council

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

meeting committing the funds.

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. The Mayor has the authority to assign unrestricted fund balance amounts.

Unassigned - All amounts not included in other spendable classifications. Unassigned fund balances are the residual classification for the City's General fund. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes.

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.

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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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 2018, levied in fiscal 2019, and will expire with the 2028 tax roll.

For both the police and fire departments, 1.50 mills was renewed by the voters in 2018, levied in fiscal 2019, and will expire with the 2028 tax roll.

For capital improvements, 3.25 mills was renewed by the voters in 2018, levied in fiscal 2019, and will expire with the 2028 tax roll.

For airport improvements, 1.00 mills was passed by the voters in 2018, levied in fiscal 2019, and will expire with the 2028 tax roll.

I. *PROPERTY TAXES*

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish assessor, except for public utility property, which is assessed by the Louisiana Tax Commission. The 1974 Louisiana Constitution provides that land and residential property are to be assessed at 10% of fair market value; however, agricultural, horticultural, marsh lands, timber lands, and certain historic buildings are to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The assessor is required to reappraise all property every four years. Based on the reappraised value, the assessor will “roll forward” or “roll back” the tax millage to equal the prior year taxable amount. If the assessor “rolls back” the tax millage, the City has the option to “roll forward” the millage rate to the prior year’s maximum rate. The City did not “roll forward” the 2016 millage rate for the new reassessment period.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

The Ouachita Parish Sheriff's Office bills and collects property taxes for the City. Collections are remitted to the City monthly.

Property Tax Calendar

Millage rates adopted	August 2017
Tax bills mailed	November 2017
Taxes due date	December 31, 2017
Lien date	January 1, 2018
Penalties and interest are added	January 1, 2018
Collection dates	November 2017 thru February 2018
Tax sale – 2017 delinquent property	March 2018

Assessed values are established by the Ouachita Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2017. Total assessed value for the City of Monroe was \$434,263,534 for the 2017 calendar year for Ouachita Parish as a whole. Louisiana state law generally exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. The homestead exemption applies to property taxes levied in all political subdivisions other than taxes levied by municipalities, except it does apply to municipal taxes levied in Orleans Parish. Accordingly, this homestead exemption did not apply to the City of Monroe for the calendar year 2017, and accordingly, all assessed property within the boundaries of the City of Monroe was subject to the millages levied by the City.

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

The tax roll is prepared by the tax assessor and approved by the State Tax Commission in November of each year. The amount of 2017 property taxes to be collected occurs in December 2017 and January and February 2018. All property taxes are recorded in the funds identified in the chart below on the basis explained in Note 1.H. The City considers the lien date (January 1, 2018) as the date an enforceable legal claim occurs for 2017 property taxes. Property tax revenue is recognized in the period for which the taxes are levied (budgeted). Accordingly, the 2017 property taxes are budgeted in the 2017-2018 fiscal year of the City.

Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Historically,

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

<u>City-wide taxes:</u>	Reported in Fund	<u>Date Renewed</u> <u>By Voters</u>	Authorized <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
General Fund	General Fund	Statutory	12.41	10.49	Statutory
Recreation Facilities	General Fund	2013	1.88	1.89	2023
Safety Services	General Fund	2013	1.06	1.07	2023
Drainage Facilities	General Fund	2013	1.31	1.32	2023
Civic Center	Civic Center Enterprise Fund	2008	2.50	2.51	2028
LA Purchase Garden & Zoo	&LA Purchase Garden & Zoo Enterprise Fund	2018	2.50	2.51	2028
Capital Improvements	Capital Improvement Capital Project Fund	2018	3.25	3.27	2028
Police Department	Fire & Police Capital Tax Special Revenue Fund	2018	1.50	1.51	2028
Fire Department	Fire & Police Capital Tax Special Revenue Fund	2018	1.50	1.51	2028
Airport Improvements	Airport Enterprise Fund	2018	1.00	1.01	2028

Differences noted between authorized and levied millages are the result of the reassessment of taxable property required by Article 7, Section 23 of the Louisiana Constitution of 1974.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Fund Deficits: The City of Monroe has deficit fund balances in three funds at April 30, 2018. The Emergency Shelter and CDBG Loan special revenue funds have deficit fund balance of \$3,885 and \$51,966, respectively. This deficit will be cleared by reprogramming funds for low income grant recipients. The Kansas Lane Connector capital project fund has a deficit of \$956,199. This deficit will be cleared by future grant revenues.

The Louisiana Purchase Gardens and Zoo fund has a deficit fund balance of \$675,540. This deficit will be cleared by an increase in revenue due to the addition of a train ride at the zoo.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

Excess of Expenditures Over Appropriations in Individual Funds: The following individual funds had actual expenditures over budgeted expenditures for the year ended April 30, 2018:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Capital Infrastructure	\$ 19,287,150	\$ 19,677,186	\$ (390,036)
Urban Development Action	-	947	(947)
CDBG Loan	-	35,192	(35,192)
Bond Forfeiture	-	95,718	(95,718)
DARE Program	1,482	24,461	(22,979)
Diversion Program	-	54,000	(54,000)
Equitable Share-Federal Seizure	6,084	7,072	(988)
Justice Assistance Grant	-	16,639	(16,639)
Downtown Economic Development	-	43,679	(43,679)
Administrative Economic Development	97,222	356,882	(259,660)
HOME Program Loans	-	15,954	(15,954)
Demolition	16,055	67,131	(51,076)
Employees' Benefits Fund	-	373,708	(373,708)
MPD K-9 Donations	3,136	4,350	(1,214)
PTFA-2012	-	30	(30)
Southside Economic Development District	-	12,826	(12,826)

3. CASH AND CASH EQUIVALENTS

At April 30, 2018, the City has cash and cash equivalents, totaling \$72,999,643, (including \$1,784,618 in fiduciary funds and excluding discretely presented component units) as follows:

Petty cash	\$ 19,560
Demand deposits	56,073,604
Money market funds	10,857,543
LAMP	6,048,936
Total	<u>\$ 72,999,643</u>

Credit Risk: LAMP is rated AAAM by Standard and Poor's rating. The money market funds are rated by Aaa-mf by Moody's rating.

Interest Rate Risk: 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, 2018.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

Custodial credit risk: 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.

The money market funds are invested in U.S. Treasury bills, notes and bonds and other U.S. governmental obligations that are exempt from state and local income tax.

For deposits, these 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, 2018, are secured, as follows:

Bank balances	\$ 78,667,007
Federal deposit insurance	\$ 1,000,000
Collateralized with pledged securities, not in the City's name	77,667,007
Total	\$ 78,667,007

4. RECEIVABLES

Accounts receivable of \$16,515,831 at April 30, 2018, are comprised of the following:

	Taxes - Ad Valorem	Taxes - Sales	Grants	Customer Accounts	Other	Total
Governmental Funds						
General	\$ 168,009	\$ 2,981,302	\$ 8,769	\$ 634,175	\$ 1,072,307	\$ 4,864,562
Capital Infrastructure	-	1,243,380	556,504	-	-	1,799,884
Nonmajor Governmental	28,126	1,628,135	1,366,934	-	1,475,362	4,498,557
Total Governmental	196,135	5,852,817	1,932,207	634,175	2,547,669	11,163,003
Proprietary Funds						
Monroe Regional Airport	9,406	-	615,761	338,009	48	963,224
Water Fund	-	-	-	1,769,181	-	1,769,181
Sewer Fund	-	-	851,813	1,324,433	-	2,176,246
Nonmajor Enterprise	46,752	-	75,867	2,308	-	124,927
Total Proprietary	\$ 56,158	\$ -	\$ 1,543,441	\$ 3,433,931	\$ 48	\$ 5,033,578
Long-term receivables reported in governmental activities						1,063,490
TOTAL						\$ 17,260,071

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

The receivables shown above are net of an allowance for doubtful accounts of \$2,609,841 as of April 30, 2018. The allowance for doubtful accounts was reported for the following customer accounts receivables:

Fund	Type of Sale	Amount
General	Garbage Collections	\$ 526,666
Water	Water Sales	1,122,811
Sewer	Sewer Fees	960,364
		\$ 2,609,841

5. CHANGES IN CAPITAL ASSETS

The following schedule presents changes in capital assets for the year ended April 30, 2018:

	Balance April 30, 2017	Additions	Retirements	Balance April 30, 2018
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 22,135,975	\$ 2,634,680	\$ -	\$ 24,770,655
Land - internal service	45,000	-	-	45,000
Construction in progress	14,460,749	8,295,938	(3,562,414)	19,194,273
Total capital assets not being depreciated	36,641,724	10,930,618	(3,562,414)	44,009,928
Capital assets, being depreciated				
Buildings and improvements	40,466,179	98,120	-	40,564,299
Buildings and improvements - internal service	3,406,242	-	-	3,406,242
Equipment and Furniture	36,158,558	331,235	(32,058)	36,457,735
Equipment and Furniture - internal service	266,043	-	-	266,043
Infrastructure	175,148,198	3,396,582	-	178,544,780
Total capital assets being depreciated	255,445,220	3,825,937	(32,058)	259,239,099
Less: accumulated depreciation				
Buildings and improvements	(26,005,162)	(1,137,200)	-	(27,142,362)
Equipment and furniture	(25,324,178)	(3,358,991)	29,100	(28,654,069)
Infrastructure	(95,453,828)	(8,012,328)	-	(103,466,156)
Buildings and improvements-internal service	(1,532,809)	(85,156)	-	(1,617,965)
Equipment and furniture-internal service	(265,294)	(750)	-	(266,044)
Total accumulated depreciation	(148,581,271)	(12,594,425)	29,100	(161,146,596)
Total capital assets being depreciated, net	106,863,949	(8,768,488)	(2,958)	98,092,503
Total governmental funds capital assets, net	\$ 143,505,673	\$ 2,162,130	\$ (3,565,372)	\$ 142,102,431

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

	Balance April 30, 2017	Additions	Retirements	Balance April 30, 2018
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 5,607,941	\$ 300,515	\$ (5,155)	\$ 5,903,301
Construction in progress	14,065,225	7,354,096	(5,827,958)	15,591,363
Total capital assets not being depreciated	19,673,166	7,654,611	(5,833,113)	21,494,664
Capital assets, being depreciated				
Buildings/Improvements	77,704,071	-	(29,196)	77,674,875
Infrastructure	196,453,479	5,784,659	-	202,238,138
Equipment	22,547,219	2,494,933	(1,326,887)	23,715,265
Total capital assets being depreciated	296,704,769	8,279,592	(1,356,083)	303,628,278
Less: accumulated depreciation				
Buildings and improvements	(31,489,393)	(2,909,670)	29,195	(34,369,868)
Equipment and furniture	(16,401,615)	(2,196,405)	1,326,888	(17,271,132)
Infrastructure	(107,303,770)	(6,581,014)	-	(113,884,784)
Total accumulated depreciation	(155,194,779)	(11,687,088)	1,356,083	(165,525,784)
Total capital assets being depreciated, net	141,509,990	(3,407,496)	-	138,102,494
Total business-type activities capital assets, net	\$ 161,183,156	\$ 4,247,115	\$ (5,833,113)	\$ 159,597,158

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

Governmental Activities:

General Government	\$ 830,953
Public Safety	2,032,692
Public Works - internal service	85,907
Public Works	8,802,237
Planning and Urban Development	12,943
Culture and Recreation	829,693
Total depreciation expense - governmental activities	\$ 12,594,425

Business-Type Activities:

Airport	\$ 3,324,732
Transit	1,006,365
Civic Center	715,323
Zoo	153,764
Water	1,963,971
Sewer	4,522,933
Total depreciation expense - business-type activities	\$ 11,687,088

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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

6. ACCRUED LIABILITIES

Accrued liabilities as of April 30, 2018 consist of the following:

Fund	Salaries and Benefits	Claims Payable	Total
General	\$ 1,889,513	\$ -	\$ 1,889,513
Water fund	266,280	-	266,280
Internal Service	-	677,936	677,936
TOTAL	\$ 2,155,793	\$ 677,936	\$ 2,833,729

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 \$2,442,869 for the year ended April 30, 2018.

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. These plans are closed to new entrants and has five inactive employees that are receiving benefits. No other employees will receive benefits under these plans.

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, 2018.

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, 2018.

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, 2018 as follows: Policemen's, \$103,453 and Bus Drivers', \$9,842. The Policemen's and Bus Drivers' Pension and Relief Funds do not issue a standalone report.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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, www.lampers.org, and 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

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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 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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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.

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

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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.

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 City's 2017-2018 fiscal year is 24.75% and the employee contribution rate is 9.5%. The City's contributions to MERS for the year ended was \$4,300,186. 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 30.75% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous duty members hired after January 1, 2013 were 30.75% 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 33.25% and 7.5%, respectively. The City's contributions to the MPERS for the City's fiscal year was \$2,557,245. The contribution required for FRS for the City's fiscal year for employers was 28.5% below poverty and 26.5% above poverty. For employees the rates were 10% above poverty and 8% below poverty. The City's contributions to the FRS for the City's fiscal year was \$2,406,351.

The employer contribution rate for MERS for the plan's 2016-2017 fiscal year is 22.75% and the employee contribution rate is 9.5%. The City's contributions to MERS for the plan's year ended was \$4,238,124. 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 31.75% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous duty members hired after January 1, 2013 were 33.75% 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 34.25% and 7.5%, respectively. The City's contributions to the MPERS for the year plans 2016-2017 fiscal year was \$2,744,955. The contribution required for FRS for the plans 2016-2017 fiscal year for employers was 27.25% below poverty and 25.25% above poverty. For employees the rates were 10% above poverty and 8% below poverty. The City's contributions to the FRS for the plan 2016-2017 fiscal year was \$2,263,532.

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 \$628,871 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 \$552,486 for MPERS and \$969,538 for FRS were recognized as revenue during the fiscal year.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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

At April 30, 2018, the City reported liabilities of \$42,742,500, \$25,266,586, and \$21,956,157 for its proportionate share of the MERS, MPERS, and FRS, respectively, Net Pension Liability (NPL). The NPL was measured as of June 30, 2017, 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, 2017 as compared to the total of all employers' contributions to the respective retirement plans during the year ended 2017. As of June 30, 2017, the most recent measurement date, the City's proportions and the changes in proportion from the prior measurement date were as follows:

<u>System</u>	<u>City's Proportion</u>	<u>Change in Proportion</u>
MERS	10.21712%	(0.58732%)
MPERS	2.894085%	(0.25489%)
FRS	3.830554%	(0.20424%)

For the year ended April 30, 2018, the City recognized a total pension expense of \$13,361,340, or \$6,705,258 for MERS, \$3,039,230 for MPERS and \$3,616,852 for FRS. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Governmental Activities:

	<u>Deferred Outflows</u>				<u>Deferred Inflows</u>			
	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>Total</u>	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ -	\$ 165,444	\$ -	\$ 165,444	\$ 822,973	\$ 194,204	\$ 1,181,451	\$ 2,198,628
Changes of assumptions	451,832	1,797,857	886,092	3,135,781	-	-	5,052	5,052
Net difference between projected and actual earnings on pension plan investments	5,448,999	1,106,076	1,822,564	8,377,639	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,262	217,234	150,992	371,488	795,168	1,561,832	1,065,318	3,422,318
Employer contributions subsequent to the measurement date	2,215,443	2,111,566	1,971,758	6,298,767	-	-	-	-
Total	\$ 8,119,536	\$ 5,398,177	\$ 4,831,406	\$18,349,119	\$ 1,618,141	\$ 1,756,036	\$ 2,251,821	\$ 5,625,998

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

Business-Type Activities:

	Deferred Outflows				Deferred Inflows			
	MERS	MPERS	FRS	Total	MERS	MPERS	FRS	Total
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ -	\$ 478,788	\$ -	\$ 42,977	\$ 521,765
Changes of assumptions	262,866	-	32,233	295,099	-	-	184	184
Net difference between projected and actual earnings on pension plan investments	3,170,108	-	66,299	3,236,407	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,897	-	5,493	7,390	462,611	-	38,753	501,364
Employer contributions subsequent to the measurement date	1,288,896	-	71,726	1,360,622	-	-	-	-
Total	<u>\$ 4,723,767</u>	<u>\$ -</u>	<u>\$ 175,751</u>	<u>\$ 4,899,518</u>	<u>\$ 941,399</u>	<u>\$ -</u>	<u>\$ 81,914</u>	<u>\$ 1,023,313</u>

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 subsequent fiscal year end. 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>
2019	\$ 1,089,601	\$ 587,043	\$ 562,911	\$ 2,239,555
2020	1,769,704	1,120,916	927,868	3,818,488
2021	1,182,281	415,462	119,252	1,716,995
2022	244,366	(592,846)	(803,690)	(1,152,170)
2023	-	-	(101,676)	(101,676)
2024	-	-	(96,838)	(96,838)

Business-Type Activities:

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>Total</u>
2019	\$ 633,906	\$ -	\$ 20,477	\$ 654,383
2020	1,029,575	-	33,753	1,063,328
2021	687,825	-	4,338	692,163
2022	142,166	-	(29,235)	112,931
2023	-	-	(3,699)	(3,699)
2024	-	-	(3,523)	(3,523)

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>
Valuation Date	June 30, 2017	June 30, 2017	June 30, 2017
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	7.4%, net of investment exp.	7.325%, net of investment exp.	7.4%, net of investment exp.
Inflation Rate	2.775% per annum	2.70% per annum	2.775% per annum
Mortality - Non-disabled	RP-2000 Disabled Lives Mortality 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 projected to 2028 using Scale AA)	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 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA for employee, annuitant and beneficiary mortality
Mortality - Disabled	RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)	RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females)	RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females)
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

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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:

	Target Allocation	LT Expected Real Rate of Return
MERS (arithmetic)		
Public equity	50.00%	2.30%
Public fixed income	35.00%	1.60%
Alternatives	15.00%	0.70%
Total	<u>100.00%</u>	<u>4.60%</u>
Inflation		<u>2.60%</u>
Expected arithmetic nominal return		<u><u>7.20%</u></u>
MPERS (arithmetic)		
Equity	53.00%	3.66%
Fixed Income	21.00%	0.52%
Alternative	20.00%	1.10%
Other	6.00%	0.16%
Total	<u>100.00%</u>	<u>5.44%</u>
Inflation		<u>2.75%</u>
Expected arithmetic nominal return		<u><u>8.19%</u></u>
FRS (arithmetic)		
Equity	57.00%	6.82%
Fixed Income	23.00%	2.04%
Alternative	10.00%	6.67%
Other	10.00%	4.40%
Total	<u>100.00%</u>	<u>5.54%</u>
Inflation		<u>2.75%</u>
Expected arithmetic nominal return		<u><u>8.29%</u></u>

Discount Rate. The discount rate used to measure the total pension liability was 7.40% for MERS and FRS whereas 7.325% was used for MPERS. 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

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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:

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS	\$ 54,468,154	\$ 42,742,500	\$ 32,740,840
MPERS	34,908,225	25,266,586	17,177,946
FRS	31,550,150	21,956,157	13,891,027

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, 2018, the City had \$666,256, \$272,108, and \$269,838 in payables to MERS, MPERS, and FRS, respectively, for the April 2018 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.

Funding 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 2018 and 2017, the City of Monroe’s portion of health care funding cost for retired employees totaled \$1,733,772 and \$2,356,043, 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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Normal Cost	\$ 2,077,281	\$ 1,542,828	\$ 983,904
30-year UAL amortization amount	4,028,265	3,976,169	2,548,000
Annual required contribution (ARC)	<u>\$ 6,105,546</u>	<u>\$ 5,518,997</u>	<u>\$ 3,531,904</u>

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, 2018, 2017 and 2016 respectively:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Beginning Net OPEB Obligation	\$ 19,290,496	\$ 16,420,317	\$ 14,542,045
Annual required contribution	6,105,546	5,518,997	3,531,904
Interest on Net OPEB Obligation	771,620	656,814	581,682
ARC Adjustment	<u>(1,115,571)</u>	<u>(949,589)</u>	<u>(840,968)</u>
OPEB Cost	5,761,595	5,226,222	3,272,618
Contribution to Irrevocable Trust	-	-	-
Current year retiree premium	<u>(1,733,772)</u>	<u>(2,356,043)</u>	<u>(1,394,346)</u>
Change in Net OPEB Obligation	<u>4,027,823</u>	<u>2,870,179</u>	<u>1,878,272</u>
Ending Net OPEB Obligation	<u>\$ 23,318,319</u>	<u>\$ 19,290,496</u>	<u>\$ 16,420,317</u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
April 30, 2018	\$ 5,761,595	30.09%	\$ 23,318,319
April 30, 2017	5,226,222	45.08%	19,290,496
April 30, 2016	3,272,618	42.61%	16,420,317

Funded Status and Funding Progress - In 2018 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, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year April 30, 2018 was \$72,442,834 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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

	2018
Actuarial Accrued Liability (AAL)	\$ 72,442,834
Actuarial Value of Plan Assets (AVP)	-
Unfunded Act. Accrued Liability (UAAL)	\$ 72,442,834
Funded Ratio (AVP/AAL)	0.00%
Covered Payroll (active plan members)	\$ 40,776,939
UAAL as a percentage of covered payroll	177.66%

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

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

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

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

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 13.9%.

Post employment Benefit Plan Eligibility Requirements - Based on the experience of this plan's actual retirement over the past ten years, it has been assumed that entitlement to benefits will commence after a delay past the earliest retirement (D.R.O.P. entry) eligibility, as described above under "Plan Description". The delay is six years for those first eligible for retirement (D.R.O.P. entry) before age 60 and four years on or after age 60. Medical benefits are provided to employees upon actual retirement.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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 - Based on analysis of this plan's rates over the past eight years, the expected rate of increase for medical cost is based on a flat 5.5% annual trend.

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 60% of the total blended retiree premiums before and after Medicare eligibility (age 65). Retirees on Medicare who pay the Medicare premium receive a \$50 monthly discount on their share of the premium. Since unblended rates are required by GASB 45, we have estimated the total unblended rates to be 130% of the blended rates before age 65 and 80% of the blended rates after age 65. The unblended employer rate is then the estimated total unblended rate less the retiree's share of the premium.

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 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%.

In October 2016, the City entered into a lease for 32 police vehicles and related equipment. The original amount of the obligation was \$1,626,825 and bears interest at 1.484%.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

In November 2016, the City had terminated the 2013 capital lease for golf carts, traded in the golf carts and entered into a new lease for 68 new golf carts. The original amount of the obligation was \$320,107 and bears an interest rate of 2.9%.

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	\$ 320,107	\$ 64,021	\$ 90,697
Police communication equipment	1,178,708	117,871	648,289
Fire equipment	2,494,292	692,763	1,308,250
Police vehicles	1,464,943	292,989	366,236

The future minimum lease payments are as follows:

<u>Fiscal Years Ended April 30:</u>	<u>Future Minimum Lease Payments</u>
2019	\$ 1,415,878
2020	1,418,367
2021	791,428
	<u>\$ 3,625,673</u>
Less: Amounts representing Interest	(185,444)
Present Value of Future Minimum Lease Payments	<u>\$ 3,440,229</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, 2018:

	<u>Balance April 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance April 30, 2018</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>					
Tax increment bonds	\$ 28,000,000	\$ -	\$ (3,155,000)	\$ 24,845,000	\$ 3,245,000
Sales tax revenue bonds	39,235,800	12,535,800	(13,310,800)	38,460,800	2,538,600
Premium	366,524	-	(73,017)	293,507	64,944
Total bonds payable	<u>67,602,324</u>	<u>12,535,800</u>	<u>(16,538,817)</u>	<u>63,599,307</u>	<u>5,848,544</u>
Claims and judgments	10,009,611	250,671	(1,848,317)	8,411,965	533,448
Capital leases	4,727,592	-	(1,287,363)	3,440,229	1,287,363
Notes payable	829,915	-	(829,915)	-	-
Accrued vacation and sick pay	6,348,291	3,495,557	(4,104,769)	5,739,079	4,104,769
Other post employment benefits	19,290,496	5,761,595	(1,733,772)	23,318,319	-
Net pension liability	83,304,812	(355,289)	(9,475,633)	73,473,890	-
Total Long-Term Debt	<u>\$ 192,113,041</u>	<u>\$ 21,688,334</u>	<u>\$ (35,818,586)</u>	<u>\$ 177,982,789</u>	<u>\$ 11,774,124</u>

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

<u>Business-type Activities:</u>	Balance April 30, 2017	Additions	Deletions	Balance April 30, 2018	Amounts Due Within One Year
Sales tax revenue bonds - Water	\$ 4,172,840	\$ 1,179,840	\$ (1,508,840)	\$ 3,843,840	\$ 502,280
Premium - Water	3,448	-	(3,448)	-	-
Sales tax revenue bonds - Sewer	43,187,616	7,952,036	(8,828,360)	42,311,292	4,854,554
Premium - Sewer	13,795	-	(13,795)	-	-
General obligation bonds - Airport	15,830,000	15,625,000	(16,030,000)	15,425,000	725,000
Discount - Airport	-	(117,746)	5,352	(112,394)	(5,352)
Total bonds payable	<u>63,207,699</u>	<u>24,639,130</u>	<u>(26,379,091)</u>	<u>61,467,738</u>	<u>6,076,482</u>
Accrued vacation and sick pay	1,346,521	741,269	(892,480)	1,195,310	892,480
Net pension liability	16,885,403	1,503,081	(1,897,131)	16,491,353	-
Total Long-Term Debt	<u>\$ 81,439,623</u>	<u>\$ 26,883,480</u>	<u>\$ (29,168,702)</u>	<u>\$ 79,154,401</u>	<u>\$ 6,968,962</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.

Each year the Louisiana Public Employee Retirement System Actuary Committee approves the contribution rates for employees and employers needed to fund 100% of the annual required contribution required to fund both the current and unfunded portions of the net pension liability as required by state law for each state-sponsored retirement system plan. The City pays 100% of the required annual contribution, as determined by eligible active employee wages, and contributions are funded from the same sources the related salaries are paid. The net pension liability will be liquidated through contributions to the pension plans from the governmental funds in which the related salary was paid.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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, 2018</u>	<u>Amounts Due Within A Year</u>
GOVERNMENTAL ACTIVITIES						
Tax Increment Bonds:						
Tower Drive Series 2012	2012	\$ 10,590,000	2.71%	2025	\$ 6,310,000	\$ 830,000
I-20 Development Series 2011	2011	10,000,000	3.00% - 5.00%	2025	5,770,000	735,000
I-20 Development Series 2012	2012	20,530,000	2.71%	2025	12,765,000	1,680,000
Total Tax Increment Bonds		<u>41,120,000</u>			<u>24,845,000</u>	<u>3,245,000</u>
Sales Tax Bonds:						
Series 2011A Refunding	2011	14,690,000	3.190%	2028	13,310,000	305,000
Series 2012 Refunding	2012	16,860,000	3.00% - 4.00%	2028	12,615,000	1,030,000
Series 2017 Refunding	2017	12,535,800	2.10%	2027	12,535,800	1,203,600
Total Sales Tax Bonds		<u>44,085,800</u>			<u>38,460,800</u>	<u>2,538,600</u>
TOTAL GOVERNMENTAL ACTIVITIES		<u>\$ 85,205,800</u>			<u>\$ 63,305,800</u>	<u>\$ 5,783,600</u>
BUSINESS TYPE ACTIVITIES						
Sales Tax Bonds - Water:						
Series 2006	2006	\$ 3,000,000	3.45%	2029	\$ 1,900,000	\$ 145,000
Series 2011 Refunding	2011	1,916,000	5.00%	2021	764,000	244,000
Series 2017 Refunding	2017	1,179,840	2.10%	2027	1,179,840	113,280
Total Sales Tax Bonds - Water		<u>6,095,840</u>			<u>3,843,840</u>	<u>502,280</u>
Sales Tax Bonds - Sewer:						
Series 2008 - DEQ #5	2008	14,000,000	0.95%	2026	6,922,976	685,000
Series 2011 Refunding	2011	7,664,000	2.50% - 5.00%	2021	3,056,000	976,000
Series 2012A Refunding	2012	32,000,000	2.89%	2028	22,705,000	1,990,000
Series 2013 - DEQ #6	2013	11,700,000	0.95%	2028	4,907,956	750,434
Series 2017 Refunding	2017	4,719,360	2.10%	2027	4,719,360	453,120
Total Sales Tax Bonds - Sewer		<u>70,083,360</u>			<u>42,311,292</u>	<u>4,854,554</u>
General Obligation Bonds - Airport:						
Series 2017 LCDA Taxable Revenue Refunding	2017	15,625,000	2.00% - 4.10%	2039	15,425,000	725,000
Total Airport Revenue Bonds		<u>15,625,000</u>			<u>15,425,000</u>	<u>725,000</u>
TOTAL BUSINESS TYPE ACTIVITIES		<u>\$ 91,804,200</u>			<u>\$ 61,580,132</u>	<u>\$ 6,081,834</u>

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

The debt service requirements to amortize all bonds, capital leases and notes payable outstanding at April 30, 2018, are as follows:

Year Ended April 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 7,108,184	\$ 2,394,869	\$ 9,503,053	\$ 6,074,271	\$ 1,799,350	\$ 7,873,621
2020	7,565,239	2,136,533	9,701,772	6,020,834	1,622,699	7,643,533
2021	7,091,780	1,872,820	8,964,600	6,180,924	1,455,064	7,635,988
2022	7,876,472	1,599,144	9,475,616	5,438,752	1,290,964	6,729,716
2023	8,023,354	1,292,941	9,316,295	4,913,042	1,148,219	6,061,261
2024-2028	29,081,000	2,306,000	31,387,000	22,932,309	3,638,021	26,570,330
2029-2033	-	-	-	4,550,000	1,608,264	6,158,264
2034-2038	-	-	-	4,775,000	673,485	5,448,485
2039	-	-	-	695,000	28,495	723,495
Total	\$ 66,746,029	\$ 11,602,307	\$ 78,348,336	\$ 61,580,132	\$ 13,264,561	\$ 74,844,693

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.

Refunding: During the fiscal year, the City issued \$18,435,000 in revenue bonds to current refund \$16,100,000 in sales tax revenue bonds to reduce total future debt service payments. The net proceeds of \$16,142,749 (bond proceeds of \$18,435,000 less \$203,251 in bond issuance costs and \$2,089,000 in swap termination fees) on August 10, 2017 were deposited in an irrevocable trust with an escrow agent to provide resources for all future debt service payments of the refunded bonds. The refunding provided resources for the current redemption of Series 2007 in sales tax revenue bonds. The refunding bonds will be repaid over a period of nine years at an interest rate of 2.1%. The refunding resulted in a reduction of \$152,940 in future debt service payments over the next nine years for an economic benefit of \$179,034.

Interest Rate Swap Termination Fee – Series 2007A Sales Tax Revenue Refunding Bonds

Terms and Objectives of Hedging Derivative Instrument

Type	Notional	Objective	Effective Date	Maturity Date	Terms
Governmental Activities:					
Cash Flow Hedges:					
Pay-fixed; receive variable interest rate swap	\$16,100,000	to lower borrowing costs on the 2007A Sales Tax Refunding Bonds	7/19/2007	7/1/2026	Pay 4.042%; Receive 67% of 1 month USD-LIBOR

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

As a means to lower the City's borrowing costs, when compared against fixed-rate bonds at the time of issuance in July 2007, the City entered into an interest rate swap with JP Morgan Chase, National Association, New York (\$29,340,000 notional amount) (the "Counterparty") in connection with its \$29,340,000 Sales Tax Revenue Bonds, Series 2007A Refunding. The intention of the swap agreements was to effectively change the City's interest rate on the 2007A Refunding Bonds to a synthetic fixed rate of 4.042%, excluding liquidity, remarketing, and other fees associated with the Bonds. Under the terms of the swap agreements effective July 19, 2007, the City pays a fixed rate of 4.042% and the Swap Counterparty will pay a variable rate based upon an index of 67% of one-month USD- LIBOR-BBA. Financial Security Assurance (FSA) provided a municipal bond insurance policy for the Series 2007A Bonds. The City issued \$29,340,000 Variable Rate Sales Tax Revenue Refunding Bonds, Series 2007A to current refund the City's Sales Tax Revenue Bonds, Series 2001 and Series 2002. As of August 3, 2017 the swap had a combined negative fair value of \$2,089,000. This mark-to-market valuation was established by market quotations obtained by the Counterparty and separately verified by an independent third party.

The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, including but not limited to failure to pay, bankruptcy, and rating downgrade. Either party may terminate the swap if the other party fails to perform under the terms of the contract. If either swap is terminated, the variable-rate bonds would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

On August 10, 2017 the City issued series 2017 Refunding Bonds that paid in full, the balance of the 2007A Series Bonds, including the interest rate swap termination fee of \$2,089,000.

Additionally, during the fiscal year, the City issued \$15,625,000 in revenue bonds to advance refund \$15,830,000 of revenue bonds to reduce total future debt service payments. The net proceeds of \$17,657,739 (bond proceeds of \$15,625,000 plus bond reserve and debt service funds of \$2,615,254 less a discount of \$117,746 along with \$464,769 in bond issuance cost) on May 4, 2017 were deposited in an irrevocable trust with an escrow agency to provide resources for all future debt service payments of the refunded revenue bonds. As a result, these revenue bonds are considered defeased and the liability for those bonds has been removed from the revenue bonds long-term debt. The refunding provided resources for the advance redemption of Series 2009 in revenue bonds. The refunding bonds will be repaid over a period of twenty-one years at overall interest rates ranging from 2.0% to 4.1%. The refunding resulted in a reduction of \$4,095,927 in future debt service payments over the next twenty-one years for an economic benefit of 2,961,134.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

Defeasance of Debt: In the current year, the City defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At April 30, 2018, \$15,245,000 of defeased bonds remain outstanding.

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 \$604,745 in a debt service fund for the payment of the bonds. Total principal and interest remaining to be paid on the bonds is \$6,310,000 and \$702,297, respectively. For the year ended April 30, 2018, the City received \$1,008,994 from the collection of the incremental sales tax and paid \$810,000 in bond principal and \$192,952 in debt service interest. The annual required principal and interest payments are estimated to be 99% of the tax revenues over the next 7 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.

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 \$5,418,457 in a debt service fund for the payment of the bonds. Total principal and interest remaining to be paid on the bonds is \$18,535,000 and \$2,539,696, respectively. For the year ended April 30, 2018, the City received \$3,157,250 from the collection of the incremental sales tax and paid \$2,345,000 in bond principal and \$662,771 in debt service interest. The annual required principal and interest payments are estimated to be 95% of the tax revenues over the next 7 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

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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 \$3,812,168 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:

	Original Amount	Remaining Principal	Remaining Interest	Final Calendar Year Payment
Series 2006	\$ 3,000,000	\$ 1,900,000	\$ 382,949	2029
Series 2008 DEQ #5	14,000,000	6,922,976	251,810	2028
Series 2011 Refunding	9,580,000	3,820,000	195,500	2021
Series 2011A Refunding	14,690,000	13,310,000	2,520,420	2028
Series 2012 Refunding	16,860,000	12,615,000	2,577,399	2028
Series 2012A Refunding	32,000,000	22,705,000	3,435,126	2028
Series 2013 DEQ #6	11,700,000	4,907,956	428,662	2029
Series 2017 Refunding	18,435,000	18,435,000	1,640,788	2027
Total	<u>\$ 120,265,000</u>	<u>\$ 84,615,932</u>	<u>\$ 11,432,654</u>	

For the year ended, April 30, 2018, the City received \$15,916,623 from the collection of the 1% sales and use tax and paid \$12,700,000 in bond principal and \$2,629,105 in debt service interest. The annual required principal and interest payments are estimated to be 50% of the tax revenues over the next 12 years.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

13. INTERFUND RECEIVABLES AND PAYABLES

Individual fund balances due from/to other funds at April 30, 2018, are as follows:

	Interfund Receivable					Total
	General	Nonmajor Governmental	Monroe Regional Airport	Water	Nonmajor Enterprise	
Interfund Payable						
General	\$ -	\$ 38,750	\$ -	\$ -	\$ 22,751	\$ 61,501
Capital Infrastructure	151,468	132,870	-	-	-	284,338
Nonmajor Governmental	1,125,215	248,227	-	1,267,053	-	2,640,495
Monroe Regional Airport	331,717	-	-	870,379	-	1,202,096
Water Fund	15,545	-	-	-	-	15,545
Sewer Fund	1,194,376	-	260	173	-	1,194,809
Nonmajor Enterprise	-	-	-	-	-	-
Internal Service	35	-	-	-	-	35
Total	\$ 2,818,356	\$ 419,847	\$ 260	\$ 2,137,605	\$ 22,751	\$ 5,398,819

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, 2018:

	Transfers Out					Total
	General	Capital Infrastructure	Nonmajor Governmental	Sewer	Internal Service	
Transfers In						
General	\$ -	\$ 1,064,592	\$ 457,213	\$ -	\$ -	\$ 1,521,805
Nonmajor Governmental	562,747	4,504,567	944,930	-	772,000	6,784,244
Water Fund	-	630,359	-	21,598	-	651,957
Sewer Fund	-	5,897,577	-	-	-	5,897,577
Nonmajor Enterprise	3,623,613	-	-	-	-	3,623,613
Internal Service	461,657	-	-	-	-	461,657
Total	\$ 4,648,017	\$ 12,097,095	\$ 1,402,143	\$ 21,598	\$ 772,000	\$ 18,940,853

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.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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, 2018.

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, 2018. 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	\$ 4,058,237	\$ 2,081,675
North Area Pump Station-Basin MR 27(A)/30/31	2,879,741	318,403
Digester Roof Rehab	3,541,792	1,211,866
Rochelle Street Pump Station	1,418,866	186,413
Centurylink Village-Water Line/Tank	910,762	2,432,397

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

Encumbrances. As discussed in Note 1. 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	\$ 473,715
Nonmajor Governmental	275
Monroe Regional Airport	40,000
Water	170,758
Sewer	123,006
Nonmajor Enterprise	87,183
	<u>\$ 894,937</u>

Tax Arbitrage Rebate Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

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 \$1,921,457 and the related expenditures are as follows:

Marshal/Deputy Marshal	\$	92,875
Monroe Police Department		775,216
Monroe Fire Department		1,053,366
Total	\$	1,921,457

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, 2018. 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 3rd 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 2018 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 three years are as follows:

	2018	2017	2016
Beginning balance	\$ 435,167	\$ 527,648	\$ 872,419
Current year claims and changes in estimates	10,445,855	10,238,829	10,226,963
Claims paid	(10,203,086)	(10,331,310)	(10,571,734)
Ending balance	\$ 677,936	\$ 435,167	\$ 527,648

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

All of the foregoing risk-financing activities are accounted for in the governmental and proprietary fund types. Long-term liabilities that are covered by structured settlements which are not expected to be liquidated with expendable available financial resources in the governmental funds have been recorded in the 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 three years are as follows:

	2018	2017	2016
Beginning balance	\$ 10,009,611	\$ 10,140,704	\$ 10,219,981
Current year claims and changes in estimates	250,671	402,355	1,918,833
Claims paid	(1,848,317)	(533,448)	(1,998,110)
Ending balance	\$ 8,411,965	\$ 10,009,611	\$ 10,140,704

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, 2018, which was calculated to be approximately \$2 million and covers claim years since April 30, 1979. The estimate of claims also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

The Employees' Group Insurance fund had a fund balance of \$1,414,709 at April 30, 2018.

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, 2018.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

	<u>Total Collections</u>	<u>Collection Cost</u>	<u>Protested Taxes</u>	<u>Final Distribution</u>
City of West Monroe	\$ 22,064,994	\$ (51,297)	\$ (3,614)	\$ 22,010,083
Town of Sterlington	936,110	(5,478)	-	930,632
Town of Richwood	327,438	(180)	-	327,258
Monroe City School Board	28,551,981	(187,380)	(23,683)	28,340,918
Ouachita Parish School Board	45,275,229	(324,442)	(8,427)	44,942,360
Ouachita Parish Police Jury	16,951,765	(38,631)	-	16,913,134
Ouachita Parish Sheriff Office	4,209,208	(20,317)	-	4,188,891
Monroe/W Monroe Convention & Visitor's Bureau	1,728,720	(4,036)	-	1,724,684
Subtotal	<u>120,045,445</u>	<u>(631,761)</u>	<u>(35,724)</u>	<u>119,377,960</u>
City of Monroe	61,104,299	-	(56,827)	61,047,472
Total	<u><u>\$ 181,149,744</u></u>	<u><u>\$ (631,761)</u></u>	<u><u>\$ (92,551)</u></u>	<u><u>\$ 180,425,432</u></u>

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>
Major Funds:		
General Fund	Prepaid expenses and other assets	\$ 317,807
General Fund	Inventories	<u>119,012</u>
Total Major Funds		<u>436,819</u>
Non-major Funds:		
Special Revenue Funds:		
CDBG Loan	Prepaid expenses and other assets	58,267
HOME Program Loans	Prepaid expenses and other assets	135,946
Capital	Prepaid expenses and other assets	236,956
Downtown River Market	Prepaid expenses and other assets	<u>1,550</u>
Total Non-major Funds		<u>432,719</u>
Total Nonspendable		<u><u>\$ 869,538</u></u>

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

Restricted Fund Balance

<u>Fund</u>	<u>Restricted For</u>	<u>Amount</u>
Major Funds		
Special Revenue-Capital Infrastructure	Debt	\$ 10,884,174
	Public works	13,002,807
		<hr/>
Total Major Funds		23,886,981
Non-Major Funds		
Special Revenue Funds		
Fire Department Insurance	Public safety	762,643
Fire and Police Capital Tax	Capital improvements	1,515,365
CDBG Home	Planning and urban development	521
Bond Forfeiture	Judicial	13,106
DARE Program	Public safety	8,615
Equitable Share Federal Seizure	Public safety	1,277
Police Salary Sales Tax	Public safety	1,034,135
Fire Salary Sales Tax	Public safety	1,102,554
HOME Program Loans	Planning and urban development	343,188
MPD K-9/Donations	Public safety	26,355
Debt-Service Funds		
I-20 Economic District	Debt	5,418,457
Tower Dr. Economic District	Debt	604,745
Sales Tax Debt	Debt	3,812,168
Capital Projects Funds		
Tower Drive	Capital improvements	635,344
Street Construction	Capital improvements	48,474
Fire/Drainage Improvements	Capital improvements	120,245
US 165 Business Connector	Capital improvements	9,941
Community Center Repairs	Capital improvements	433
Trails Grant Levee	Capital improvements	7,580
Hwy 165 S Infrastructure	Capital improvements	25,166
I-20 Corridor Improvements	Capital improvements	7,209,995
		<hr/>
Total Non-Major Funds		22,700,307
		<hr/>
Total Restricted		\$ 46,587,288

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

Committed Fund Balance

<u>Fund</u>	<u>Committed For</u>	<u>Amount</u>
Non-Major Funds		
Special Revenue Funds		
Employees' Benefits	Employees' benefits	\$ 947,887
Southside Economic Dev. District	Economic Development	111,944
Total Committed		<u><u>\$ 1,059,831</u></u>

Assigned Fund Balance

<u>Fund</u>	<u>Assigned For</u>	<u>Amount</u>
Non-Major Funds		
Special Revenue Funds		
Delta Fest	Recreation	\$ 4,200
Diversion Program	Judicial	58,290
Drug Seizure Local/State	Public safety	16,624
Downtown Economic Development	Economic development	11,316
Administrative Economic Development	Economic development	245,013
Repairs & Maintenance	Repairs and capital improvements	1,102,872
Total Assigned		<u><u>\$ 1,438,315</u></u>

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, 2018

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	\$ 504,334	\$ 504,334	\$ -
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	3,832,947	12,367,053
Administrative Costs (Professional Fees)	200,000	43,184	156,816
Total	<u>\$ 17,759,503</u>	<u>\$ 5,235,634</u>	<u>\$ 12,523,869</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 2018 resulting in a restriction of net position from passenger facility charges as follows:

	Accrual Basis	Cash Basis
PFC revenues / receipts	\$ 6,043,597	\$ 6,005,914
Interest earnings	51,888	51,888
Total revenues / receipts	<u>6,095,485</u>	<u>6,057,802</u>
Expenses / disbursements for PFC projects	<u>(5,235,634)</u>	<u>(5,235,634)</u>
Net PFC cash, April 30, 2018		<u>\$ 822,168</u>
Net position restricted for PFC, April 30, 2018	<u>\$ 859,851</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 2018, the City adopted a new statement of financial accounting standards issued by the Governmental Accounting Standards Board:

Statement No. 82 – Pension Issues: This Statement establishes standards to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to statements No. 67, No. 68, and No. 73. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

The adoption of this standard had no impact on the government-wide or the governmental fund financial statements.

22. TAX ABATEMENTS

The City is subject to two property tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry: Industrial Tax Exemption Program (ITEP) and Restoration Tax Abatement Program (RTA).

Louisiana's ITEP program provides that any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities, is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the "contract" value of buildings or equipment used by the business. The initial term of the abatement is up to five years and the option to renew is for an additional five years. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value.

Louisiana's RTA program provides commercial property owners and homeowners who expand, restore, improve or develop an existing structure in the downtown development districts, economic development districts and historic districts the right for five years after completion of the work, to pay ad valorem taxes based on the assessed valuation of the property for the year prior to the commencement of the project. The contract under the exemption law provides for a five-year abatement of ad valorem taxes on the increased value of the property, with an option to renew for an additional five years. If the property is sold, the contract may be transferred, subject to local government and board approval.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2018

The amount of tax abatement under these programs during the fiscal year ended April 30, 2018 by authorized millage are as follows:

<u>District</u>	<u>Millage</u>	<u>Assessed Valuation Lost to ITEP & RTA</u>	<u>Estimated Tax Dollar Lost to ITEP & RTA</u>
Monroe City General Fund	0.01049	\$ 12,721,937	\$ 133,453
Monroe Rec Facilities	0.00189	12,721,937	24,044
Monroe Safety Services	0.00107	12,721,937	13,612
Monroe Drainage Facilities	0.00132	12,721,937	16,793
Monroe Civic Center	0.00251	12,721,937	31,932
La. Purchase Gardens and Zoo	0.00251	12,721,937	31,932
Monroe Capital Improvements	0.00327	12,721,937	41,601
Monroe Police Department	0.00151	12,721,937	19,210
Monroe Fire Department	0.00151	12,721,937	19,210
Monroe Airport	0.00101	12,721,937	12,849
			<u>\$ 344,637</u>

The City is subject to one sales tax abatement granted by the State of Louisiana Department of Revenue, with City Council's approval, under the Enterprise Zone Program. The tax abatement is in the form of a claim for rebate of sales and use tax paid on construction materials, machinery, and equipment purchased during the construction period to be used on the approved site of the project indicated on the Enterprise Zone contract. The City has one vendor under this program; however the City's sales tax revenue was not reduced during the fiscal year as a result of the rebate due to the extension request submitted by the vendor. The rebate amount is not yet determined.

23. SUBSEQUENT EVENTS

The City of Monroe issued \$35,295,000 of Series 2018 Water Revenue Bonds with a premium of \$1,570,486. These 30 year bonds have a coupon interest rate of 3%-5% with annual debt service requirements for interest and principal of approximately \$2,125,000.

The purpose of the bond issuance was to provide funding to upgrade the water treatment plant capacity from approximately twelve million gallons daily to eighteen to twenty million gallons daily.

For fiscal year 2019, the City expects to continue to see a decline in sales tax revenue with the first quarter results showing a 1.0% reduction in collections compared to the same quarter last year. Growth in surrounding parishes has affected commerce in the City of Monroe and this threatens to continue. Although we are optimistic with the recent Supreme Court case that favored the states and local government on the collection of sales tax on internet sales, we remain cautious and prepared for a downturn in sales tax revenue.

**City of Monroe
Monroe, Louisiana**

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CITY OF MONROE
Monroe, Louisiana

REQUIRED SUPPLEMENTAL INFORMATION

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CITY OF MONROE
Monroe, Louisiana

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CITY OF MONROE
Monroe, Louisiana

**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, 2018**

Exhibit 1-1

Fiscal Year Ended	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial		(a/b) Funded Ratio	(c) Covered Payroll	(b-a/c) UAAL as a Percentage of Covered Payroll
			Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)			
4/30/2018	5/1/2016	\$ -	\$72,442,834	\$ 72,442,834	0%	\$ 40,776,939	177.66%
4/30/2017	5/1/2016	-	71,506,263	71,506,263	0%	42,841,673	166.91%
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%

SCHEDULE OF OTHER POST EMPLOYMENT BENEFIT PLAN EMPLOYER CONTRIBUTIONS

Fiscal Year End	Annual OPEB Cost	Amount Contributed	Percentage of Annual	
			OPEB Costs Contributed	Net OPEB Obligation
4/30/2018	\$ 5,761,595	\$ 1,733,772	30.09%	\$ 23,318,319
4/30/2017	5,226,222	2,356,043	45.08%	19,290,496
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, 2018**

Exhibit 1-2

<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)					
2018	10.217120%	\$ 42,742,500	\$ 18,555,620	230%	62.49%
2017	10.804439%	44,284,268	19,310,513	229%	62.11%
2016	10.799224%	38,576,519	21,647,291	178%	66.18%
Municipal Police Employees' Retirement System (MPERS)					
2018	2.894085%	\$ 25,266,586	\$ 8,638,064	293%	70.08%
2017	3.148973%	29,514,749	8,820,039	335%	66.04%
2016	3.09061%	24,211,694	9,939,381	244%	70.73%
Firefighters' Retirement System (FRS)					
2018	3.830554%	\$ 21,956,157	\$ 8,944,203	245%	73.55%
2017	4.034794%	26,391,200	9,103,533	290%	68.16%
2016	3.990974%	21,539,736	12,112,347	178%	72.45%

Notes:

The amounts presented have a measurement date of June 30th of the previous fiscal year.

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, 2018**

Exhibit 1-3

<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)					
2018	\$ 4,300,186	\$ 4,300,186	\$ -	\$17,657,168	24.35%
2017	4,126,107	4,126,107	-	18,605,867	22.18%
2016	3,674,106	3,674,106	-	18,603,068	19.75%
Municipal Police Employees' Retirement System (MPERS)					
2018	\$ 2,557,245	\$ 2,557,245	\$ -	\$ 8,270,593	30.92%
2017	2,729,307	2,729,307	-	8,700,663	31.37%
2016	2,605,884	2,605,884	-	8,739,551	29.82%
Firefighters' Retirement System (FRS)					
2018	\$ 2,406,351	\$ 2,406,351	\$ -	\$ 9,148,362	26.30%
2017	2,300,055	2,300,055	-	8,991,546	25.58%
2016	2,473,793	2,473,793	-	8,978,375	27.55%

Notes:

The amounts presented were determined as of the fiscal year end.

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, 2018**

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.

2016: Investment Rate of Return - 7.5%
Inflation Rate - 2.875%

2017: Investment Rate of Return - 7.4%
Inflation Rate - 2.775%

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.

2016: Investment Rate of Return - 7.5%
Inflation Rate - 2.875%

2017: Investment Rate of Return - 7.325%
Inflation Rate - 2.7%

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.

2016: Investment Rate of Return - 7.5%
Inflation Rate - 2.875%

2017: Investment Rate of Return - 7.4%
Inflation Rate - 2.775%

**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, 2018**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 14,110,722	\$ 13,783,875	\$ 13,783,875	\$ -
Resources (Inflows)				
Local sources:				
Ad valorem tax revenue				
General property taxes	4,239,159	4,239,159	4,627,421	388,262
1974 Recreation maintenance tax	756,190	756,190	834,479	78,289
1974 Public safety tax	428,108	428,108	472,235	44,127
1974 Drainage maintenance tax	528,133	528,133	582,227	54,094
Capital improvement tax	1,308,329	1,308,329	1,443,009	134,680
Adjudicated property	30,840	30,840	15,263	(15,577)
Total Ad valorem tax revenue	7,290,759	7,290,759	7,974,634	683,875
Sales and use tax revenue				
General sales and use tax	38,606,022	37,606,022	36,843,648	(762,374)
Total sales and use tax revenue	38,606,022	37,606,022	36,843,648	(762,374)
Other tax revenue				
Franchise fees	905,930	905,930	825,001	(80,929)
Beer tax	72,000	72,000	47,302	(24,698)
Total other tax revenue	977,930	977,930	872,303	(105,627)
Licenses and permits				
Liquor licenses	83,945	83,945	80,120	(3,825)
Occupational licenses	2,720,685	2,720,685	2,575,139	(145,546)
Video bingo licenses	2,000	2,000	820	(1,180)
Sound permits	-	-	75	75
Building permits	120,000	120,000	78,512	(41,488)
Sewer permits and inspections	67,000	67,000	38,786	(28,214)
Plumbing permits and inspections	55,000	55,000	30,635	(24,365)
Electrical permits and inspections	40,000	40,000	38,948	(1,052)
Gas permits and inspections	12,400	12,400	4,462	(7,938)
Heating and air conditioning permits	19,000	19,000	10,945	(8,055)
Mobile sign permits	35	35	-	(35)
Off premise sign permits	6,300	6,300	515	(5,785)
Culvert and drain project permits	1,330	1,330	2,575	1,245
Other engineering permits	-	3,603	6,789	3,186
Storm water permits	4,552	4,552	1,447	(3,105)
Total license and permits	3,132,247	3,135,850	2,869,768	(266,082)
Intergovernmental revenues	2,239,536	2,989,536	2,842,626	(146,910)
Total intergovernmental revenues	2,239,536	2,989,536	2,842,626	(146,910)
Fees, charges and commissions				
Sales tax commission	745,535	745,535	731,210	(14,325)
Signal light reimbursement	185,440	185,440	180,624	(4,816)
City court civil fees	210,000	210,000	260,562	50,562
City sanitation service	3,155,235	3,155,235	3,048,548	(106,687)
Cemetery Lots	16,375	16,375	14,500	(1,875)
Grass cutting fees	108,015	108,015	85,809	(22,206)
Ticket review fees	530	530	370	(160)
Copy charges	1,325	1,325	288	(1,037)
NSF fees	15,065	15,065	10,489	(4,576)
Royalty income	1,395	1,395	1,068	(327)
Commissions	11,369	725	593	(132)

(Continued)

**CITY OF MONROE
Monroe, Louisiana**

Exhibit 2

**General Fund
Budgetary Comparison Schedule
For the Year Ended April 30, 2018**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Resources (Inflows)				
American payment system fees	\$ 3,355	\$ 3,355	\$ -	\$ (3,355)
Postage	135	135	-	(135)
Legal and other professional	20,150	20,150	7,889	(12,261)
Entergy franchise fees	2,196,150	2,196,150	2,253,831	57,681
Appearance and surrender fees	40,000	40,000	49,600	9,600
Fire reports	-	30	50	20
Zoning income	70,000	70,000	67,113	(2,887)
Recreation department revenue	48,917	27,629	54,185	26,556
Golf course fees	663,899	661,189	375,777	(285,412)
Sreet cut reimbursement	100,000	100,000	19,887	(80,113)
Total fees, charges and commissions	7,592,890	7,558,278	7,162,393	(395,885)
Fines and forfeitures				
City court fines	630,000	630,000	544,874	(85,126)
Environmental court fines	7,245	7,245	6,589	(656)
Overparking fines	27,960	27,960	31,697	3,737
DWI Probation fines	500	500	8	(492)
False alarm fees	5,000	5,000	3,850	(1,150)
Total fines and forfeitures	670,705	670,705	587,018	(83,687)
Use of Money and property				
Rental income-usage fees	84,721	87,529	95,155	7,626
Interest income	30,000	30,000	50,969	20,969
Total use of property and money	114,721	117,529	146,124	28,595
Other income				
Penalties and interest	3,575	3,575	-	(3,575)
Sale of scrap	-	-	4,404	4,404
Cash shortage/overage	-	-	360	360
Vending commissions	-	1,400	1,144	(256)
Police miscellaneous	60,000	60,000	53,951	(6,049)
Contributions and donations - private	680	680	1	(679)
Miscellaneous income	-	-	24,900	24,900
Total other income	\$ 64,255	\$ 65,655	\$ 84,760	\$ 19,105

(Continued)

**CITY OF MONROE
Monroe, Louisiana**

Exhibit 2

**General Fund
Budgetary Comparison Schedule
For the Year Ended April 30, 2018**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Resources (Inflows)				
Transfers from other funds	\$ 1,242,974	\$ 1,297,196	\$ 1,521,805	\$ 224,609
Sale of assets	-	-	101,453	101,453
Insurance recoveries	-	200,000	556,819	356,819
Amounts available for appropriations	76,042,761	75,693,335	75,347,226	(346,109)
Charges to appropriations (outflows)				
Current:				
Legislative division - Council and staff	724,143	698,068	568,093	129,975
Judicial division	2,745,834	2,786,765	2,807,644	(20,879)
Executive division - Chief executive and staff	1,066,774	1,115,751	878,545	237,206
Administration division	10,873,391	11,149,872	10,448,376	701,496
Other general government	873,872	1,211,746	1,302,920	(91,174)
Police division	12,973,556	13,629,226	12,689,205	940,021
Fire division	12,968,295	12,968,295	12,674,395	293,900
Public Works division	9,769,650	9,135,835	8,572,075	563,760
Engineering	1,078,204	1,413,308	1,237,584	175,724
Culture and recreation	3,523,669	4,197,701	3,987,931	209,770
Planning and urban development division	1,137,866	1,181,159	1,093,045	88,114
Debt Service:				
Capital leases	216,063	-	216,063	(216,063)
Principal retirement	-	-	53,786	(53,786)
General interest expense	45,867	261,930	53,831	208,099
Capital expenditures	210,342	250,689	161,530	89,159
Transfers to other funds	3,724,513	3,861,165	4,648,017	(786,852)
Total charges to appropriations	61,932,039	63,861,510	61,393,040	2,468,470
BUDGETARY FUND BALANCES, ENDING	\$ 14,110,722	\$ 11,831,825	\$ 13,954,186	\$ 2,122,361

(Concluded)

CITY OF MONROE
Monroe, Louisiana

CAPITAL INFRASTRUCTURE
Budgetary Comparison Schedule
For the Year Ended April 30, 2018

Exhibit 3

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 25,877,777	\$ 26,407,307	\$ 26,407,307	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Sales - Street Improvement	15,300,000	15,300,000	15,916,623	616,623
Intergovernmental revenues	-	597,493	1,179,842	582,349
Use of money and property	45,000	45,000	60,395	15,395
Amounts available for appropriations	<u>41,222,777</u>	<u>42,349,800</u>	<u>43,564,167</u>	<u>1,214,367</u>
Charges to appropriations (outflows)				
Current:				
Financial administration	1,289,044	1,301,878	1,067,645	234,233
Public works	150,000	590,689	596,178	(5,489)
Capital outlay	1,025,000	4,995,700	5,916,268	(920,568)
Debt service:				
Debt Service interest and bank charges	-	-	-	-
Transfers to other funds	12,938,883	12,398,883	12,097,095	301,788
Total charges to appropriations	<u>15,402,927</u>	<u>19,287,150</u>	<u>19,677,186</u>	<u>(390,036)</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 25,819,850</u>	<u>\$ 23,062,650</u>	<u>\$ 23,886,981</u>	<u>\$ 824,331</u>

CITY OF MONROE
Monroe, Louisiana

Notes to the Budgetary Comparison Schedules
For the Year Ended April 30, 2018

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, 2018, 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 Schedules
For the Year Ended April 30, 2018

Note B. Budget to GAAP Reconciliation

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

	GENERAL FUND	CAPITAL INFRASTRUCTURE
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 75,347,226	\$ 43,564,167
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(13,783,875)	(26,407,307)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(1,521,805)	-
Sale of capital assets, capital lease proceeds and insurance recoveries are inflows of budgetary resources but are not revenues for financial reporting purposes	658,272	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	60,699,818	17,156,860
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	61,393,040	19,677,186
Transfers to other funds and other uses are outflows of budgetary resources but are not expenditures for financial reporting purposes	(4,648,017)	(12,097,095)
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 56,745,023	\$ 7,580,091

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>
Capital Infrastructure	\$19,287,150	\$19,677,186	\$(390,036)

**City of Monroe
Monroe, Louisiana**

**SUPPLEMENTARY INFORMATION
DIVIDER**

**City of Monroe
Monroe, Louisiana**

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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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CITY OF MONROE
Monroe, Louisiana

NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
April 30, 2018

Exhibit 4

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
ASSETS				
Cash and cash equivalents	\$ 5,296,588	\$ 8,825,061	\$ 8,773,810	\$ 22,895,459
Receivables	3,178,464	1,010,309	309,784	4,498,557
Interfund receivables	286,544	-	133,303	419,847
Prepaid expenses and other assets, net	432,719	-	-	432,719
TOTAL ASSETS	9,194,315	9,835,370	9,216,897	28,246,582
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts and retainage payable	473,342	-	767,428	1,240,770
Interfund payables	1,292,005	-	1,348,490	2,640,495
Unearned revenue	3,310	-	-	3,310
Due to others	39,634	-	-	39,634
TOTAL LIABILITIES	1,808,291	-	2,115,918	3,924,209
FUND BALANCES:				
Nonspendable				
Prepaid expenses and other assets	432,719	-	-	432,719
Spendable				
Restricted	4,807,759	9,835,370	8,057,178	22,700,307
Committed	1,059,831	-	-	1,059,831
Assigned	1,438,315	-	-	1,438,315
Unassigned (deficit)	(352,600)	-	(956,199)	(1,308,799)
TOTAL FUND BALANCES	7,386,024	9,835,370	7,100,979	24,322,373
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,194,315	\$ 9,835,370	\$ 9,216,897	\$ 28,246,582

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, 2018

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>Exhibit 5 TOTAL</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 1,332,040	\$ -	\$ -	\$ 1,332,040
Sales	7,807,589	4,166,244	-	11,973,833
Licenses, permits and assessments	-	-	36,000	36,000
Intergovernmental revenues	1,644,993	-	3,494,842	5,139,835
Fees, charges and commissions for services	840,635	-	-	840,635
Fines and forfeitures	9,677	-	-	9,677
Use of money and property	12,324	67,997	55,342	135,663
Miscellaneous revenues	214,537	-	2,306	216,843
Total revenues	<u>11,861,795</u>	<u>4,234,241</u>	<u>3,588,490</u>	<u>19,684,526</u>
EXPENDITURES				
Current:				
General government				
Financial administration	19,298	1,560,760	633,848	2,213,906
Other general government	6,962	-	-	6,962
Public safety				
Police	4,724,813	-	-	4,724,813
Fire	4,149,633	-	-	4,149,633
Public works	67,131	-	836,429	903,560
Culture and recreation	278,011	-	-	278,011
Planning and urban development	1,243,587	-	-	1,243,587
Economic development and assistance	128,128	-	-	128,128
Capital outlay	188,248	-	4,957,017	5,145,265
Debt service:				
Principal retirement	1,730,024	5,517,800	-	7,247,824
Interest and bank charges	58,447	2,296,558	1,788	2,356,793
Total expenditures	<u>12,594,282</u>	<u>9,375,118</u>	<u>6,429,082</u>	<u>28,398,482</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(732,487)</u>	<u>(5,140,877)</u>	<u>(2,840,592)</u>	<u>(8,713,956)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,479,595	4,356,319	948,330	6,784,244
Transfers out	(1,343,903)	-	(58,240)	(1,402,143)
Insurance proceeds	1,100,463	-	-	1,100,463
Refunding bonds issued	-	12,535,800	-	12,535,800
Payment to refunded bond escrow agent	-	(10,948,000)	-	(10,948,000)
TOTAL OTHER FINANCING SOURCES	<u>1,236,155</u>	<u>5,944,119</u>	<u>890,090</u>	<u>8,070,364</u>
NET CHANGE IN FUND BALANCES	503,668	803,242	(1,950,502)	(643,592)
FUND BALANCES - BEGINNING	6,882,356	9,032,128	9,051,481	24,965,965
FUND BALANCES (Deficit) - ENDING	<u>\$ 7,386,024</u>	<u>\$ 9,835,370</u>	<u>\$ 7,100,979</u>	<u>\$ 24,322,373</u>

**City of Monroe
Monroe, Louisiana**

**COMBINING NONMAJOR
SPECIAL REVENUE FUNDS
STATEMENTS**

DIVIDER

**City of Monroe
Monroe, Louisiana**

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**City of Monroe
Monroe, Louisiana**

Nonmajor 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.

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.

Bond Forfeiture - 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.

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.

**City of Monroe
Monroe, Louisiana**

Nonmajor Special Revenue Funds

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.

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.

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.

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.

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

Southside Economic Dev. District - The fund receives its funding from City budget allocations from general or special revenue funds. The funds are used to promote economic development in the south part of Monroe.

**City of Monroe
Monroe, Louisiana**

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CITY OF MONROE
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
April 30, 2018

	FIRE DEPARTMENT INSURANCE	COMMUNITY DEVELOPMENT BLOCK GRANT	URBAN DEVELOPMENT ACTION	FIRE AND POLICE CAPITAL TAX
ASSETS				
Cash and cash equivalents	\$ 573,346	\$ -	\$ -	\$ 1,242,443
Receivables	189,297	206,994	-	356,174
Interfund receivables	-	4,609	-	18,645
Prepaid expenses and other assets	-	-	-	-
TOTAL ASSETS	762,643	211,603	-	1,617,262
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts and retainage payable	-	71,866	-	101,897
Interfund payables	-	130,582	-	-
Unearned revenue	-	-	-	-
Due to others	-	9,131	-	-
TOTAL LIABILITIES	-	211,579	-	101,897
FUND BALANCES:				
Nonspendable				
Prepaid expenses and other assets	-	-	-	-
Spendable				
Restricted	762,643	-	-	1,515,365
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	24	-	-
TOTAL FUND BALANCES	762,643	24	-	1,515,365
TOTAL LIABILITIES AND FUND BALANCES	\$ 762,643	\$ 211,603	\$ -	\$ 1,617,262

Exhibit 6

EMERGENCY SHELTER	CDBG HOME	CDBG LOAN	BOND FORFEITURE
\$ -	\$ -	\$ -	\$ 55,505
123,866	166,590	-	-
-	-	-	-
-	-	58,267	-
<u>123,866</u>	<u>166,590</u>	<u>58,267</u>	<u>55,505</u>
118,010	156,395	-	7,399
9,741	924	106,976	35,000
-	-	-	-
-	8,750	3,257	-
<u>127,751</u>	<u>166,069</u>	<u>110,233</u>	<u>42,399</u>
-	-	58,267	-
-	521	-	13,106
-	-	-	-
-	-	-	-
(3,885)	-	(110,233)	-
<u>(3,885)</u>	<u>521</u>	<u>(51,966)</u>	<u>13,106</u>
\$ 123,866	\$ 166,590	\$ 58,267	\$ 55,505

(Continued)

CITY OF MONROE
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
April 30, 2018

	DARE PROGRAM	DELTA FEST	DIVERSION PROGRAM	EQUITABLE SHARE FEDERAL SEIZURE
ASSETS				
Cash and cash equivalents	\$ 5,854	\$ 4,539	\$ 112,290	\$ 1,277
Receivables	10,178	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenses and other assets	-	-	-	-
TOTAL ASSETS	16,032	4,539	112,290	1,277
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts and retainage payable	-	249	-	-
Interfund payables	7,417	-	54,000	-
Unearned revenue	-	90	-	-
Due to others	-	-	-	-
TOTAL LIABILITIES	7,417	339	54,000	-
FUND BALANCES:				
Nonspendable				
Prepaid expenses and other assets	-	-	-	-
Spendable				
Restricted	8,615	-	-	1,277
Committed	-	-	-	-
Assigned	-	4,200	58,290	-
Unassigned (deficit)	-	-	-	-
TOTAL FUND BALANCES	8,615	4,200	58,290	1,277
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,032	\$ 4,539	\$ 112,290	\$ 1,277

Exhibit 6

DRUG SEIZURE LOCAL/STATE	POLICE SALARY SALES TAX	FIRE SALARY SALES TAX	JUSTICE ASSISTANCE GRANT
\$ 16,624	\$ 714,441	\$ 797,926	\$ -
-	304,627	304,628	26,000
-	15,067	-	-
-	-	-	-
<u>16,624</u>	<u>1,034,135</u>	<u>1,102,554</u>	<u>26,000</u>
-	-	-	-
-	-	-	26,000
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>26,000</u>
-	-	-	-
-	1,034,135	1,102,554	-
-	-	-	-
16,624	-	-	-
-	-	-	-
<u>16,624</u>	<u>1,034,135</u>	<u>1,102,554</u>	<u>-</u>
<u>\$ 16,624</u>	<u>\$ 1,034,135</u>	<u>\$ 1,102,554</u>	<u>\$ 26,000</u>

(Continued)

CITY OF MONROE
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
April 30, 2018

	DOWNTOWN ECONOMIC DEVELOPMENT	ADMINISTRATIVE ECONOMIC DEVELOPMENT	HOME PROGRAM LOANS	REPAIRS AND MAINTENANCE
ASSETS				
Cash and cash equivalents	\$ 5,140	\$ 255,013	\$ 113,461	\$ 2,409
Receivables	6,176	-	-	1,100,463
Interfund receivables	-	-	248,223	-
Prepaid expenses and other assets	-	-	135,946	-
TOTAL ASSETS	11,316	255,013	497,630	1,102,872
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts and retainage payable	-	10,000	-	-
Interfund payables	-	-	-	-
Unearned revenue	-	-	-	-
Due to others	-	-	18,496	-
TOTAL LIABILITIES	-	10,000	18,496	-
FUND BALANCES:				
Nonspendable				
Prepaid expenses and other assets	-	-	135,946	-
Spendable				
Restricted	-	-	343,188	-
Committed	-	-	-	-
Assigned	11,316	245,013	-	1,102,872
Unassigned (deficit)	-	-	-	-
TOTAL FUND BALANCES	11,316	245,013	479,134	1,102,872
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,316	\$ 255,013	\$ 497,630	\$ 1,102,872

Exhibit 6

CAPITAL	DEMOLITION	EMPLOYEES' BENEFITS
\$ -	\$ 29,930	\$ 1,227,673
187,450	-	187,450
-	-	-
236,956	-	-
<u>424,406</u>	<u>29,930</u>	<u>1,415,123</u>
-	207	-
424,406	29,723	467,236
-	-	-
-	-	-
<u>424,406</u>	<u>29,930</u>	<u>467,236</u>
236,956	-	-
-	-	-
-	-	947,887
-	-	-
(236,956)	-	-
<u>-</u>	<u>-</u>	<u>947,887</u>
<u>\$ 424,406</u>	<u>\$ 29,930</u>	<u>\$ 1,415,123</u>

(Continued)

CITY OF MONROE
Monroe, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
April 30, 2018

	DOWNTOWN RIVER MARKET	MPD K-9 DONATIONS	PTFA - 2012	PTFA - 2015
ASSETS				
Cash and cash equivalents	\$ 8,989	\$ 26,355	\$ -	\$ -
Receivables	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenses and other assets	1,550	-	-	-
TOTAL ASSETS	10,539	26,355	-	-
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts and retainage payable	7,319	-	-	-
Interfund payables	-	-	-	-
Unearned revenue	3,220	-	-	-
Due to others	-	-	-	-
TOTAL LIABILITIES	10,539	-	-	-
FUND BALANCES:				
Nonspendable				
Prepaid expenses and other assets	1,550	-	-	-
Spendable				
Restricted	-	26,355	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	(1,550)	-	-	-
TOTAL FUND BALANCES	-	26,355	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,539	\$ 26,355	\$ -	\$ -

Exhibit 6

SOUTHSIDE ECONOMIC DEV DISTRICT		TOTAL	
<hr/>		<hr/>	
\$	103,373	\$	5,296,588
	8,571		3,178,464
	-		286,544
	-		432,719
<hr/>		<hr/>	
	111,944		9,194,315
<hr/>		<hr/>	
	-		473,342
	-		1,292,005
	-		3,310
	-		39,634
<hr/>		<hr/>	
	-		1,808,291
<hr/>		<hr/>	
	-		432,719
	-		4,807,759
	111,944		1,059,831
	-		1,438,315
	-		(352,600)
<hr/>		<hr/>	
	111,944		7,386,024
<hr/>		<hr/>	
\$	111,944	\$	9,194,315
<hr/>		<hr/>	

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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, 2018

	FIRE DEPARTMENT INSURANCE	COMMUNITY DEVELOPMENT BLOCK GRANT	URBAN DEVELOPMENT ACTION	FIRE AND POLICE CAPITAL TAX
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ 1,332,040
Sales	-	-	-	-
Intergovernmental revenues	189,297	572,447	-	328,048
Fees, charges and commissions for services	-	37,246	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	3,643
Miscellaneous revenues	-	-	-	-
Total revenues	<u>189,297</u>	<u>609,693</u>	<u>-</u>	<u>1,663,731</u>
EXPENDITURES				
Current:				
General government				
Financial administration	-	-	-	-
Other general government	-	-	-	-
Public safety				
Police	-	-	-	606,117
Fire	151,948	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Planning and urban development	-	681,125	-	-
Economic development and assistance	-	-	-	-
Capital outlay	-	-	-	145,743
Debt service:				
Principal retirement	-	-	-	900,109
Interest and bank charges	-	-	-	42,928
Total expenditures	<u>151,948</u>	<u>681,125</u>	<u>-</u>	<u>1,694,897</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>37,349</u>	<u>(71,432)</u>	<u>-</u>	<u>(31,166)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	71,456	-	-
Transfers out	-	-	(947)	(25,972)
Capital proceeds	-	-	-	-
Insurance proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>71,456</u>	<u>(947)</u>	<u>(25,972)</u>
NET CHANGE IN FUND BALANCES	<u>37,349</u>	<u>24</u>	<u>(947)</u>	<u>(57,138)</u>
FUND BALANCES - BEGINNING	<u>725,294</u>	<u>-</u>	<u>947</u>	<u>1,572,503</u>
FUND BALANCES (Deficit) - ENDING	<u>\$ 762,643</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 1,515,365</u>

Exhibit 7

EMERGENCY SHELTER	CDBG HOME	CDBG LOAN	BOND FORFEITURE ATTORNEY
\$ -	\$ -	\$ -	\$ -
-	-	-	-
151,478	362,067	-	-
-	15,954	-	8,824
-	-	-	-
-	-	2,112	-
-	-	68	-
<u>151,478</u>	<u>378,021</u>	<u>2,180</u>	<u>8,824</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
149,249	378,021	35,192	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>149,249</u>	<u>378,021</u>	<u>35,192</u>	<u>-</u>
<u>2,229</u>	<u>-</u>	<u>(33,012)</u>	<u>8,824</u>
-	-	-	-
-	-	-	(95,718)
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(95,718)</u>
2,229	-	(33,012)	(86,894)
<u>(6,114)</u>	<u>521</u>	<u>(18,954)</u>	<u>100,000</u>
<u>\$ (3,885)</u>	<u>\$ 521</u>	<u>\$ (51,966)</u>	<u>\$ 13,106</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, 2018

	DARE PROGRAM	DELTA FEST	DIVERSION PROGRAM	EQUITABLE SHARE FEDERAL SEIZURE
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Intergovernmental revenues	24,416	-	-	-
Fees, charges and commissions for services	-	9,878	63,290	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	<u>24,416</u>	<u>9,878</u>	<u>63,290</u>	<u>-</u>
EXPENDITURES				
Current:				
General government				
Financial administration	-	-	-	-
Other general government	-	-	-	-
Public safety				
Police	24,461	-	-	7,072
Fire	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	7,505	-	-
Planning and urban development	-	-	-	-
Economic development and assistance	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>24,461</u>	<u>7,505</u>	<u>-</u>	<u>7,072</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(45)</u>	<u>2,373</u>	<u>63,290</u>	<u>(7,072)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,827	-	-
Transfers out	-	-	(54,000)	-
Capital proceeds	-	-	-	-
Insurance proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>1,827</u>	<u>(54,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(45)</u>	<u>4,200</u>	<u>9,290</u>	<u>(7,072)</u>
FUND BALANCES - BEGINNING	<u>8,660</u>	<u>-</u>	<u>49,000</u>	<u>8,349</u>
FUND BALANCES (Deficit) - ENDING	<u>\$ 8,615</u>	<u>\$ 4,200</u>	<u>\$ 58,290</u>	<u>\$ 1,277</u>

Exhibit 7

DRUG SEIZURE LOCAL/STATE	POLICE SALARY SALES TAX	FIRE SALARY SALES TAX	JUSTICE ASSISTANCE GRANT
\$ -	\$ -	\$ -	\$ -
-	3,899,509	3,899,509	-
-	-	-	16,639
-	-	-	-
9,677	-	-	-
-	1,171	1,311	-
-	-	-	-
<u>9,677</u>	<u>3,900,680</u>	<u>3,900,820</u>	<u>16,639</u>
-	-	-	-
-	-	-	-
2,505	4,014,643	-	16,639
-	-	3,997,685	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>2,505</u>	<u>4,014,643</u>	<u>3,997,685</u>	<u>16,639</u>
<u>7,172</u>	<u>(113,963)</u>	<u>(96,865)</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7,172	(113,963)	(96,865)	-
9,452	1,148,098	1,199,419	-
<u>\$ 16,624</u>	<u>\$ 1,034,135</u>	<u>\$ 1,102,554</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, 2018

	DOWNTOWN ECONOMIC DEVELOPMENT	ADMINISTRATIVE ECONOMIC DEVELOPMENT	HOME PROGRAM LOANS	REPAIRS AND MAINTENANCE
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Intergovernmental revenues	-	-	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	4,057	-
Miscellaneous revenues	-	94,519	269	-
Total revenues	<u>-</u>	<u>94,519</u>	<u>4,326</u>	<u>-</u>
EXPENDITURES				
Current:				
General government				
Financial administration	-	-	-	-
Other general government	-	-	-	-
Public safety				
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Planning and urban development	-	-	-	-
Economic development and assistance	1,174	111,000	15,954	-
Capital outlay	42,505	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>43,679</u>	<u>111,000</u>	<u>15,954</u>	<u>-</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(43,679)</u>	<u>(16,481)</u>	<u>(11,628)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	7,836	-	-
Transfers out	-	(245,882)	-	-
Capital proceeds	-	-	-	-
Insurance proceeds	-	-	-	1,100,463
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>(238,046)</u>	<u>-</u>	<u>1,100,463</u>
NET CHANGE IN FUND BALANCES	<u>(43,679)</u>	<u>(254,527)</u>	<u>(11,628)</u>	<u>1,100,463</u>
FUND BALANCES - BEGINNING	<u>54,995</u>	<u>499,540</u>	<u>490,762</u>	<u>2,409</u>
FUND BALANCES (Deficit) - ENDING	<u>\$ 11,316</u>	<u>\$ 245,013</u>	<u>\$ 479,134</u>	<u>\$ 1,102,872</u>

Exhibit 7

<u>CAPITAL</u>	<u>DEMOLITION</u>	<u>EMPLOYEES' BENEFITS</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
311,252	55,012	311,253
-	-	-
-	-	-
102,715	-	-
<u>413,967</u>	<u>55,012</u>	<u>311,253</u>
-	-	6,472
6,962	-	-
49,026	-	-
-	-	-
-	67,131	-
-	-	-
-	-	-
-	-	-
829,915	-	-
15,519	-	-
<u>901,422</u>	<u>67,131</u>	<u>6,472</u>
<u>(487,455)</u>	<u>(12,119)</u>	<u>304,781</u>
327,629	-	772,000
-	-	(367,236)
-	-	-
-	-	-
<u>327,629</u>	<u>-</u>	<u>404,764</u>
(159,826)	(12,119)	709,545
159,826	12,119	238,342
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 947,887</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, 2018

	DOWNTOWN RIVER MARKET	MPD K-9 DONATIONS	PTFA - 2012	PTFA - 2015
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Intergovernmental revenues	601	-	-	-
Fees, charges and commissions for services	27,926	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	30	-
Miscellaneous revenues	14,252	2,714	-	-
Total revenues	<u>42,779</u>	<u>2,714</u>	<u>30</u>	<u>-</u>
EXPENDITURES				
Current:				
General government				
Financial administration	-	-	-	-
Other general government	-	-	-	-
Public safety				
Police	-	4,350	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Culture and recreation	270,506	-	-	-
Planning and urban development	-	-	-	-
Economic development and assistance	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>270,506</u>	<u>4,350</u>	<u>-</u>	<u>-</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(227,727)</u>	<u>(1,636)</u>	<u>30</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	227,727	-	-	-
Transfers out	-	-	(30)	(554,118)
Capital proceeds	-	-	-	-
Insurance proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>227,727</u>	<u>-</u>	<u>(30)</u>	<u>(554,118)</u>
NET CHANGE IN FUND BALANCES	-	(1,636)	-	(554,118)
FUND BALANCES - BEGINNING	-	27,991	-	554,118
FUND BALANCES (Deficit) - ENDING	<u>\$ -</u>	<u>\$ 26,355</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit 7

SOUTHSIDE ECONOMIC DEV DISTRICT		TOTAL
\$	-	\$ 1,332,040
	8,571	7,807,589
	-	1,644,993
	-	840,635
	-	9,677
	-	12,324
	-	214,537
	<u>8,571</u>	<u>11,861,795</u>
	12,826	19,298
	-	6,962
	-	4,724,813
	-	4,149,633
	-	67,131
	-	278,011
	-	1,243,587
	-	128,128
	-	188,248
	-	1,730,024
	-	58,447
	<u>12,826</u>	<u>12,594,282</u>
	<u>(4,255)</u>	<u>(732,487)</u>
	71,120	1,479,595
	-	(1,343,903)
	-	-
	-	1,100,463
	<u>71,120</u>	<u>1,236,155</u>
	66,865	503,668
	45,079	6,882,356
\$	<u>111,944</u>	\$ <u>7,386,024</u>

(Concluded)

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
FIRE DEPARTMENT INSURANCE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 8

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Intergovernmental revenues	\$ 160,000	\$ 189,297	\$ 29,297
Total Revenues	160,000	189,297	29,297
EXPENDITURES			
Current:			
Fire	202,018	151,948	50,070
Capital outlay	22,000	-	22,000
Total Expenditures	224,018	151,948	72,070
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(64,018)	37,349	101,367
NET CHANGE IN FUND BALANCES	(64,018)	37,349	101,367
FUND BALANCES - BEGINNING	725,294	725,294	-
FUND BALANCES - ENDING	\$ 661,276	\$ 762,643	\$ 101,367

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
COMMUNITY DEVELOPMENT BLOCK GRANT
Schedule of Revenues, Expenditures, and Changes
in Fund Balance (Deficit) - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 9

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Intergovernmental revenues	\$ 591,643	\$ 572,447	\$ (19,196)
Fees, charges and commissions for services	33,360	37,246	3,886
Total Revenues	625,003	609,693	(15,310)
EXPENDITURES			
Current:			
Planning and urban development	861,379	681,125	180,254
Total Expenditures	861,379	681,125	180,254
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(236,376)	(71,432)	164,944
OTHER FINANCING SOURCES (USES)			
Transfers in	64,078	71,456	7,378
TOTAL OTHER FINANCING SOURCES	64,078	71,456	7,378
NET CHANGE IN FUND BALANCES	(172,298)	24	172,322
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES (Deficit) - ENDING	\$ (172,298)	\$ 24	\$ 172,322

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
URBAN DEVELOPMENT ACTION
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 10

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	\$ -	\$ (947)	\$ (947)
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>(947)</u>	<u>(947)</u>
NET CHANGE IN FUND BALANCES	-	(947)	(947)
FUND BALANCES - BEGINNING	<u>-</u>	<u>947</u>	<u>947</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The City budgeted zero amounts.

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
FIRE AND POLICE CAPITAL TAX
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 11

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 1,208,304	\$ 1,332,040	\$ 123,736
Intergovernmental revenues	-	328,048	328,048
Use of money and property	2,412	3,643	1,231
Total Revenues	1,210,716	1,663,731	453,015
EXPENDITURES			
Current:			
Public safety			
Police	430,202	606,117	(175,915)
Capital outlay	348,348	145,743	202,605
Debt service:			
Principal retirement	900,125	900,109	16
Interest and bank charges	42,929	42,928	1
Total Expenditures	1,721,604	1,694,897	26,707
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(510,888)	(31,166)	479,722
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(25,972)	(25,972)
TOTAL OTHER FINANCING SOURCES	-	(25,972)	(25,972)
NET CHANGE IN FUND BALANCES	(510,888)	(57,138)	453,750
FUND BALANCES - BEGINNING	1,572,503	1,572,503	-
FUND BALANCES - ENDING	\$ 1,061,615	\$ 1,515,365	\$ 453,750

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
EMERGENCY SHELTER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance (Deficit) - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 12

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Intergovernmental revenues	\$ 154,449	\$ 151,478	\$ (2,971)
Total Revenues	154,449	151,478	(2,971)
EXPENDITURES			
Current:			
Planning and urban development	232,554	149,249	83,305
Total Expenditures	232,554	149,249	83,305
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(78,105)	2,229	80,334
FUND BALANCES (Deficit) - BEGINNING	(6,114)	(6,114)	-
FUND BALANCES (Deficit) - ENDING	\$ (84,219)	\$ (3,885)	\$ 80,334

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
CDBG HOME
Schedule of Revenues, Expenditures, and Changes
in Fund Balance (Deficit) - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 13

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Intergovernmental revenues	\$ 389,557	\$ 362,067	\$ (27,490)
Fees, charges and commissions for services	21,245	15,954	(5,291)
Total Revenues	410,802	378,021	(32,781)
EXPENDITURES			
Current:			
Planning and urban development	419,967	378,021	41,946
Total Expenditures	419,967	378,021	41,946
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(9,165)	-	9,165
FUND BALANCES - BEGINNING	521	521	-
FUND BALANCES (Deficit) - ENDING	\$ (8,644)	\$ 521	\$ 9,165

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
CDBG LOAN
Schedule of Revenues, Expenditures, and Changes
in Fund Balance (Deficit) - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 14

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Use of money and property	\$ 1,604	\$ 2,112	\$ 508
Miscellaneous revenues	115	68	(47)
Total Revenues	1,719	2,180	461
 EXPENDITURES			
Current:			
Planning and urban development	-	35,192	(35,192)
Total Expenditures	-	35,192	(35,192)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	1,719	(33,012)	(34,731)
 FUND BALANCES (Deficit) - BEGINNING	(18,954)	(18,954)	-
 FUND BALANCES (Deficit) - ENDING	\$ (17,235)	\$ (51,966)	\$ (34,731)

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
BOND FORFEITURE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 15

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
REVENUES			
Local sources:			
Fees, charges and commissions for services	\$ 11,100	\$ 8,824	\$ (2,276)
Total Revenues	<u>11,100</u>	<u>8,824</u>	<u>(2,276)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>11,100</u>	<u>8,824</u>	<u>(2,276)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>-</u>	<u>(95,718)</u>	<u>(95,718)</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>(95,718)</u>	<u>(95,718)</u>
NET CHANGE IN FUND BALANCES	11,100	(86,894)	(97,994)
FUND BALANCES - BEGINNING	<u>100,000</u>	<u>100,000</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 111,100</u>	<u>\$ 13,106</u>	<u>\$ (97,994)</u>

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
DARE PROGRAM
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 16

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Intergovernmental revenues	\$ 1,482	\$ 24,416	\$ 22,934
Total Revenues	1,482	24,416	22,934
EXPENDITURES			
Current:			
Public safety			
Police	1,482	24,461	(22,979)
Total Expenditures	1,482	24,461	(22,979)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	(45)	(45)
NET CHANGE IN FUND BALANCES	-	(45)	(45)
FUND BALANCES - BEGINNING	8,660	8,660	-
FUND BALANCES - ENDING	\$ 8,660	\$ 8,615	\$ (45)

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
DELTA FEST
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 17

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Intergovernmental revenues	\$ 7,500	\$ -	\$ (7,500)
Fees, charges and commissions for services	226,663	9,878	(216,785)
Miscellaneous revenues	15,000	-	(15,000)
Total Revenues	249,163	9,878	(239,285)
EXPENDITURES			
Current:			
Culture and recreation	249,663	7,505	242,158
Total Expenditures	249,663	7,505	242,158
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(500)	2,373	2,873
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,827	1,827
TOTAL OTHER FINANCING SOURCES	-	1,827	1,827
NET CHANGE IN FUND BALANCES	(500)	4,200	4,700
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES (Deficit) - ENDING	\$ (500)	\$ 4,200	\$ 4,700

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
DIVERSION PROGRAM
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 18

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Fees, charges and commissions for services	\$ 37,740	\$ 63,290	\$ 25,550
Total Revenues	37,740	63,290	25,550
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	37,740	63,290	25,550
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(54,000)	(54,000)
TOTAL OTHER FINANCING SOURCES	-	(54,000)	(54,000)
NET CHANGE IN FUND BALANCES	37,740	9,290	(28,450)
FUND BALANCES - BEGINNING	49,000	49,000	-
FUND BALANCES - ENDING	\$ 86,740	\$ 58,290	\$ (28,450)

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
EQUITABLE SHARE FEDERAL SEIZURE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 19

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
EXPENDITURES			
Current:			
Public safety			
Police	6,084	7,072	(988)
Total Expenditures	6,084	7,072	(988)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(6,084)	(7,072)	(988)
FUND BALANCES - BEGINNING	8,349	8,349	-
FUND BALANCES - ENDING	\$ 2,265	\$ 1,277	\$ (988)

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
DRUG SEIZURE LOCAL/STATE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 20

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
REVENUES			
Fines and forfeitures	\$ 5,312	\$ 9,677	\$ 4,365
Total Revenues	<u>5,312</u>	<u>9,677</u>	<u>4,365</u>
EXPENDITURES			
Current:			
Public safety			
Police	2,505	2,505	-
Total Expenditures	<u>2,505</u>	<u>2,505</u>	<u>-</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>2,807</u>	<u>7,172</u>	<u>4,365</u>
FUND BALANCES - BEGINNING	<u>9,452</u>	<u>9,452</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 12,259</u>	<u>\$ 16,624</u>	<u>\$ 4,365</u>

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
POLICE SALARY SALES TAX
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 21

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Local sources:			
Taxes:			
Sales	\$ 3,867,047	\$ 3,899,509	\$ 32,462
Use of money and property	890	1,171	281
Total Revenues	3,867,937	3,900,680	32,743
EXPENDITURES			
Current:			
Public safety			
Police	4,016,283	4,014,643	1,640
Total Expenditures	4,016,283	4,014,643	1,640
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(148,346)	(113,963)	34,383
FUND BALANCES - BEGINNING	1,148,098	1,148,098	-
FUND BALANCES - ENDING	\$ 999,752	\$ 1,034,135	\$ 34,383

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
FIRE SALARY SALES TAX
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 22

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Local sources:			
Taxes:			
Sales	\$ 3,867,047	\$ 3,899,509	\$ 32,462
Use of money and property	905	1,311	406
Total Revenues	3,867,952	3,900,820	32,868
EXPENDITURES			
Current:			
Public safety			
Fire	4,454,739	3,997,685	457,054
Total Expenditures	4,454,739	3,997,685	457,054
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(586,787)	(96,865)	489,922
FUND BALANCES - BEGINNING	1,199,418	1,199,419	1
FUND BALANCES - ENDING	\$ 612,631	\$ 1,102,554	\$ 489,923

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
JUSTICE ASSISTANCE GRANT
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 23

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Intergovernmental revenues	\$ -	\$ 16,639	\$ 16,639
Total Revenues	-	16,639	16,639
EXPENDITURES			
Current:			
Public safety			
Police	-	16,639	(16,639)
Total Expenditures	-	16,639	(16,639)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

The City budgeted zero amounts.

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
DOWNTOWN ECONOMIC DEVELOPMENT
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 24

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
EXPENDITURES			
Current:			
Economic development and assistance	-	1,174	(1,174)
Capital outlay	-	42,505	(42,505)
Total Expenditures	-	43,679	(43,679)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	(43,679)	(43,679)
FUND BALANCES - BEGINNING	-	54,995	54,995
FUND BALANCES - ENDING	\$ -	\$ 11,316	\$ 11,316

The City budgeted zero amounts.

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
ADMINISTRATIVE ECONOMIC DEVELOPMENT
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 25

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Use of money and property	\$ 5,000	\$ -	\$ (5,000)
Miscellaneous revenues	90,000	94,519	4,519
Total Revenues	95,000	94,519	(481)
EXPENDITURES			
Current:			
Economic development and assistance	43,000	111,000	(68,000)
Total Expenditures	43,000	111,000	(68,000)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	52,000	(16,481)	(68,481)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	7,836	7,836
Transfers out	(54,222)	(245,882)	(191,660)
TOTAL OTHER FINANCING SOURCES	(54,222)	(238,046)	(183,824)
NET CHANGE IN FUND BALANCES	(2,222)	(254,527)	(252,305)
FUND BALANCES - BEGINNING	499,540	499,540	-
FUND BALANCES - ENDING	\$ 497,318	\$ 245,013	\$ (252,305)

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
HOME PROGRAM LOANS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 26

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Use of money and property	\$ 2,473	\$ 4,057	\$ 1,584
Miscellaneous revenues	137	269	132
Total Revenues	2,610	4,326	1,716
EXPENDITURES			
Current:			
Economic development and assistance	-	15,954	(15,954)
Total Expenditures	-	15,954	(15,954)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	2,610	(11,628)	(14,238)
FUND BALANCES - BEGINNING	490,762	490,762	-
FUND BALANCES - ENDING	\$ 493,372	\$ 479,134	\$ (14,238)

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
REPAIRS AND MAINTENANCE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 27

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
OTHER FINANCING SOURCES (USES)			
Insurance proceeds	-	1,100,463	1,100,463
TOTAL OTHER FINANCING SOURCES	-	1,100,463	1,100,463
NET CHANGE IN FUND BALANCES	-	1,100,463	1,100,463
FUND BALANCES - BEGINNING	-	2,409	2,409
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 1,102,872</u>	<u>\$ 1,102,872</u>

The City budgeted zero amounts.

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
CAPITAL
Schedule of Revenues, Expenditures, and Changes
in Fund Balance (Deficit) - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 28

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Fees, charges and commissions for services	\$ 275,950	\$ 311,252	\$ 35,302
Use of money and property	3,000	-	(3,000)
Miscellaneous revenues	90,000	102,715	12,715
Total Revenues	368,950	413,967	45,017
EXPENDITURES			
Current:			
General government			
Judicial	55,988	-	55,988
Other general government	-	6,962	(6,962)
Public safety			
Police	-	49,026	(49,026)
Debt service:			
Principal retirement	829,915	829,915	-
Interest and bank charges	15,519	15,519	-
Total Expenditures	901,422	901,422	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(532,472)	(487,455)	45,017
OTHER FINANCING SOURCES (USES)			
Transfers in	177,655	327,629	149,974
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES	177,655	327,629	149,974
NET CHANGE IN FUND BALANCES	(354,817)	(159,826)	194,991
FUND BALANCES - BEGINNING	159,826	159,826	-
FUND BALANCES (Deficit) - ENDING	\$ (194,991)	\$ -	\$ 194,991

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
DEMOLITION
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 29

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Fees, charges and commissions for services	\$ 23,427	\$ 55,012	\$ 31,585
Total Revenues	23,427	55,012	31,585
EXPENDITURES			
Current:			
Public works	16,055	67,131	(51,076)
Total Expenditures	16,055	67,131	(51,076)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	7,372	(12,119)	(19,491)
FUND BALANCES - BEGINNING	12,119	12,119	-
FUND BALANCES - ENDING	\$ 19,491	\$ -	\$ (19,491)

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
EMPLOYEES' BENEFITS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 30

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Fees, charges and commissions for services	\$ 275,950	\$ 311,253	\$ 35,303
Total Revenues	275,950	311,253	35,303
EXPENDITURES			
Current:			
General government			
Financial administration	-	6,472	(6,472)
Total Expenditures	-	6,472	(6,472)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	275,950	304,781	28,831
OTHER FINANCING SOURCES (USES)			
Transfers in	772,000	772,000	-
Transfers out	-	(367,236)	(367,236)
TOTAL OTHER FINANCING SOURCES	772,000	404,764	(367,236)
NET CHANGE IN FUND BALANCES	1,047,950	709,545	(338,405)
FUND BALANCES - BEGINNING	238,342	238,342	-
FUND BALANCES - ENDING	\$ 1,286,292	\$ 947,887	\$ (338,405)

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
DOWNTOWN RIVER MARKET
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 31

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Intergovernmental revenues	\$ -	\$ 601	\$ 601
Fees, charges and commissions for services	62,300	27,926	(34,374)
Miscellaneous revenues	12,500	14,252	1,752
Total Revenues	74,800	42,779	(32,021)
EXPENDITURES			
Current:			
Culture and recreation	279,025	270,506	8,519
Total Expenditures	279,025	270,506	8,519
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(204,225)	(227,727)	(23,502)
OTHER FINANCING SOURCES (USES)			
Transfers in	204,225	227,727	23,502
TOTAL OTHER FINANCING SOURCES	204,225	227,727	23,502
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
MPD K-9 DONATIONS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 32

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Miscellaneous revenues	\$ 1,494	\$ 2,714	\$ 1,220
Total Revenues	1,494	2,714	1,220
EXPENDITURES			
Current:			
Public safety			
Police	3,136	4,350	(1,214)
Total Expenditures	3,136	4,350	(1,214)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(1,642)	(1,636)	6
NET CHANGE IN FUND BALANCES	(1,642)	(1,636)	6
FUND BALANCES - BEGINNING	27,991	27,991	-
FUND BALANCES - ENDING	\$ 26,349	\$ 26,355	\$ 6

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
PTFA - 2012
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 33

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Local sources:			
Use of money and property	\$ 30	\$ 30	\$ -
Total Revenues	30	30	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	30	30	-
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(30)	(30)
TOTAL OTHER FINANCING SOURCES	-	(30)	(30)
NET CHANGE IN FUND BALANCES	30	-	(30)
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ 30	\$ -	\$ (30)

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
PTFA - 2015
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 34

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
OTHER FINANCING SOURCES (USES)			
Transfers out	\$ (554,118)	\$ (554,118)	\$ -
TOTAL OTHER FINANCING SOURCES	(554,118)	(554,118)	-
NET CHANGE IN FUND BALANCES	(554,118)	(554,118)	-
FUND BALANCES - BEGINNING	554,118	554,118	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

CITY OF MONROE
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
SOUTHSIDE ECONOMIC DEVELOPMENT DISTRICT
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended April 30, 2018

Exhibit 35

	BUDGET	ACTUAL	VARIANCE OVER (UNDER)
REVENUES			
Local sources:			
Taxes:			
Sales	\$ -	\$ 8,571	\$ 8,571
Total Revenues	-	8,571	8,571
EXPENDITURES			
Current:			
Financial administration	-	12,826	(12,826)
Total Expenditures	-	12,826	(12,826)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	(4,255)	(4,255)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	71,120	71,120
TOTAL OTHER FINANCING SOURCES	-	71,120	71,120
NET CHANGE IN FUND BALANCES	-	66,865	66,865
FUND BALANCES - BEGINNING	-	45,079	45,079
FUND BALANCES - ENDING	\$ -	\$ 111,944	\$ 111,944

The City budgeted zero amounts.

**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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City of Monroe
Monroe, Louisiana
Nonmajor 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, 2018

Exhibit 36

	I-20 ECONOMIC DEVELOPMENT DISTRICT	TOWER DRIVE ECONOMIC DEVELOPMENT DISTRICT	SALES TAX BOND	TOTAL
ASSETS				
Cash and cash equivalents	\$ 4,653,894	\$ 358,999	\$ 3,812,168	\$ 8,825,061
Receivables	764,563	245,746	-	1,010,309
TOTAL ASSETS	5,418,457	604,745	3,812,168	9,835,370
FUND BALANCES:				
Restricted for debt service	5,418,457	604,745	3,812,168	9,835,370
TOTAL FUND BALANCES	\$ 5,418,457	\$ 604,745	\$ 3,812,168	\$ 9,835,370

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, 2018

Exhibit 37

	I-20 ECONOMIC DEVELOPMENT DISTRICT	TOWER DRIVE ECONOMIC DEVELOPMENT DISTRICT	SALES TAX BOND	TOTAL
REVENUES				
Local sources:				
Taxes				
Sales	\$ 3,157,250	\$ 1,008,994	\$ -	\$ 4,166,244
Use of money and property	35,302	3,616	29,079	67,997
Total revenues	<u>3,192,552</u>	<u>1,012,610</u>	<u>29,079</u>	<u>4,234,241</u>
EXPENDITURES				
Current:				
General government				
Financial administration	8,401	-	1,552,359	1,560,760
Debt service:				
Principal retirement	2,345,000	810,000	2,362,800	5,517,800
Interest and bank charges	662,771	197,196	1,436,591	2,296,558
Total expenditures	<u>3,016,172</u>	<u>1,007,196</u>	<u>5,351,750</u>	<u>9,375,118</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>176,380</u>	<u>5,414</u>	<u>(5,322,671)</u>	<u>(5,140,877)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	81	-	4,356,238	4,356,319
Refunding bonds issued	-	-	12,535,800	12,535,800
Payment to refunded bond escrow agent	-	-	(10,948,000)	(10,948,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>81</u>	<u>-</u>	<u>5,944,038</u>	<u>5,944,119</u>
NET CHANGE IN FUND BALANCES	176,461	5,414	621,367	803,242
FUND BALANCES - BEGINNING	<u>5,241,996</u>	<u>599,331</u>	<u>3,190,801</u>	<u>9,032,128</u>
FUND BALANCES - ENDING	<u>\$ 5,418,457</u>	<u>\$ 604,745</u>	<u>\$ 3,812,168</u>	<u>\$ 9,835,370</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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**City of Monroe
Monroe, Louisiana
Nonmajor Capital Project Funds**

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

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 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.

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.

Trails Grant Levee - The fund is used to account for the expenses of hiking trails funded 80% by the FHWA Recreational Trails Program.

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

Arena Phase I - The fund is used to account for the design and construction of a new arena in downtown Monroe.

Georgia St. Pump Station - The fund accounts for the building of a pump station. 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.

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

CITY OF MONROE
Monroe, Louisiana

NONMAJOR CAPITAL PROJECTS FUNDS
Combining Balance Sheet
April 30, 2018

	U. S. 165 LIGHTING PROJECT	TOWER DRIVE	STREET CONSTRUCTION
ASSETS			
Cash and cash equivalents	\$ -	\$ 635,344	\$ 49,165
Receivables	-	-	-
Interfund receivables	16,783	-	-
TOTAL ASSETS	16,783	635,344	49,165
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts and retainage payable	-	-	691
Interfund payables	16,783	-	-
TOTAL LIABILITIES	16,783	-	691
FUND BALANCES:			
Spendable			
Restricted for capital improvements	-	635,344	48,474
Unassigned (deficit)	-	-	-
TOTAL FUND BALANCES (Deficits)	-	635,344	48,474
TOTAL LIABILITIES AND FUND BALANCES (Deficits)	\$ 16,783	\$ 635,344	\$ 49,165

Exhibit 38

FIRE/DRAINAGE IMPROVEMENTS	US 165 BUSINESS CONNECTOR	KANSAS LANE CONNECTOR	COMMUNITY CENTER REPAIRS
\$ 120,245	\$ 13,651	\$ -	\$ -
-	-	296,228	-
-	-	-	433
<u>120,245</u>	<u>13,651</u>	<u>296,228</u>	<u>433</u>
-	3,710	14,609	-
-	-	1,237,818	-
-	3,710	1,252,427	-
120,245	9,941		433
-	-	(956,199)	-
<u>120,245</u>	<u>9,941</u>	<u>(956,199)</u>	<u>433</u>
<u>\$ 120,245</u>	<u>\$ 13,651</u>	<u>\$ 296,228</u>	<u>\$ 433</u>

(Continued)

CITY OF MONROE
Monroe, Louisiana

NONMAJOR CAPITAL PROJECTS FUNDS
Combining Balance Sheet
April 30, 2018

	DRU GUSTAV/IKE STORM WATER	TRAILS GRANT LEVEE	HWY 165 S INFRASTRUCTURE
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 25,166
Receivables	-	13,556	-
Interfund receivables	-	103,585	-
TOTAL ASSETS	-	117,141	25,166
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts and retainage payable	-	28,124	-
Interfund payables	-	81,437	-
TOTAL LIABILITIES	-	109,561	-
FUND BALANCES:			
Spendable			
Restricted for capital improvements	-	7,580	25,166
Unassigned (deficit)	-	-	-
TOTAL FUND BALANCES (Deficits)	-	7,580	25,166
TOTAL LIABILITIES AND FUND BALANCES (Deficits)	\$ -	\$ 117,141	\$ 25,166

Exhibit 38

ARENA PHASE I	GEORGIA ST. PUMP STATION	I-20 CORRIDOR IMPROVEMENTS	TOTAL
\$ -	\$ -	\$ 7,930,239	\$ 8,773,810
-	-	-	309,784
-	12,502	-	133,303
-	12,502	7,930,239	9,216,897
-	50	720,244	767,428
-	12,452	-	1,348,490
-	12,502	720,244	2,115,918
-	-	7,209,995	8,057,178
-	-	-	(956,199)
-	-	7,209,995	7,100,979
\$ -	\$ 12,502	\$ 7,930,239	\$ 9,216,897

(Concluded)

CITY OF MONROE
Monroe, Louisiana

NONMAJOR CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Deficits)
For the Year Ended April 30, 2018

	U.S. 165 LIGHTING PROJECT	TOWER DRIVE	STREET CONSTRUCTION
REVENUES			
Licenses, permits and assessments	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-
Use of money and property	-	-	-
Miscellaneous revenues	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Current:			
General government			
Financial administration	-	-	2,359
Public works	-	-	-
Capital outlay	13,465	-	11,020
Debt service:			
Interest and bank charges	-	-	-
Total expenditures	13,465	-	13,379
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(13,465)	-	(13,379)
OTHER FINANCING SOURCES (USES)			
Transfers in	16,783	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	16,783	-	-
NET CHANGE IN FUND BALANCES	3,318	-	(13,379)
FUND BALANCES (Deficits) - BEGINNING	(3,318)	635,344	61,853
FUND BALANCES (Deficits) - ENDING	\$ -	\$ 635,344	\$ 48,474

Exhibit 39

FIRE/DRAINAGE IMPROVEMENTS	US 165 BUSINESS CONNECTOR	KANSAS LANE CONNECTOR	COMMUNITY CENTER REPAIRS
\$ -	\$ -	\$ -	\$ -
-	-	2,236,719	1,002,000
226	-	7,713	-
-	-	-	-
226	-	2,244,432	1,002,000
-	-	-	-
-	-	35,979	-
-	-	2,805,182	-
-	-	-	-
-	-	2,841,161	-
226	-	(596,729)	1,002,000
-	-	-	15,460
-	-	-	-
-	-	-	15,460
226	-	(596,729)	1,017,460
120,019	9,941	(359,470)	(1,017,027)
\$ 120,245	\$ 9,941	\$ (956,199)	\$ 433

(Continued)

CITY OF MONROE
Monroe, Louisiana

NONMAJOR CAPITAL PROJECTS FUNDS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances (Deficits)
For the Year Ended April 30, 2018

	DRU GUSTAV/IKE STORM WATER	TRAILS GRANT LEVEE	HWY 165 S INFRASTRUCTURE
REVENUES			
Licenses, permits and assessments	\$ -	\$ -	\$ 36,000
Intergovernmental revenues	58,159	197,964	-
Use of money and property	-	-	-
Miscellaneous revenues	-	-	-
Total revenues	58,159	197,964	36,000
EXPENDITURES			
Current:			
General government			
Financial administration	-	-	-
Public works	-	-	-
Capital outlay	-	301,550	31,620
Debt service:			
Interest and bank charges	-	-	-
Total expenditures	-	301,550	31,620
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	58,159	(103,586)	4,380
OTHER FINANCING SOURCES (USES)			
Transfers in	-	103,585	-
Transfers out	(58,159)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(58,159)	103,585	-
NET CHANGE IN FUND BALANCES	-	(1)	4,380
FUND BALANCES (Deficits) - BEGINNING	-	7,581	20,786
FUND BALANCES (Deficits) - ENDING	\$ -	\$ 7,580	\$ 25,166

Exhibit 39

ARENA PHASE I	GEORGIA ST. PUMP STATION	I-20 CORRIDOR IMPROVEMENTS	TOTAL
\$ -	\$ -	\$ -	\$ 36,000
-	-	-	3,494,842
-	-	47,403	55,342
-	-	2,306	2,306
-	-	49,709	3,588,490
-	-	631,489	633,848
800,000	450	-	836,429
-	12,052	1,782,128	4,957,017
-	-	1,788	1,788
800,000	12,502	2,415,405	6,429,082
(800,000)	(12,502)	(2,365,696)	(2,840,592)
800,000	12,502	-	948,330
-	-	(81)	(58,240)
800,000	12,502	(81)	890,090
-	-	(2,365,777)	(1,950,502)
-	-	9,575,772	9,051,481
\$ -	\$ -	\$ 7,209,995	\$ 7,100,979

(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 Fund Net Position
April 30, 2018

Exhibit 40

	MONROE TRANSIT SYSTEM	MONROE CIVIC CENTER	LOUISIANA PURCHASE GARDENS AND ZOO	TOTAL
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 800	\$ 10,500	\$ 2,500	\$ 13,800
Receivables, net	75,867	25,684	23,376	124,927
Interfund receivables	-	10,968	11,783	22,751
Inventories	86,102	-	-	86,102
Prepaid expenses and other assets	131,487	166,640	5,026	303,153
Total Current Assets	294,256	213,792	42,685	550,733
Noncurrent Assets:				
Capital Assets				
Land and construction in progress	148,239	993,540	-	1,141,779
Depreciable assets, net of depreciation	3,939,062	2,216,616	505,833	6,661,511
Total Noncurrent Assets	4,087,301	3,210,156	505,833	7,803,290
TOTAL ASSETS	4,381,557	3,423,948	548,518	8,354,023
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	784,726	412,270	427,682	1,624,678
LIABILITIES				
Current Liabilities:				
Accounts and retainage payables	68,634	83,675	26,478	178,787
Unearned revenue	-	109,107	-	109,107
Due to others	-	7,464	-	7,464
Customer deposits, net	2,500	-	-	2,500
Current portion of long term debt	208,497	64,278	93,910	366,685
Total Current Liabilities	279,631	264,524	120,388	664,543
Noncurrent Liabilities:				
Compensated absences	50,605	15,602	22,794	89,001
Revenue bonds, notes payable, net and pension liability	2,611,567	1,372,034	1,423,325	5,406,926
Total Noncurrent Liabilities	2,662,172	1,387,636	1,446,119	5,495,927
TOTAL LIABILITIES	2,941,803	1,652,160	1,566,507	6,160,470
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	156,388	82,161	85,233	323,782
NET POSITION				
Net investment in capital assets	4,087,301	3,210,156	505,833	7,803,290
Unrestricted - (deficit)	(2,019,209)	(1,108,259)	(1,181,373)	(4,308,841)
TOTAL NET POSITION (Deficit)	\$ 2,068,092	\$ 2,101,897	\$ (675,540)	\$ 3,494,449

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, 2018

Exhibit 41

	MONROE TRANSIT SYSTEM	MONROE CIVIC CENTER	LOUISIANA PURCHASE GARDENS AND ZOO	TOTAL
OPERATING REVENUES				
Rents and fees	\$ 9	\$ 1,157,176	\$ 4,724	\$ 1,161,909
Fares	543,880	-	-	543,880
Advertising	32,813	5,000	-	37,813
Ticket sales and other	-	6,815	-	6,815
Admissions	-	-	279,412	279,412
Concessions and rides	-	267,354	59,957	327,311
Other operating revenue	8,778	10,152	10,794	29,724
Total operating revenues	585,480	1,446,497	354,887	2,386,864
OPERATING EXPENSES				
Salaries, wages, and benefits	2,043,672	1,215,158	1,345,982	4,604,812
Materials, repairs and supplies	1,136,941	266,121	90,904	1,493,966
Utilities and communications	145,304	597,862	94,873	838,039
Insurance	363,372	50,329	16,269	429,970
Promoter's expenses	-	571,045	36,662	607,707
Other operating expenses	385,928	367,985	327,013	1,080,926
Depreciation and amortization	1,006,365	715,323	153,764	1,875,452
Total operating expenses	5,081,582	3,783,823	2,065,467	10,930,872
OPERATING INCOME (Loss)	(4,496,102)	(2,337,326)	(1,710,580)	(8,544,008)
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental grants	851,642	-	-	851,642
Interest income	-	2,582	2,582	5,164
Property taxes	-	1,108,391	1,108,391	2,216,782
Total nonoperating revenues (expenses)	851,642	1,110,973	1,110,973	3,073,588
Income(Loss) before capital contributions and transfers	(3,644,460)	(1,226,353)	(599,607)	(5,470,420)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	2,247,731	-	-	2,247,731
Transfers in	2,841,030	470,210	312,373	3,623,613
Total Capital Contributions and Transfers	5,088,761	470,210	312,373	5,871,344
CHANGE IN NET POSTION	1,444,301	(756,143)	(287,234)	400,924
NET POSITION (Deficit) - BEGINNING	623,791	2,858,040	(388,306)	3,093,525
NET POSITION (Deficit) - ENDING	\$ 2,068,092	\$ 2,101,897	\$ (675,540)	\$ 3,494,449

CITY OF MONROE
Monroe, Louisiana

NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended April 30, 2018

Exhibit 42

	MONROE TRANSIT SYSTEM	MONROE CIVIC CENTER	LOUISIANA PURCHASE GARDENS AND ZOO	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 534,539	\$ 1,498,620	\$ 345,021	\$ 2,378,180
Payments to suppliers for goods and services	(1,961,808)	(1,908,277)	(580,524)	(4,450,609)
Payments for interfund services provided	-	(5,295)	(6,110)	(11,405)
Payments to employees for services and benefits	(1,741,969)	(1,134,628)	(1,274,119)	(4,150,716)
Net cash provided (used) for operating activities	<u>(3,169,238)</u>	<u>(1,549,580)</u>	<u>(1,515,732)</u>	<u>(6,234,550)</u>
CASH FLOWS (USES) FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating grants	851,642	-	-	851,642
Ad valorem taxes	-	1,108,391	1,108,391	2,216,782
Transfers in	2,841,030	470,210	312,373	3,623,613
Net cash provided (used) for noncapital financing activities	<u>3,692,672</u>	<u>1,578,601</u>	<u>1,420,764</u>	<u>6,692,037</u>
CASH FLOWS (USES) FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grants	2,247,731	-	-	2,247,731
Acquisition of capital assets	(2,192,958)	-	-	(2,192,958)
Principal paid on debt	(578,207)	(31,603)	92,386	(517,424)
Net cash provided (used) for capital and related financing activities	<u>(523,434)</u>	<u>(31,603)</u>	<u>92,386</u>	<u>(462,651)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Earnings on investments	-	2,582	2,582	5,164
Net cash provided (used) for investing activities	<u>-</u>	<u>2,582</u>	<u>2,582</u>	<u>5,164</u>
Net increase (decrease) in cash and cash equivalents	-	-	-	-
CASH AND CASH EQUIVALENTS - BEGINNING	800	10,500	2,500	13,800
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 800</u>	<u>\$ 10,500</u>	<u>\$ 2,500</u>	<u>\$ 13,800</u>

(Continued)

CITY OF MONROE
Monroe, Louisiana

NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended April 30, 2018

Exhibit 42

	MONROE TRANSIT SYSTEM	MONROE CIVIC CENTER	LOUISIANA PURCHASE GARDENS AND ZOO	TOTAL
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (4,496,102)	\$ (2,337,326)	\$ (1,710,580)	\$ (8,544,008)
Adjustments to reconcile operating income to net cash provided (used) for operating activities:				
Depreciation	1,006,365	715,323	153,764	1,875,452
Pension expense related to change in deferred outflows and deferred inflows	328,623	100,432	70,781	499,836
(Increase) decrease in accounts receivable	(50,941)	(9,674)	(9,866)	(70,481)
(Increase) decrease in interfund receivable	-	(5,295)	(6,110)	(11,405)
(Increase) decrease in inventories	72,220	-	-	72,220
(Increase) decrease in prepaid expenses	34,763	(67,563)	(962)	(33,762)
Increase (decrease) in accounts payable	(37,246)	12,628	(13,841)	(38,459)
Increase (decrease) in unearned revenue	-	61,797	-	61,797
Increase (decrease) in interfund payable	-	-	-	-
Increase (decrease) in compensated absences	(26,920)	(19,902)	1,082	(45,740)
Net cash provided (used) by operating activities	<u>\$ (3,169,238)</u>	<u>\$ (1,549,580)</u>	<u>\$ (1,515,732)</u>	<u>\$ (6,234,550)</u>

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**City of Monroe
Monroe, Louisiana**

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**City of Monroe
Monroe, Louisiana**

**COMBINING
INTERNAL SERVICE FUNDS
STATEMENTS**

DIVIDER

**City of Monroe
Monroe, Louisiana**

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DIVIDER

City of Monroe
Monroe, Louisiana
Propriety Fund Type - 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, 2018

Exhibit 43

	EMPLOYEES' GROUP INSURANCE	CENTRAL SHOP	TOTAL
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 2,092,646	\$ -	\$ 2,092,646
Inventories	-	32,870	32,870
	2,092,646	32,870	2,125,516
Noncurrent Assets			
Land and construction in progress	-	45,000	45,000
Depreciable assets, net of depreciation	-	1,788,276	1,788,276
	-	1,833,276	1,833,276
TOTAL ASSETS	2,092,646	1,866,146	3,958,792
LIABILITIES			
Current Liabilities:			
Accounts and retainage payable	-	27,755	27,755
Accrued liabilities	677,936	-	677,936
Interfund payables	-	35	35
	677,936	27,790	705,726
NET POSITION			
Net investment in capital assets	-	1,833,276	1,833,276
Unrestricted	1,414,709	5,081	1,419,790
	\$ 1,414,709	\$ 1,838,357	\$ 3,253,066

CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
For the Year Ended April 30, 2018

Exhibit 44

	EMPLOYEES' GROUP INSURANCE	CENTRAL SHOP	TOTAL
Operating revenues			
Charges for services	\$ 11,845,986	\$ 1,104,908	\$ 12,950,894
Total operating revenues	<u>11,845,986</u>	<u>1,104,908</u>	<u>12,950,894</u>
Operating expenses			
Benefits paid to participants	10,476,921	-	10,476,921
Salaries, wages, and benefits	-	963,313	963,313
Materials, repairs, and supplies	-	8,889	8,889
Utilities and communications	-	45,447	45,447
Shop expenses	-	562,055	562,055
Other operating expenses	203	10,919	11,122
Depreciation and amortization	-	85,906	85,906
Total operating expenses	<u>10,477,124</u>	<u>1,676,529</u>	<u>12,153,653</u>
Operating income (loss)	<u>1,368,862</u>	<u>(571,621)</u>	<u>797,241</u>
Nonoperating revenues (expenses)			
Interest income	<u>3,157</u>	<u>-</u>	<u>3,157</u>
Total nonoperating revenues (expenses)	<u>3,157</u>	<u>-</u>	<u>3,157</u>
Income (loss) before contributions and transfer	1,372,019	(571,621)	800,398
Other Financing Sources (Uses)			
Transfers in	-	461,657	461,657
Transfers out	<u>(772,000)</u>	<u>-</u>	<u>(772,000)</u>
Total other financing sources (uses)	<u>(772,000)</u>	<u>461,657</u>	<u>(310,343)</u>
Change in net position	600,019	(109,964)	490,055
Total net position - Beginning	<u>814,690</u>	<u>1,948,321</u>	<u>2,763,011</u>
Total net position - Ending	<u>\$ 1,414,709</u>	<u>\$ 1,838,357</u>	<u>\$ 3,253,066</u>

CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Combining Statement of Cash Flows
For the Year Ended April 30, 2018

Exhibit 45

	EMPLOYEES' GROUP INSURANCE	CENTRAL SHOP	TOTAL
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 11,845,986	\$ 1,104,907	\$ 12,950,893
Payments to suppliers for goods and services	(10,234,355)	(603,251)	(10,837,606)
Payments to employees for services and benefits	-	(963,313)	(963,313)
Net cash provided (used) for operating activities	<u>1,611,631</u>	<u>(461,657)</u>	<u>1,149,974</u>
CASH FLOW (USES) FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	-	461,657	461,657
Transfers out	(772,000)	-	(772,000)
Net cash provided (used) for noncapital financing activities	<u>(772,000)</u>	<u>461,657</u>	<u>(310,343)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Earnings on investments	3,157	-	3,157
Net cash provided (used) for investing activities	<u>3,157</u>	<u>-</u>	<u>3,157</u>
Net increase (decrease) in cash and cash equivalents	842,788	-	842,788
CASH AND CASH EQUIVALENTS - BEGINNING	<u>1,249,857</u>	<u>-</u>	<u>1,249,857</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 2,092,645</u>	<u>\$ -</u>	<u>\$ 2,092,645</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,368,862	\$ (571,621)	\$ 797,241
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	85,906	85,906
Changes in assets and liabilities			
(Increase) Decrease in inventories	-	20,721	20,721
Increase (Decrease) in accounts payable	-	3,303	3,303
Increase (Decrease) in accrued liabilities	242,769	-	242,769
Increase (Decrease) in interfund payable	-	35	35
Net cash provided (used) for operating activities	<u>\$ 1,611,631</u>	<u>\$ (461,656)</u>	<u>\$ 1,149,975</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, 2018**

Exhibit 46

	PENSION TRUST FUNDS		TOTAL
	BUS DRIVERS' PENSION FUND	POLICE PENSION FUND	
ASSETS			
Current assets			
Cash and cash equivalents	\$ 9,842	\$ 103,453	\$ 113,295
Total assets	9,842	103,453	113,295
Net position			
Restricted for retirement benefits	9,842	103,453	113,295
Total net position	\$ 9,842	\$ 103,453	\$ 113,295

CITY OF MONROE
Monroe, Louisiana

FIDUCIARY FUNDS
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended April 30, 2018

Exhibit 47

	PENSION TRUST FUNDS		TOTAL
	BUS DRIVERS' PENSION FUND	POLICE PENSION FUND	
ADDITIONS			
Investment income			
Interest	\$ 132	\$ 196	\$ 328
Total additions	132	196	328
DEDUCTIONS			
Benefits paid	3,300	2,396	5,696
Total deductions	3,300	2,396	5,696
Changes in net position	(3,168)	(2,200)	(5,368)
Net Position, beginning	13,010	105,653	118,663
Net Position, ending	\$ 9,842	\$ 103,453	\$ 113,295

**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.

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 Fiduciary Assets and Liabilities
For the Year Ended April 30, 2018

	MONROE POLICE DEPARTMENT EVIDENCE	PROPERTY TAX COLLECTION	BID BOND AGENCY FUND	SALES TAX COLLECTION AGENCY
ASSETS				
Current assets				
Cash and cash equivalents	\$ 167,337	\$ 2,711	\$ 13,076	\$ 1,488,199
Receivables	-	-	-	14,858,761
Total assets	167,337	2,711	13,076	16,346,960
LIABILITIES				
Current liabilities				
Accounts payable	-	-	-	103,402
Due to others	167,337	2,711	13,076	16,243,558
Total liabilities	\$ 167,337	\$ 2,711	\$ 13,076	\$ 16,346,960

Exhibit 48

<u>BELL SOUTH</u> <u>(AT&T)</u>	<u>TOTAL</u>
\$ -	\$ 1,671,323
-	14,858,761
<u>-</u>	<u>16,530,084</u>
-	103,402
-	16,426,682
<u>-</u>	<u>16,530,084</u>

CITY OF MONROE
Monroe, Louisiana

Exhibit 49

AGENCY FUNDS
Combining Statement of Changes in Assets and Liabilities
For the Year Ended April 30, 2018

	Balance May 1, 2017	Additions	Deductions	Balance April 30, 2018
*****MONROE POLICE DEPARTMENT EVIDENCE*****				
ASSETS				
Cash and cash equivalents	\$ 160,534	\$ 7,032	\$ (229)	\$ 167,337
Total assets	160,534	7,032	(229)	167,337
LIABILITIES				
Current liabilities				
Due to others	160,534	7,032	(229)	167,337
Total liabilities	\$ 160,534	\$ 7,032	\$ (229)	\$ 167,337
*****PROPERTY TAX COLLECTION*****				
ASSETS				
Cash and cash equivalents	\$ 1,210	\$ 2,401	\$ (900)	\$ 2,711
Total assets	1,210	2,401	(900)	2,711
LIABILITIES				
Current liabilities				
Due to others	1,210	2,401	(900)	2,711
Total liabilities	\$ 1,210	\$ 2,401	\$ (900)	\$ 2,711
*****BID BOND AGENCY FUND*****				
ASSETS				
Cash and cash equivalents	\$ 13,076	\$ -	\$ -	\$ 13,076
Total assets	13,076	-	-	13,076
LIABILITIES				
Current liabilities				
Due to others	13,076	-	-	13,076
Total liabilities	\$ 13,076	\$ -	\$ -	\$ 13,076
*****SALES TAX COLLECTION AGENCY*****				
ASSETS				
Cash and cash equivalents	\$ 1,355,475	\$ 187,395,741	\$ (187,263,017)	\$ 1,488,199
Receivables	14,661,759	14,858,761	(14,661,759)	14,858,761
Total assets	16,017,234	202,254,502	(201,924,776)	16,346,960
LIABILITIES				
Current liabilities				
Accounts payable	-	103,402	-	103,402
Due to others	16,017,234	202,151,100	(201,924,776)	16,243,558
Total liabilities	\$ 16,017,234	\$ 202,254,502	\$ (201,924,776)	\$ 16,346,960

(Continued)

CITY OF MONROE
Monroe, Louisiana

Exhibit 49

AGENCY FUNDS
Combining Statement of Changes in Assets and Liabilities
For the Year Ended April 30, 2018

	Balance May 1, 2017	Additions	Deductions	Balance April 30, 2018
*****BELL SOUTH (AT&T)*****				
ASSETS				
Cash and cash equivalents	\$ 2,558	\$ -	\$ (2,558)	\$ -
Total assets	2,558	-	(2,558)	-
LIABILITIES				
Current liabilities				
Due to others	2,558	-	(2,558)	-
Total liabilities	\$ 2,558	\$ -	\$ (2,558)	\$ -
*****TOTAL*****				
ASSETS				
Cash and cash equivalents	\$ 1,532,853	\$ 187,405,174	\$ (187,266,704)	\$ 1,671,323
Receivables	14,661,759	14,858,761	(14,661,759)	14,858,761
Total assets	16,194,612	202,263,935	(201,928,463)	16,530,084
LIABILITIES				
Current liabilities				
Accounts payable	-	103,402	-	103,402
Due to others	16,194,612	202,160,533	(201,928,463)	16,426,682
Total liabilities	\$ 16,194,612	\$ 202,263,935	\$ (201,928,463)	\$ 16,530,084

(Concluded)

**City of Monroe
Monroe, Louisiana**

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**City of Monroe
Monroe, Louisiana**

OTHER MISCELLANEOUS SCHEDULES

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**City of Monroe
Monroe, Louisiana**

**SCHEDULE OF LONG-TERM OBLIGATIONS
FOR THE YEAR ENDED APRIL 30, 2018**

Exhibit 50

Issue Dates	Remaining Interest Rates	Original Amount	Balance April 30, 2017	Issued	Retired	Balance April 30, 2018	Amount Due Within A Year	Principal Maturity Schedule For Future Years
GOVERNMENTAL ACTIVITIES								
Tax Increment Bonds:								
Tower Drive Series 2012	2012	2.71%	\$ 10,590,000	\$ 7,120,000	\$ (810,000)	\$ 6,310,000	\$ 830,000	\$830,000 - \$975,000 to March 1, 2025
I-20 Development Series 2011	2011	3.00% - 5.00%	10,000,000	6,480,000	(710,000)	5,770,000	735,000	\$735,000 - \$935,000 to March 1, 2025
I-20 Development Series 2012	2012	2.71%	20,530,000	14,400,000	(1,635,000)	12,765,000	1,680,000	\$1,680,000 - \$1,975,000 to March 1, 2025
Total Tax Increment Bonds			<u>41,120,000</u>	<u>28,000,000</u>	<u>(3,155,000)</u>	<u>24,845,000</u>	<u>3,245,000</u>	
Sales Tax Bonds:								
Series 2007A Refunding	2007	5.705%	19,951,200	12,025,800	(12,025,800)	-	-	
Series 2011A Refunding	2011	3.19%	14,690,000	13,600,000	(290,000)	13,310,000	305,000	\$305,000 - \$1,780,000 to July 1, 2027
Series 2012 Refunding	2012	3.00% - 4.00%	16,860,000	13,610,000	(995,000)	12,615,000	1,030,000	\$245,000 - \$1,740,000 to July 1, 2027
Series 2017 Refunding	2017	2.10%	12,535,800	-	12,535,800	1,203,600	1,203,600	\$1,203,600 - \$2,516,000 to July 1, 2026
			<u>64,037,000</u>	<u>39,235,800</u>	<u>12,535,800</u>	<u>(13,310,800)</u>	<u>38,460,800</u>	<u>2,538,600</u>
Bond Premium				366,524	(73,017)	293,507	64,944	
Total Bonds Payable, net				<u>67,602,324</u>	<u>12,535,800</u>	<u>(16,538,817)</u>	<u>63,599,307</u>	<u>5,848,544</u>
Other:								
Claims and Judgments			-	10,009,611	250,671	(1,848,317)	8,411,965	1,848,317
Capital Leases	2013	3.49%-7.30%	-	4,727,592	-	(1,287,363)	3,440,229	1,287,363
Notes payable			4,000,000	829,915	(829,915)	-	-	\$135,472 - \$1,360,639 to November 1, 2022
Accrued Vacation and Sick Pay			-	6,348,291	3,495,557	(4,104,769)	5,739,079	4,104,769
Other post employment benefits			-	19,290,496	5,761,595	(1,733,772)	23,318,319	-
Net Pension Liability			-	83,304,812	(355,289)	(9,475,633)	73,473,890	-
Total Other			<u>4,000,000</u>	<u>124,510,717</u>	<u>9,152,534</u>	<u>(19,279,769)</u>	<u>114,383,482</u>	<u>7,240,449</u>
TOTAL GOVERNMENTAL ACTIVITIES			<u>109,157,000</u>	<u>192,113,041</u>	<u>21,688,334</u>	<u>(35,818,586)</u>	<u>177,982,789</u>	<u>13,088,993</u>
BUSINESS TYPE ACTIVITIES								
Sales Tax Bonds - Water:								
Series 2006	2006	3.45%	3,000,000	2,040,000	(140,000)	1,900,000	145,000	\$145,000 - \$205,000 to July 1, 2028
Series 2007A Refunding	2007	5.705%	1,877,760	1,131,840	(1,131,840)	-	-	
Series 2011 Refunding	2011	5.00%	1,916,000	1,001,000	(237,000)	764,000	244,000	\$244,000 - \$264,000 to July 1, 2020
Series 2017 Refunding	2017	2.10%	1,179,840	-	1,179,840	1,179,840	113,280	\$113,280 - \$236,800 to July 1, 2026
Total Sales Tax Bonds - Water			<u>7,973,600</u>	<u>4,172,840</u>	<u>1,179,840</u>	<u>(1,508,840)</u>	<u>3,843,840</u>	<u>502,280</u>
Sales Tax Bonds - Sewer:								
Series 2007A Refunding	2007	5.705%	7,511,040	4,527,360	(4,527,360)	-	-	
Series 2008 - DEQ #5	2008	0.95%	14,000,000	6,265,650	1,332,326	(675,000)	6,922,976	\$685,000 - \$765,000 to July 1, 2030
Series 2011 Refunding	2011	5.00%	7,664,000	4,004,000	(948,000)	3,056,000	976,000	\$976,000 - \$1,056,000 to July 1, 2020
Series 2012A Refunding	2012	2.89%	32,000,000	24,640,000	(1,935,000)	22,705,000	1,990,000	\$1,990,000 - \$2,575,000 to June 1, 2027
Series 2013 - DEQ #6	2013	0.95%	11,700,000	3,750,606	1,900,350	(743,000)	4,907,956	\$750,434 - \$832,648 to July 1, 2029
Series 2017 Refunding	2017	2.10%	4,719,360	-	4,719,360	4,719,360	453,120	\$453,120 - \$947,200 to July 1, 2026
Total Sales Tax Bonds			<u>77,594,400</u>	<u>43,187,616</u>	<u>7,952,036</u>	<u>(8,828,360)</u>	<u>42,311,292</u>	<u>4,854,554</u>
Airport General Obligation Bonds:								
Series 2009 Airport Bonds	2009	3.5% - 5.5%	19,250,000	15,830,000	(15,830,000)	-	-	\$300,000 - \$964,000 to February 1, 2039
Series 2017 LCDA Taxable Revenue Refunding	2017	2.00% - 4.10%	15,625,000	-	15,625,000	(200,000)	15,425,000	\$725,000 - \$1,195,000 to February 1, 2039
Total Airport Revenue Bonds			<u>34,875,000</u>	<u>15,830,000</u>	<u>15,625,000</u>	<u>(16,030,000)</u>	<u>15,425,000</u>	<u>725,000</u>
Bond Premium				17,243	(117,746)	(11,891)	(112,394)	-
Total Bonds Payable, net				<u>63,207,699</u>	<u>24,639,130</u>	<u>(26,379,091)</u>	<u>61,467,738</u>	<u>6,081,834</u>
Other:								
Accrued Vacation and Sick Pay				1,346,522	741,268	(892,480)	1,195,310	892,480
Net Pension Liability				16,885,403	1,503,081	(1,897,131)	16,491,353	-
TOTAL BUSINESS TYPE ACTIVITIES			<u>120,443,000</u>	<u>81,439,624</u>	<u>26,883,479</u>	<u>(29,168,702)</u>	<u>79,154,401</u>	<u>6,974,314</u>
TOTAL ALL ACTIVITIES			<u>\$ 229,600,000</u>	<u>\$ 273,552,665</u>	<u>\$ 48,571,813</u>	<u>\$ (64,987,288)</u>	<u>\$ 257,137,190</u>	<u>\$ 20,063,307</u>

**City of Monroe
Monroe, Louisiana
Schedule of Compensation Paid Council Members
For the Year Ended April 30, 2018**

Exhibit 51

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>Council Member</u>	<u>District</u>	<u>Amount</u>
Mike Echols – former Chairperson	1	\$13,961
Gretchen Ezernack- Chairperson Effective July 12, 2017	2	17,192
Juanita Woods	3	12,461
Kenneth Wilson	4	12,461
Eddie Clark	5	<u>12,461</u>
Total		<u>\$68,536</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, 2018**

Exhibit 52

MAYOR JAMIE MAYO

<u>Agency Head</u>	
<u>Purpose</u>	<u>Amount</u>
Salary	\$ 89,999
Benefits - Insurance	18,387
Benefits - Retirement	21,929
Benefits - Life insurance	285
Benefits - Medicare	1,559
Car allowance	6,850
Registration fees	6,835
Fuel card	1,496
	<u>\$ 147,340</u>

**City of Monroe
Monroe, Louisiana**

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STATISTICAL SECTION

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**CITY OF MONROE, LOUISIANA
STATISTICAL SECTION**

This part of the Government's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>INDEX</u>	<u>Table Number</u>	<u>Page Number</u>
 <i><u>FINANCIAL TRENDS INFORMATION</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well being has changed over time.</i>		
Net Position by Component	1	208
Changes in Net Position	2	209
Fund Balances of Governmental Funds	3	212
Changes in Fund Balances of Governmental Funds	4	213
 <i><u>REVENUE CAPACITY INFORMATION</u> - These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales tax.</i>		
Governmental Activities Tax Revenue by Source	5	215
Assessed Value of Taxable Property	6	216
Property Tax Rates and Tax Levies - Direct and Overlapping Governments	7	217
Principal Property Taxpayers	8	218
Property Tax Levies and Collections.	9	219
Sales Tax Revenues	10	220
Direct and Overlapping Sales Tax Rates.	11	221
 <i><u>DEBT CAPACITY INFORMATION</u> - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>		
Ratios of Outstanding Debt by Type.	12	222
Ratio of General Bonded Debt Outstanding.	13	223
Direct and Overlapping Governmental Activities Debt.	14	224
Legal Debt Margin Information.	15	225
Pledged Revenue Coverage -Water & Sewer.	16	226
 <i><u>DEMOGRAPIC AND ECONOMIC INFORMATION</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>		
Demographic and Economic Statistics.	17	227
Principal Employers.	18	228
 <i><u>OPERATING INFORMATION</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>		
City Government Employees by Function.	19	229
Operating Indicators by Function.	20	230
Capital Asset Statistics by Function.	21	231

Table 1

CITY OF MONROE, LOUISIANA
 Net Position by Component
 Last Ten Fiscal Years Ended April 30,
 (accrual basis of accounting)(in millions)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
Net investment in capital assets	\$ 75.1	\$ 80.6	\$ 80.8	\$ 80.7	\$ 90.1	\$ 88.7	\$ 86.4	\$ 68.0	\$ 74.4	\$ 105.4
Restricted	49.3	40.7	45.9	44.6	65.0	68.0	70.2	56.1	69.5	54.7
Unrestricted	(83.5)	(80.6)	(82.0)	(14.6)	(105.2)	(107.4)	(97.3)	(55.4)	(61.2)	(73.0)
Total governmental activities net position	40.9	40.7	44.7	110.7	49.9	49.3	59.2	68.7	82.8	87.1
Business-type activities:										
Net investment in capital assets	98.1	98.0	90.9	98.5	98.8	101.3	98.3	75.0	70.4	74.3
Restricted	7.1	8.3	7.7	2.6	-	-	-	-	-	-
Unrestricted	(4.3)	(5.2)	4.9	8.6	71.1	73.7	75.3	88.2	77.7	63.5
Total business-type activities net position	100.9	101.1	103.5	109.7	169.9	175.0	173.6	163.2	148.0	137.9
Primary government:										
Net investment in capital assets	173.2	178.6	171.7	179.2	188.9	189.9	184.7	143.1	144.8	179.7
Restricted	56.4	49.0	53.6	47.2	65.0	68.0	70.2	56.1	69.5	54.7
Unrestricted	(87.8)	(85.8)	(77.1)	(6.0)	(34.1)	(33.7)	(22.0)	32.8	16.5	(9.4)
Total primary government activities net position	\$ 141.8	\$ 141.8	\$ 148.2	\$ 220.4	\$ 219.8	\$ 224.3	\$ 232.8	\$ 231.9	\$ 230.8	\$ 225.0

Source: Comprehensive Annual Financial Report (2017 & 2018) and Annual Financial Reports (2009-2016).

Unaudited - See accompanying independent auditors' report.

Table 2

CITY OF MONROE, LOUISIANA
 Changes in Net Position
 Last Ten Fiscal Years Ended April 30,
 (accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental activities:										
General government	\$ 17,964,876	\$ 17,346,881	\$ 21,686,830	\$ 20,427,348	\$ 27,545,756	\$ 23,254,941	\$ 23,859,624	\$ 21,826,923	\$ 23,870,534	\$ 22,318,212
Public safety	37,143,118	37,942,796	37,675,903	34,549,272	33,506,246	33,116,458	33,966,941	34,962,553	33,344,579	32,752,653
Public works	22,466,032	23,644,547	22,418,900	21,386,343	21,173,776	29,417,301	21,116,447	20,026,135	18,424,296	19,427,509
Culture and recreation	4,740,849	4,267,732	4,272,866	4,883,891	4,160,881	3,863,274	4,010,640	4,482,718	3,746,494	4,064,672
Planning and urban development	2,400,399	2,227,083	2,250,288	2,346,757	2,539,065	3,080,582	3,615,611	2,960,383	2,921,511	2,376,802
Economic development and assistance	128,128	65,000	158,143	987,483	108,413	1,493,583	148,241	259,889	347,982	1,035,353
Debt service interest	2,069,764	2,510,205	2,714,753	3,463,158	6,043,889	5,623,987	9,157,232	8,178,186	7,723,980	7,166,608
Capital lease interest	45,867	57,443	68,133	77,991	87,069	95,723	111,652	114,916	123,914	132,224
Judgments (1)	-	-	-	-	109,568	252,807	259,185	222,627	548,486	740,328
Intergovernmental expenditures (1)	-	-	-	-	2,100,665	9,026,505	19,651,533	20,763,834	16,630,521	8,745,511
Total governmental activities expenses	<u>86,959,033</u>	<u>88,061,687</u>	<u>91,245,816</u>	<u>88,122,243</u>	<u>97,375,328</u>	<u>109,225,161</u>	<u>115,897,106</u>	<u>113,798,164</u>	<u>107,682,297</u>	<u>98,759,872</u>
Business-type activities:										
Airport	7,204,233	7,475,291	6,648,648	6,237,895	4,789,469	4,641,770	3,426,004	2,429,526	2,365,597	2,198,892
Transit	5,081,582	5,991,290	5,804,506	5,988,833	5,570,764	5,305,452	5,297,264	4,788,581	4,574,730	4,212,198
Civic Center	3,783,823	4,159,138	3,432,748	3,748,825	3,432,539	3,699,250	3,455,183	3,505,620	3,222,770	3,553,218
Water	10,659,214	10,644,527	10,333,675	10,826,152	9,820,954	8,426,120	7,985,770	7,925,705	7,058,381	7,620,004
Sewer	12,152,136	11,621,383	11,725,840	11,210,852	9,505,236	9,224,629	8,962,434	8,358,063	8,722,436	9,053,953
Zoo	2,065,467	1,887,191	1,964,310	1,814,115	1,568,254	1,707,326	1,510,984	1,424,752	1,547,009	1,552,173
Livestock Arena (2)	-	-	-	-	-	-	-	-	9,724	11,844
Total business-type activities expenses	<u>40,946,455</u>	<u>41,778,820</u>	<u>39,909,727</u>	<u>39,826,672</u>	<u>34,687,216</u>	<u>33,004,547</u>	<u>30,637,639</u>	<u>28,432,247</u>	<u>27,500,647</u>	<u>28,202,282</u>
Total primary government expenses	<u>127,905,488</u>	<u>129,840,507</u>	<u>131,155,543</u>	<u>127,948,915</u>	<u>132,062,544</u>	<u>142,229,708</u>	<u>146,534,745</u>	<u>142,230,411</u>	<u>135,182,944</u>	<u>126,962,154</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	10,565,990	11,616,081	11,160,651	10,826,085	15,124,930	16,454,391	17,063,945	17,135,319	16,884,964	19,965,456
Public safety	72,009	77,598	77,829	98,001	164,708	198,582	166,031	163,737	348,626	321,446
Public works	74,899	43,223	93,535	45,151	5,060,101	3,358,096	3,496,454	3,862,881	3,647,074	3,422,809
Culture and recreation	525,534	761,592	750,885	510,082	586,558	473,005	555,579	625,161	503,326	566,321
Planning and urban development	369,927	299,411	332,427	319,184	362,493	347,975	329,213	404,416	645,985	266,641
Economic development and assistance	-	-	-	-	90,246	88,861	630,421	84,123	82,733	115,463
Operating grants and contributions	4,685,583	3,638,487	4,044,195	3,526,935	4,286,304	4,883,249	6,164,182	5,876,841	5,734,666	3,419,740
Capital grants and contributions	5,220,961	1,953,277	1,206,800	1,213,893	1,214,329	5,972,916	7,281,978	12,591,009	11,110,912	4,201,882
Total governmental activities program revenues	<u>\$ 21,514,903</u>	<u>\$ 18,389,669</u>	<u>\$ 17,666,322</u>	<u>\$ 16,539,331</u>	<u>\$ 26,889,669</u>	<u>\$ 31,777,075</u>	<u>\$ 35,687,803</u>	<u>\$ 40,743,487</u>	<u>\$ 38,958,286</u>	<u>\$ 32,279,758</u>

(Continued)

Table 2

CITY OF MONROE, LOUISIANA
Changes in Net Position
Last Ten Fiscal Years Ended April 30,
(accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Business-type activities:										
Charges for services:										
Airport	\$ 3,590,506	\$ 3,452,378	\$ 3,009,819	\$ 3,835,552	\$ 3,051,049	\$ 2,633,553	\$ 1,952,251	\$ 1,817,913	\$ 1,581,908	\$ 1,454,027
Transit	585,480	647,927	652,843	667,460	686,548	643,697	626,017	575,569	614,686	562,542
Civic Center	1,446,497	1,283,063	1,395,947	1,674,128	1,772,882	1,925,906	1,812,927	1,895,725	1,890,082	1,825,556
Water	9,437,868	10,055,485	9,569,729	9,286,511	9,972,379	8,482,854	8,764,784	9,240,665	8,660,784	7,603,470
Sewer	6,895,015	6,919,003	6,873,266	6,688,952	7,092,568	4,606,989	4,497,756	4,664,723	4,697,416	4,564,792
Zoo	354,887	331,677	277,247	227,848	307,184	262,901	272,348	295,658	320,168	338,697
Livestock Arena (2)	-	-	-	-	-	-	-	-	5,805	1,805
Operating grants and contributions	1,137,533	1,188,806	217,135	1,763,474	2,022,035	1,512,231	1,070,688	607,183	1,695,247	403,544
Capital grants and contributions	4,794,018	2,043,671	5,839,420	6,948,537	3,115,074	10,299,961	20,698,670	22,867,569	17,183,477	11,693,265
Total business-type activities program revenues	<u>28,241,804</u>	<u>25,922,010</u>	<u>27,835,406</u>	<u>31,092,462</u>	<u>28,019,719</u>	<u>30,368,092</u>	<u>39,695,441</u>	<u>41,965,005</u>	<u>36,649,573</u>	<u>28,447,698</u>
Total primary government program revenues	<u>49,756,707</u>	<u>44,311,679</u>	<u>45,501,728</u>	<u>47,631,793</u>	<u>54,909,388</u>	<u>62,145,167</u>	<u>75,383,244</u>	<u>82,708,492</u>	<u>75,607,859</u>	<u>60,727,456</u>
Net expenses:										
Governmental activities	(65,444,130)	(69,672,018)	(73,579,494)	(71,582,912)	(70,485,659)	(77,448,086)	(80,209,303)	(73,054,677)	(68,724,011)	(66,480,114)
Business-type activities	(12,704,651)	(15,856,810)	(12,074,321)	(8,734,210)	(6,667,497)	(2,636,455)	9,057,802	13,532,758	9,148,926	245,416
Total primary government net expenses	<u>(78,148,781)</u>	<u>(85,528,828)</u>	<u>(85,653,815)</u>	<u>(80,317,122)</u>	<u>(77,153,156)</u>	<u>(80,084,541)</u>	<u>(71,151,501)</u>	<u>(59,521,919)</u>	<u>(59,575,085)</u>	<u>(66,234,698)</u>
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Ad valorem	9,306,674	8,911,057	8,756,638	8,452,463	8,855,173	8,590,203	8,831,465	8,376,272	8,742,774	8,343,836
Sales	64,706,353	66,864,083	67,202,147	66,426,764	62,838,605	59,792,503	59,925,541	57,935,882	55,760,791	56,838,007
Other	872,303	868,295	869,714	928,384	977,910	1,003,304	1,099,414	908,430	907,167	955,224
Earnings on investments	242,471	146,541	88,332	129,222	277,976	278,110	207,819	309,889	291,396	1,321,703
Gain (loss) on disposition of capital assets	98,495	213,988	117,437	105,747	312,833	107,992	183,828	(194,952)	339,241	(33,278)
Miscellaneous	1,958,885	1,282,606	332,732	1,019,721	109,801	77,360	29,350	104,192	(273,838)	138,674
Other uses	(1,320,555)	(1,818)	-	-	-	-	-	-	-	-
Transfers	(10,151,549)	(10,939,540)	(14,442,471)	(9,081,122)	366,807	(2,339,279)	(46,259)	335,225	(97,220)	(1,758,112)
Insurance proceeds	-	-	-	-	-	20,485	490,178	-	100,000	561,448
Total governmental activities general revenues	<u>65,713,077</u>	<u>67,345,212</u>	<u>62,924,529</u>	<u>67,981,179</u>	<u>73,739,105</u>	<u>67,530,678</u>	<u>70,721,336</u>	<u>67,774,938</u>	<u>65,770,311</u>	<u>66,367,502</u>
Business-type activities										
Taxes:										
Ad valorem	2,662,801	2,526,727	2,477,683	2,405,159	1,998,902	1,938,048	1,985,735	1,903,918	1,961,546	2,075,277
Earnings on investments	27,521	35,317	16,770	6,147	3,454	3,545	2,182	-	-	-
Gain (loss) on disposition of capital assets	(23,013)	(48,604)	(19,160)	-	(40,231)	(305,267)	(647,677)	(25,881)	(1,036,001)	-
Bond Issuance Cost	(344,294)	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	(38,610)	-	-	141,232
Transfers	10,151,549	10,939,540	14,442,471	9,081,122	(366,807)	2,339,279	46,259	(315,075)	97,220	1,758,112
Total business-type activities general revenues	<u>\$ 12,474,564</u>	<u>\$ 13,452,980</u>	<u>\$ 16,917,764</u>	<u>\$ 11,492,428</u>	<u>\$ 1,595,318</u>	<u>\$ 3,975,605</u>	<u>\$ 1,347,889</u>	<u>\$ 1,562,962</u>	<u>\$ 1,022,765</u>	<u>\$ 3,974,621</u>

(Continued)

Table 2

CITY OF MONROE, LOUISIANA
 Changes in Net Position
 Last Ten Fiscal Years Ended April 30,
 (accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total primary government general revenues	\$ 78,187,641	\$ 80,798,192	\$ 79,842,293	\$ 79,473,607	\$ 75,334,423	\$ 71,506,283	\$ 72,069,225	\$ 69,337,900	\$ 66,793,076	\$ 70,342,123
Changes in net position:										
Governmental activities	268,947	(2,326,806)	(10,654,965)	(3,601,733)	3,253,446	(9,917,408)	(9,487,967)	(5,279,739)	(2,953,700)	(112,612)
Business-type activities	(230,087)	(2,403,830)	4,843,443	2,758,218	(5,072,179)	1,339,150	10,405,691	15,095,720	10,171,691	4,220,037
Total primary government net revenues	\$ 38,860	\$ (4,730,636)	\$ (5,811,522)	\$ (843,515)	\$ (1,818,733)	\$ (8,578,258)	\$ 917,724	\$ 9,815,981	\$ 7,217,991	\$ 4,107,425

(Concluded)

Source: Comprehensive Annual Financial Report (2017 & 2018) and Annual Financial Reports (2009-2016).

Note:
 (1) 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 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 Statement and in the Governmental Fund Types in the Fund Financial Statements. This practice changed for fiscal year ended April 30, 2015.

(2) In fiscal year 2011, the Livestock Arena fund was closed.

Unaudited - See accompanying independent auditors' report.

CITY OF MONROE, LOUISIANA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund (1):										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,724,847	\$ 952,886	\$ 807,147
Unreserved	-	-	-	-	-	-	-	12,138,111	11,922,900	11,469,379
Nonspendable:										
Prepaid expenses and other assets	317,807	210,875	265,384	238,759	423,153	283,645	282,866	-	-	-
Inventories	119,012	104,251	114,736	144,580	106,317	118,623	442,929	-	-	-
Spendable:										
Restricted	-	-	-	-	-	1,359,151	1,555,353	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	13,517,367	13,468,749	13,730,601	14,731,745	13,840,047	12,473,120	11,728,959	-	-	-
Total general fund	<u>13,954,186</u>	<u>13,783,875</u>	<u>14,110,721</u>	<u>15,115,084</u>	<u>14,369,517</u>	<u>14,234,539</u>	<u>14,010,107</u>	<u>13,862,958</u>	<u>12,875,786</u>	<u>12,276,526</u>
All Other Governmental Funds (1):										
Reserved	-	-	-	-	-	-	-	60,948,815	68,919,501	54,279,133
Unreserved	-	-	-	-	-	-	-	10,630,105	12,197,264	11,698,270
Nonspendable:										
Prepaid expenses and other assets	432,719	512,734	574,942	647,447	694,293	785,025	507,852	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Spendable:										
Restricted	46,586,767	51,551,783	54,813,742	62,236,054	65,019,501	63,865,253	68,612,928	-	-	-
Committed	1,059,831	283,421	243,837	309,364	-	-	-	-	-	-
Assigned	1,436,765	627,515	807,466	1,423,321	4,004,460	8,578,104	6,651,080	-	-	-
Unassigned (deficit)	(1,306,728)	(1,602,183)	(179,703)	(98,313)	(460,406)	(384,367)	(968,014)	-	-	-
Total all other governmental funds	<u>48,209,354</u>	<u>51,373,270</u>	<u>56,260,284</u>	<u>64,517,873</u>	<u>69,257,848</u>	<u>72,844,015</u>	<u>74,803,846</u>	<u>71,578,920</u>	<u>81,116,765</u>	<u>65,977,403</u>
Grand Total of funds	<u>\$ 62,163,540</u>	<u>\$ 65,157,145</u>	<u>\$ 70,371,005</u>	<u>\$ 79,632,957</u>	<u>\$ 83,627,365</u>	<u>\$ 87,078,554</u>	<u>\$ 88,813,953</u>	<u>\$ 85,441,878</u>	<u>\$ 93,992,551</u>	<u>\$ 78,253,929</u>

Source: Comprehensive Annual Financial Report (2017 & 2018) and Annual Financial Reports (2009-2016).

Note:

(1) Fund balance classifications were modified in fiscal year 2011 to comply with the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Unaudited - See accompanying independent auditors' report.

Table 4

CITY OF MONROE, LOUISIANA
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Taxes:										
Ad valorem taxes	\$ 9,306,674	\$ 8,911,057	\$ 8,756,638	\$ 8,452,463	\$ 8,855,173	\$ 8,590,203	\$ 8,822,000	\$ 8,496,850	\$ 8,699,085	\$ 8,393,143
Sales and use taxes	64,734,104	66,864,083	67,209,288	66,407,623	62,834,492	61,030,048	59,788,937	57,947,060	55,683,943	56,780,447
Other taxes, penalties and interest	872,303	868,295	869,714	928,384	977,910	1,003,304	1,099,413	908,429	907,167	76,555
Licenses, permits and assessments	2,905,768	3,326,117	3,023,799	3,058,213	2,860,418	2,858,845	2,868,503	2,803,437	2,709,272	3,830,939
Intergovernmental revenues	9,162,303	5,591,764	5,309,295	5,245,652	5,444,201	11,215,859	14,407,174	16,623,689	16,665,173	7,748,764
Fees, charges and commissions for service	8,003,028	8,755,879	8,447,735	8,050,622	9,090,201	8,741,139	8,880,669	9,076,642	9,235,211	9,542,867
Fines of forfeitures	596,695	633,076	774,704	633,654	725,333	797,249	729,959	888,064	948,032	885,792
Use of money and property	342,182	229,037	198,999	184,433	274,139	278,110	330,625	470,653	488,470	1,509,574
Miscellaneous revenues	858,422	282,606	332,732	921,363	347,699	73,144	682,415	338,232	304,052	534,648
Total revenues	<u>96,781,479</u>	<u>95,461,914</u>	<u>94,922,904</u>	<u>93,882,407</u>	<u>91,409,566</u>	<u>94,587,901</u>	<u>97,609,695</u>	<u>97,553,056</u>	<u>95,640,405</u>	<u>89,302,729</u>
Expenditures:										
Current:										
General government										
Legislative	568,093	552,684	525,655	433,557	359,096	335,388	360,809	330,769	296,371	253,436
Judicial	2,807,644	2,780,983	2,655,744	2,688,857	2,392,498	3,213,669	3,180,845	3,157,317	2,963,232	3,035,025
Executive	878,545	988,958	984,057	947,702	910,744	857,649	826,086	762,443	780,624	855,467
Financial administration	12,662,282	11,479,622	11,477,318	10,342,748	10,218,191	10,618,246	9,810,231	8,171,945	8,667,079	8,572,447
Other general government (1)	979,743	875,223	826,573	748,607	784,967	86,535	27,342	-	-	-
Public safety										
Police	16,753,741	17,120,036	17,796,230	15,760,367	16,490,133	16,503,208	17,089,400	18,338,197	16,893,806	16,282,623
Fire	16,824,028	16,710,482	17,275,398	17,044,652	16,144,429	15,895,058	16,107,768	15,748,564	15,620,462	15,125,540
Public works	12,046,388	13,578,228	12,486,273	11,269,963	11,115,830	11,484,536	11,310,536	10,788,910	10,145,132	11,324,074
Culture and recreation	4,265,942	3,943,573	3,956,308	3,780,283	3,649,118	3,318,696	3,477,724	4,001,570	3,309,415	3,676,522
Planning and urban development	2,336,632	2,091,053	2,142,708	2,280,592	2,525,234	2,991,757	3,456,501	2,948,741	2,921,511	2,376,802
Economic development and assistance	128,128	65,000	158,143	987,483	108,413	1,493,584	389,636	183,841	347,982	1,035,354
Capital outlay	11,223,063	9,791,367	9,023,989	4,333,026	13,595,608	20,183,831	23,366,798	27,641,119	27,389,394	14,840,020
Debt Service:										
Principal retirement	7,517,673	7,428,594	6,824,339	6,146,463	10,051,451	10,745,910	9,749,481	8,730,284	8,498,313	8,691,789
Interest and bank charges	2,411,139	2,790,516	2,928,858	3,220,415	6,302,057	5,585,853	7,081,359	7,788,583	7,642,775	8,993,504
Total expenditures	<u>91,403,041</u>	<u>90,196,319</u>	<u>89,061,593</u>	<u>79,984,715</u>	<u>94,647,769</u>	<u>103,313,920</u>	<u>106,234,516</u>	<u>108,592,283</u>	<u>105,476,096</u>	<u>95,062,603</u>
Excess (deficiency) of revenues over expenditures	\$ <u>5,378,438</u>	\$ <u>5,265,595</u>	\$ <u>5,861,311</u>	\$ <u>13,897,692</u>	\$ <u>(3,238,203)</u>	\$ <u>(8,726,019)</u>	\$ <u>(8,624,821)</u>	\$ <u>(11,039,227)</u>	\$ <u>(9,835,691)</u>	\$ <u>(5,759,874)</u>

(Continued)

Table 4

CITY OF MONROE, LOUISIANA
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Other financing sources (uses)										
Transfers in	\$ 8,306,049	\$ 7,002,872	\$ 8,828,494	\$ 6,043,643	\$ 16,668,506	\$ 28,058,560	\$ 32,749,176	\$ 17,315,756	\$ 24,824,327	\$ 20,945,926
Transfers out	(18,147,255)	(18,913,325)	(24,085,238)	(17,592,988)	(17,291,370)	(31,135,866)	(33,163,896)	(17,237,443)	(25,281,078)	(23,829,486)
Sales of assets	101,453	179,037	133,480	105,747	334,746	105,058	188,226	61,636	369,147	208,420
Bond proceeds	12,535,800	-	-	-	-	85,809,858	35,589,849	2,348,605	25,940,339	30,211,303
Payment to refunded bond escrow agent	(10,948,000)	-	-	-	-	(76,297,979)	(24,391,166)	-	-	(16,615,000)
Capital proceeds	-	1,946,932	-	2,500,000	75,132	1,480,145	179,801	-	-	-
Refund of sales tax	-	-	-	-	-	(1,053,741)	-	-	-	-
Insurance proceeds	1,100,463	1,000,000	-	98,358	-	24,585	490,178	-	100,000	561,448
Other uses	(1,320,555)	(1,818)	-	-	-	-	-	-	-	-
Total other financing sources(uses)	<u>(8,372,045)</u>	<u>(8,786,302)</u>	<u>(15,123,264)</u>	<u>(8,845,240)</u>	<u>(212,986)</u>	<u>6,990,620</u>	<u>11,642,168</u>	<u>2,488,554</u>	<u>25,952,735</u>	<u>11,482,611</u>
Net change in fund balances	\$ <u>(2,993,607)</u>	\$ <u>(3,520,707)</u>	\$ <u>(9,261,953)</u>	\$ <u>5,052,452</u>	\$ <u>(3,451,189)</u>	\$ <u>(1,735,399)</u>	\$ <u>3,017,347</u>	\$ <u>(8,550,673)</u>	\$ <u>16,117,044</u>	\$ <u>5,722,737</u>
Debt service as a percentage of noncapital expenditures	12.4%	12.7%	12.2%	12.4%	20.2%	19.6%	20.3%	20.4%	20.7%	22.0%

(Concluded)

Source: Comprehensive Annual Financial Report (2017 & 2018) and Annual Financial Reports (2009-2016).

Note:

(1) Prior to fiscal year 2014, the expenditures for the City Court and City Marshal was reported under the Judicial dept.

Unaudited - See accompanying independent auditors' report.

Table 5

CITY OF MONROE, LOUISIANA
 Governmental Activities Tax Revenue by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Sales & Use Tax</u>	<u>Ad Valorem Tax</u>	<u>Other Taxes</u>	<u>Total</u>
2018	\$ 64,734,104	\$ 9,306,674	\$ 872,303	\$ 74,913,081
2017	66,864,083	8,911,057	868,295	76,643,435
2016	67,209,288	8,756,638	869,714	76,835,640
2015	66,407,623	8,452,463	928,384	75,788,470
2014	62,834,492	8,855,173	977,910	72,667,575
2013	61,030,048	8,590,203	1,003,304	70,623,555
2012	59,788,937	8,822,000	1,099,413	69,710,350
2011	57,947,060	8,496,850	908,429	67,352,339
2010	55,683,943	8,699,085	907,167	65,290,195
2009	56,780,447	8,393,143	76,555	65,250,145

Source: Comprehensive Annual Financial Report (2017 & 2018) and Annual Financial Reports (2009-2016).

Unaudited - See accompanying independent auditors' report.

Table 6

CITY OF MONROE, LOUISIANA
 Assessed Value of Taxable Property
 Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Public Service/Rolling Stock	Total Taxable Assessed Value	Total Direct Tax Rate-Millages	Estimated Actual Value	Ratio of Total Assessed Value to Estimated Actual Value
2018	\$ 281,224,499	\$ 132,831,061	\$ 20,207,974	\$ 434,263,534	27.09	\$ 3,778,617,293	11.5%
2017	268,615,057	128,053,575	20,102,759	416,771,391	27.09	3,620,252,106	11.5%
2016	264,499,938	121,352,104	19,631,578	405,483,620	27.15	3,532,539,719	11.5%
2015	262,343,805	119,871,957	17,678,063	399,893,825	27.15	3,493,296,682	11.4%
2014	257,445,563	122,491,596	17,022,350	396,959,509	27.15	3,459,155,670	11.5%
2013	257,724,431	117,416,763	15,519,798	390,660,992	27.15	3,422,101,922	11.4%
2012	255,082,446	116,370,390	16,184,811	387,637,647	27.15	3,391,366,304	11.4%
2011	249,408,657	119,451,024	14,892,790	383,752,471	27.15	3,349,997,890	11.5%
2010	245,466,973	124,654,382	18,416,581	388,537,936	27.15	3,359,365,267	11.6%
2009	239,552,146	124,829,145	18,456,234	382,837,525	27.01	3,301,540,696	11.6%

Source: Ouachita Parish Tax Assessor, Grand Recapitulation of Assessment Rolls.

Unaudited - See accompanying independent auditors' report.

Table 7

CITY OF MONROE, LOUISIANA
 Property Tax Rates and Tax Levies - Direct and Overlapping Governments
 Last Ten Fiscal Years

Fiscal Year	City of Monroe Rates							Overlapping Rates		Total Direct/ Overlapping Rates	Tax Levies			
	General Operating	Civic Center	Zoo	Capital Improv.	Fire/Police	Airport	Total City Millage	School	Parish		City	School	Parish	Total
2018	14.77	2.51	2.51	3.27	3.02	1.01	27.09	41.28	42.33	110.70	\$ 11,764,199	\$ 17,926,460	\$ 52,817,758	\$ 82,508,417
2017	14.77	2.51	2.51	3.27	3.02	1.01	27.09	41.28	42.29	110.66	11,290,337	17,204,384	50,833,427	79,328,147
2016	14.90	2.50	2.50	3.25	3.00	1.00	27.15	41.28	41.92	110.35	11,008,880	16,738,430	48,919,872	76,667,182
2015	14.90	2.50	2.50	3.25	3.00	1.00	27.15	41.28	41.92	110.35	10,857,117	16,507,684	48,051,687	75,416,488
2014	14.90	2.50	2.50	3.25	3.00	1.00	27.15	41.28	41.61	110.04	10,777,451	16,386,546	47,100,009	74,264,006
2013	14.90	2.50	2.50	3.25	3.00	1.00	27.15	37.63	42.09	106.87	10,606,446	14,700,589	45,618,973	70,926,008
2012	14.90	2.50	2.50	3.25	3.00	1.00	27.15	44.64	42.07	113.86	10,524,362	17,304,160	44,169,866	71,998,388
2011	14.90	2.50	2.50	3.25	3.00	1.00	27.15	44.64	42.76	114.55	10,418,880	17,130,725	43,904,737	71,454,342
2010	14.90	2.50	2.50	3.25	3.00	1.00	27.15	41.16	42.99	111.30	10,548,805	15,992,227	44,642,377	71,183,409
2009	14.95	2.68	2.68	3.48	3.22	-	27.01	39.16	41.81	107.98	10,340,442	14,991,926	39,880,956	65,213,324

Source: Ouachita Parish Tax Assessor, Grand Recapitulation of Assessment Rolls.

Unaudited - See accompanying independent auditors' report.

Table 8

CITY OF MONROE, LOUISIANA
Principal Property Taxpayers
Current Calendar Year and Nine Years Ago

Taxpayer	2017			2008		
	Assessed Value	Rank	Percentage of total assessed value	Assessed Value	Rank	Percentage of total assessed value
CenturyLink	\$ 11,086,451	1	2.55%	\$ 8,782,336	1	2.29%
Entergy	9,775,240	2	2.25%	5,124,040	5	1.34%
JP Morgan Chase Bank	6,588,703	3	1.52%	8,121,926	3	
Wal-Mart Stores	6,009,847	4	1.38%	4,455,134	7	1.16%
Pecanland Ventures, LLC	5,756,110	5	1.33%	6,209,737	4	1.62%
Graphic Packaging Intl, LLC	5,511,530	6	1.27%			0.00%
Vantage Health Plan, Inc.	4,886,030	7	1.13%			0.00%
Hixson Hopkins Autoplex	4,831,126	8	1.11%			0.00%
Brookshire's	4,647,650	9	1.07%	4,717,508	6	
Louisiana Machinery Company	4,216,280	10	0.97%	3,567,800	8	
AT&T Corporation				8,700,716	2	2.27%
Iberia Bank				3,381,993	9	0.88%
Ryan Chevrolet				3,102,263	10	0.81%
Total amount for top ten principal taxpayers	63,308,967		14.58%	56,163,453		14.67%
Total for remaining taxpayers	370,954,567		85.42%	326,674,072		85.33%
Total amount for all taxpayers	\$ 434,263,534		100.00%	\$ 382,837,525		100.00%

Source: Ouachita Parish Tax Assessor

Unaudited - See accompanying independent auditors' report.

Table 9

CITY OF MONROE, LOUISIANA
 Property Tax Levies and Collections
 Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Adjustments (1)	Adjusted Tax Levy	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Taxes Collected	Percentage of Total Tax Collections to Tax Levy
				Amount	Percentage of Levy Collected			
2018	\$ 11,764,199	\$ 252,434	\$ 12,016,633	\$ 11,823,759	98.4%	\$ -	\$ 11,823,759	98.4%
2017	11,290,337	103,210	11,393,547	11,327,548	99.4%	5,954	11,333,502	99.5%
2016	11,008,880	161,819	11,170,699	11,047,851	98.9%	11,360	11,059,211	99.0%
2015	10,857,117	82,111	10,939,228	10,795,776	98.7%	147,117	10,942,893	100.0%
2014	10,777,451	139,527	10,916,978	10,905,260	99.9%	9,655	10,914,915	100.0%
2013	10,606,446	138,431	10,744,877	10,629,123	98.9%	112,070	10,741,193	100.0%
2012	10,524,362	222,230	10,746,592	10,439,366	97.1%	19,543	10,458,909	97.3%
2011	10,418,880	228,969	10,647,849	10,217,119	96.0%	213,584	10,430,703	98.0%
2010	10,548,805	247,084	10,795,889	10,475,319	97.0%	175,622	10,650,941	98.7%
2009	10,340,442	109,406	10,449,848	10,225,569	97.9%	205,263	10,430,832	99.8%

Source: Comprehensive Annual Financial Report (2017 & 2018) and Annual Financial Reports (2009-2016).

Note:

(1) Adjustments include Grass cutting charges, demolition charges, tax changes from assessor's office and payments in lieu of taxes.

Unaudited - See accompanying independent auditors' report.

Table 10

CITY OF MONROE, LOUISIANA
Sales Tax Revenues
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year (1)	General 2.5% (2)	Fire/Police 0.49%	Street Improvement 1.0%	Total
2018	\$ 36,843,648	\$ 7,799,018	\$ 15,916,623	\$ 60,559,289
2017	38,178,591	7,973,432	16,272,286	62,424,309
2016	38,433,891	8,071,758	16,473,032	62,978,681
2015	38,103,284	7,919,504	16,162,855	62,185,643
2014	35,968,775	7,502,388	15,312,078	58,783,241
2013	34,932,439	7,168,956	14,630,826	56,732,221
2012	33,917,672	6,951,662	14,188,067	55,057,401
2011	32,954,334	6,770,780	13,822,788	53,547,902
2010	31,887,986	6,557,755	13,380,893	51,826,634
2009	32,542,857	6,687,094	13,695,167	52,925,118

Source: Comprehensive Annual Financial Report (2017 & 2018) and Annual Financial Reports (2009-2016).

Note:

(1) Figures do not include the sale tax increment collected by the State within the Economic Development Districts.

(2) There is a 1% exemption of sales tax on the purchase of food and prescription drugs reducing the tax rate to 1.5%.

Unaudited - See accompanying independent auditors' report.

Table 11

CITY OF MONROE, LOUISIANA
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	City of Monroe Rates			Overlapping Rates		Total Local Rate	State	Total Local and State	
	Municipality	Fire/Police	Street Improvement	City School Board (1)	Parish School Board (1)				
2018	(3)	2.50%	0.49%	1.00%	1.6495%	0.3505%	5.99%	4.45%	10.44%
2017		2.50%	0.49%	1.00%	1.6505%	0.3495%	5.99%	5.00%	10.99%
2016	(2)	2.50%	0.49%	1.00%	1.6480%	0.3520%	5.99%	5.00%	10.99%
2015		2.50%	0.49%	1.00%	1.6495%	0.3505%	5.99%	4.00%	9.99%
2014		2.50%	0.49%	1.00%	1.6500%	0.3500%	5.99%	4.00%	9.99%
2013		2.50%	0.49%	1.00%	1.6495%	0.3505%	5.99%	4.00%	9.99%
2012		2.50%	0.49%	1.00%	1.6495%	0.3505%	5.99%	4.00%	9.99%
2011		2.50%	0.49%	1.00%	1.6495%	0.3505%	5.99%	4.00%	9.99%
2010		2.50%	0.49%	1.00%	1.6495%	0.3505%	5.99%	4.00%	9.99%
2009		2.50%	0.49%	1.00%	1.6495%	0.3505%	5.99%	4.00%	9.99%

Source: City of Monroe Taxation & Revenue Division

Note:

(1) The 0.5% Monroe/Ouachita Parish School Board Tax of 1968 is prorated between the two school boards annually on the basis of average daily membership for the proceeding school year.. The ratio of Ouachita Parish School Board (OPSB) and Monroe City School Board (MCSB) for each fiscal year:

2018: 70.1% OPSB, 29.9% MCSB

2017: 69.9% OPSB, 30.1% MCSB

2016: 70.4% OPSB, 29.6% MCSB

2015: 70.1% OPSB, 29.9% MCSB

2014: 70.0% OPSB, 30.0% MCSB

2013-2009: Averaged 70.1% OPSB. 29.9% MCSB.

(2) State sales tax rate increased from 4.0% to 5.0% on April 1, 2016.

(3) State sales tax rate decrease from 5.0% to 4.45% on July 1, 2018.

Unaudited - See accompanying independent auditors' report.

Table 12

CITY OF MONROE, LOUISIANA
 Ratio of Outstanding Debt by Type
 Last Ten Fiscal Years
 (accrual basis of accounting)

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
	Tax Increment Bonds	Sales Tax Bonds	Capital Leases	Notes Payable	Sales Tax Bonds	Revenue Bonds	General Obligation Bonds	Certificate of Indebtedness			
2018	\$24,845,000	\$38,754,307	\$ 3,440,229	\$ -	\$46,155,132	\$ -	\$ 15,425,000	\$ -	\$ 128,619,668	2.1%	2,668
2017	28,000,000	39,602,324	4,727,592	829,915	47,377,699	-	15,830,000	-	136,367,530	2.3%	2,819
2016	31,065,000	42,064,251	4,124,070	1,644,595	49,646,899	-	16,375,000	-	144,919,815	2.4%	2,963
2015	34,055,000	44,490,204	3,656,606	3,746,998	52,806,739	-	16,885,000	-	155,640,547	2.7%	3,171
2014	37,147,740	45,346,215	2,798,901	3,229,366	55,301,975	-	17,360,000	-	161,184,197	2.9%	3,282
2013	40,034,675	46,443,986	3,135,985	4,000,000	59,307,478	-	17,800,000	330,000	171,052,124	3.2%	3,478
2012	18,955,000	69,749,644	1,915,854	487,011	20,065,966	40,820,530	18,210,000	645,000	170,849,005	3.2%	3,479
2011	9,705,000	82,644,786	1,973,496	1,114,804	10,924,133	42,858,615	18,590,000	950,000	168,760,834	3.2%	3,442
2010	10,185,000	86,538,547	2,147,939	1,718,818	11,341,300	42,485,010	18,940,000	1,245,000	174,601,614	3.5%	3,568
2009	10,645,000	90,363,509	2,309,299	2,299,953	11,742,266	37,620,007	170,000	1,525,000	156,675,034	3.1%	3,034

Source: Comprehensive Annual Financial Report (2017 & 2018) and Annual Financial Reports (2009-2016).

Note:

(1) See Table 17- Demographic and Economic Statistics for personal income and population data.

Unaudited - See accompanying independent auditors' report.

Table 13

CITY OF MONROE, LOUISIANA
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property (1)	Per Capita (1)
2018	\$ 15,425,000	0.41%	\$ 320.02
2017	15,830,000	0.44%	327.26
2016	16,375,000	0.46%	334.79
2015	16,885,000	0.48%	344.00
2014	17,360,000	0.50%	353.43
2013	17,800,000	0.52%	361.95
2012	18,210,000	0.54%	370.85
2011	18,590,000	0.55%	379.19
2010	18,940,000	0.56%	387.01
2009	170,000	0.01%	3.29

Source: Comprehensive Annual Financial Report (2017 & 2018) and Annual Financial Reports (2009-2016).

Note:

(1) See Table 17- Demographic and Economic Statistics for property value and population data.

Unaudited - See accompanying independent auditors' report.

Table 14

CITY OF MONROE, LOUISIANA
Direct and Overlapping Governmental Activities Debt
April 30, 2018

<u>Jurisdiction</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Estimated Share of Overlapping Debt</u>
Ouachita Parish School Board (3)	\$ 165,105,000	9.9%	\$ 16,264,783
Ouachita Parish Police Jury (4)	7,450,513	9.9%	733,963
Monroe City School Board (5)	79,625,325	100%	79,625,325
Subtotal overlapping debt			96,624,071
City of Monroe direct debt	67,039,536		67,039,536
Total direct and overlapping debt			<u>\$ 163,663,607</u>

Source:

Financial statements of applicable jurisdictions.
Ouachita Parish Tax Assessor.

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Monroe. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

(1) Debt outstanding obtained from the financial statements of the applicable jurisdictions.

(2) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the government's taxable assessed value that is within the City's boundaries and dividing it by the government's total taxable assessed value.

(3) Ouachita Parish School Board debt outstanding as of June 30, 2017.

(4) Ouachita Parish Police Jury debt outstanding as of December 31, 2016.

(5) Monroe City School Board debt outstanding as of June 30, 2017.

Unaudited - See accompanying independent auditors' report.

CITY OF MONROE, LOUISIANA
 Legal Debt Margin Information
 Last Ten Fiscal Years

Fiscal Year	Assessed Value	Any One Purpose (1)	Aggregate All Purposes (1)	Debt Outstanding (2)	Legal Debt Margin	Legal Debt Margin to Aggregate Debt Limit
2018	\$ 434,263,534	\$ 43,426,353	\$ 151,992,237	\$ 15,425,000	\$ 136,567,237	89.85%
2017	416,771,391	41,677,139	145,869,987	15,830,000	130,039,987	89.15%
2016	405,483,620	40,548,362	141,919,267	16,375,000	125,544,267	88.46%
2015	399,893,825	39,989,383	139,962,839	16,885,000	123,077,839	87.94%
2014	396,959,509	39,695,951	138,935,828	17,360,000	121,575,828	87.51%
2013	390,660,992	39,066,099	136,731,347	17,800,000	118,931,347	86.98%
2012	387,637,647	38,763,765	135,673,176	18,210,000	117,463,176	86.58%
2011	383,752,471	38,375,247	134,313,365	18,590,000	115,723,365	86.16%
2010	(3) 388,537,936	38,853,794	135,988,278	18,940,000	117,048,278	86.07%
2009	382,837,525	38,283,753	133,993,134	170,000	133,823,134	99.87%

Sources:

Source: Comprehensive Annual Financial Report (2017 & 2018) and Annual Financial Reports (2009-2016).
 Ouachita Parish Tax Assessor.

Note:

- (1) Total debt applicable to limits includes all general obligation bonds from assessed property taxes in their original principal amount outstanding. Louisiana Revised Statue Title 39 Section 562 allows a maximum of 10% of assessed valuation for bonded debt for any one purpose. However, the 10% can be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuation.
- (2) Indebtedness for all purposes combined for debt secured by ad valorem taxes.
- (3) The City issued Series 2009 Airport Bonds in the amount of \$19,250,000 to mature in February 2039.

Unaudited - See accompanying independent auditors' report.

Table 16

CITY OF MONROE, LOUISIANA
 Pledged Revenue Coverage - Water & Sewer
 Last Ten Fiscal Years
 (accrual basis of accounting)

Fiscal Year	Sales Tax Collections	Sales Tax Revenue Bonds						Total Debt Service	Coverage
		Water Fund			Sewer Fund				
		Principal	Interest	Total	Principal	Interest	Total		
2018	\$ 15,916,623	\$ 1,508,840	\$ 138,264	\$ 1,647,104	\$ 8,828,360	\$ 987,981	\$ 9,816,341	\$ 11,463,445	1.39
2017	16,272,286	464,280	164,772	629,052	4,603,120	1,126,150	5,729,270	6,358,322	2.56
2016	16,473,032	448,120	183,538	631,658	3,825,688	1,233,499	5,059,187	5,690,845	2.89
2015	16,162,855	434,640	184,993	619,633	3,668,560	1,294,599	4,963,159	5,582,792	2.90
2014	15,312,078	421,120	226,168	647,288	3,729,480	1,476,953	5,206,433	5,853,721	2.62
2013	14,630,826	221,960	180,847	402,807	3,187,840	1,249,841	4,437,681	4,840,488	3.02
2012	14,188,067	193,400	164,904	358,304	3,013,600	1,499,432	4,513,032	4,871,336	2.91
2011	13,822,788	185,200	168,272	353,472	2,275,800	1,552,335	3,828,135	4,181,607	3.31
2010	13,380,893	177,960	175,056	353,016	2,191,840	1,575,422	3,767,262	4,120,278	3.25
2009	13,695,167	74,240	185,157	259,397	2,126,960	1,493,800	3,620,760	3,880,157	3.53

Source: Comprehensive Annual Financial Report (2017 & 2018) and Annual Financial Reports (2009-2016).

Unaudited - See accompanying independent auditors' report.

Table 17

CITY OF MONROE, LOUISIANA
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (2)	Estimated Actual Value of Taxable Property (3)	Personal Income (4)	Per Capita Estimated Actual Value of Taxable Property	City School Enrollment (5)	Unemployment Rate (1)
2018	48,200	\$ 3,778,617,293	\$ 5,999,386,000	\$ 78,395	8,399	4.60%
2017	48,371	3,620,252,106	5,999,386,000	74,843	8,386	5.70%
2016	48,911	3,532,539,719	5,999,386,000	72,224	8,526	6.54%
2015	49,085	3,493,296,682	5,783,387,000	71,168	8,488	7.00%
2014	49,119	3,459,155,670	5,510,459,000	70,424	8,571	7.26%
2013	49,178	3,422,101,922	5,383,683,000	69,586	8,608	7.75%
2012	49,104	3,391,366,304	5,342,556,000	69,065	8,683	8.34%
2011	49,025	3,349,997,890	5,248,000,000	68,332	8,841	8.26%
2010	48,939	3,359,365,267	5,053,166,000	68,644	8,711	6.95%
2009	51,640	3,301,540,696	4,982,155,000	63,934	8,674	5.18%

Sources:

- (1) Louisiana Workforce Commission. Data for the Monroe MSA, April's report.
- (2) U.S. Census. Population estimated for 2018.
- (3) Ouachita Parish Tax Assessor.
- (4) Bureau of Economic Analysis. Personal income data for Ouachita Parish. CA1 Personal Income Summary.
- (5) Louisiana Department of Education. Student enrollment is as of February 1st and includes counts for preschool and Pre-K students.

Table 18

CITY OF MONROE, LOUISIANA
Principal Employers
Current Year and Nine Years Ago

	<u>Fiscal Year 2018</u>			<u>Fiscal Year 2010</u>		
	<u>Number of Employees</u>		<u>% of Total Employment (1)</u>	<u>Number of Employees</u>		<u>% of Total Employment (1)</u>
Ouachita Parish School District	3,086	1	3.93%	2,825	1	3.61%
CenturyLink	2,360	2	3.00%	1,500	4	1.92%
Monroe City School District	1,774	3	2.26%	1,420	5	1.81%
St. Francis Specialty Hospital, Inc.	1,584	4	2.02%	2,500	2	3.19%
IASIS Healthcare (Glenwood Medical Center)	1,156	5	1.47%	812	9	1.04%
JPMorgan Chase	1,090	6	1.39%	1,800	3	2.30%
Wal-Mart Stores, Inc.	912	7	1.16%			
City of Monroe	894	8	1.14%	697	10	0.89%
University of Louisiana at Monroe	852	9	1.08%	1,200	6	1.53%
Graphic Packaging International, Inc.	840	10	1.07%	1,174	7	1.50%
University Health Conway (Formerly E.A. Conway)				954	8	1.22%

Source:

North Louisiana Economic Partnership
Ouachita Parish School Board
City of Monroe
Louisiana Workforce Commission
University of Louisiana Monroe, Center for Business and Economic Research

Note:

(1) Percentage of total employment calculated based on the total nonfarm employment (not seasonally adjusted) for the Monroe-MSA as of April of each year.

Unaudited - See accompanying independent auditors' report.

Table 19

CITY OF MONROE, LOUISIANA
 City Government Employees by Function
 Last Nine Fiscal Years

Function	Fiscal Year								
	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government	89	101	101	101	97	84	82	78	75
Judicial	41	43	46	45	38	37	34	33	31
Public Safety:									
Police	168	186	195	190	185	172	169	160	157
Fire	203	194	208	194	184	180	181	178	161
Public Works	105	138	134	158	150	131	120	103	95
Engineering	22	25	23	24	25	21	16	13	13
Culture and recreation	129	111	117	112	102	88	75	69	63
Planning and urban development	19	23	24	24	24	20	19	15	15
Airport	17	18	17	14	11	7	5	5	5
Mass Transit	25	32	37	45	40	37	33	33	29
Water Distribution	52	52	54	57	56	56	49	45	41
Sewer System	24	27	30	29	29	22	21	15	12
Total	894	950	986	993	941	855	804	747	697

Source: City of Monroe Personnel Department.

Note:

Personnel counts include regular full and part time employees at fiscal year end. Temporary and seasonal employees are not included. Information prior to fiscal year 2010 unavailable from legacy system.

Unaudited - See accompanying independent auditors' report.

Table 20

CITY OF MONROE, LOUISIANA
 Operating Indicators by Function
 Last Ten Fiscal Years

Function	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public safety:										
Police:										
Tickets issued	7,276	6,897	7,928	7,068	11,701	15,186	11,134	17,977	21,393	27,594
Physical arrests	4,643	5,530	6,577	6,192	6,619	6,665	6,354	7,962	8,338	9,805
Fire:										
Fire Calls Answered	1,197	3,890	3,840	3,705	3,009	2,776	2,489	2,383	2,400	2,284
EMS Calls Answered	3,937	3,112	2,939	3,018	3,230	3,636	3,749	3,769	3,615	3,719
Culture and recreation:										
Athletic field permits issued	22	5	6	4	4	5	5	6	6	5
Civic center events	220	126	390	322	313	306	265	247	334	308
Civic center use days	216	105	283	265	240	279	237	255	226	297
Water and sewerage:										
Total water treated (millions of gallons)	4,820	5,149	5,023	4,855	4,419	4,395	4,601	4,507	4,433	4,244
Total water delivered (millions of gallons)	4,593	4,848	4,748	4,569	4,151	4,140	4,342	4,291	4,219	4,064
Water main breaks	445	870	425	293	124	109	61	80	107	192
Water taps	102	73	134	145	48	48	120	33	33	31
Total sewage treated (millions of gallons)	9,792	7,463	7,379	8,769	7,271	6,238	6,998	7,330	7,920	8,630
Sanitation:										
Solid waste average daily tons per day	123.03	137.27	159.23	186.44	149.75	153.43	159.70	159.09	144.61	177.35
Waste tires picked up (1)	7,040	6,107	5,604	6,527	7,398	8,808	4,801	2,194	3,679	-
Transit:										
Bus riders	930,137	1,053,444	1,128,831	1,131,709	1,201,352	1,156,190	1,188,829	1,179,652	1,160,954	1,182,631

Source: Various City Departments.

Note:

(1) Information on Waste tires picked up unavailable for fiscal year 2009.

Unaudited - See accompanying independent auditors' report.

Table 21

CITY OF MONROE, LOUISIANA
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

Function	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public safety:										
Police:										
Stations (includes training facility)	3	3	3	3	3	3	3	2	2	2
Police units	189	109	98	95	91	89	85	83	81	78
Fire:										
Stations (includes training facility)	10	10	10	9	9	9	9	9	9	9
Fire trucks	14	14	14	14	14	14	14	14	14	14
Highways and streets:										
Streets (miles)	411.81	411.81	411.81	411.81	411.81	411.81	411.81	411.81	411.81	411.81
Traffic signals	29	29	29	29	29	29	29	29	29	29
Flashing beacons	7	7	7	7	7	7	7	7	7	7
Sanitation:										
Garbage trucks	8	8	8	8	8	8	8	8	8	8
Trash trucks	5	5	5	5	5	5	5	5	5	5
Tow trucks	2	2	2	2	2	2	2	2	2	2
Culture and recreation:										
Parks acreage	574.02	574.02	574.02	574.02	574.02	574.02	574.02	574.02	574.02	574.02
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	32	32	32	32	32	32	32	32	32	32
Civic centers	1	1	1	1	1	1	1	1	1	1
Community centers	7	7	7	7	7	7	7	7	7	7
Water and sewerage:										
Water mains (miles)	433.96	433.96	433.96	433.96	433.96	433.96	433.96	433.96	433.96	433.96
Sanitary sewers (miles)	315.26	315.26	315.26	315.26	315.26	315.26	315.26	315.26	315.26	315.26
Transit:										
Public buses	17	21	23	21	21	20	23	23	26	24
Para-transit buses	5	3	3	3	3	3	3	3	3	3
Trolleys (1)	-	-	-	1	1	1	1	1	1	1

Source: Various City Departments.

Note:
 (1) Trolley bus service discontinued in fiscal year 2016.

Unaudited - See accompanying independent auditors' report.

**City of Monroe
Monroe, Louisiana**

**Single Audit Report
And Other Information
For The Year Ended April 30, 2018**

**City of Monroe
Monroe, Louisiana**

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**City of Monroe
Table of Contents**

SINGLE AUDIT INFORMATION	<u>Page</u>
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	1-2
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3-5
Schedule of Expenditures of Federal Awards	6-7
Notes to the Schedule of Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs	9-14
 PASSENGER FACILITY CHARGE PROGRAM (PFC) REPORTS AS REQUIRED BY FEDERAL AVIATION ADMINISTRATION	
Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control over Compliance; and Report of Schedule of Expenditures of Passenger Facility Charges Required by Passenger Facility Charge Audit Guide.	15-17
Schedule of Expenditures of Passenger Facility Charges Monroe Regional Airport	18
 OTHER INFORMATION	
Status of Prior Year Audit Findings and Questioned Costs	19-23
Corrective Action Plan for Current Year Findings and Questioned Costs	24-27
Management Letter	28-32
Status of Prior Management Letter Items	33-36
Independent Accountants Report in Statewide Agreed Upon Procedures	38-45

**City of Monroe
Monroe, Louisiana**

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City of Monroe

SINGLE AUDIT

DIVIDER

City of Monroe

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DIVIDER



ALLEN, GREEN & WILLIAMSON, LLP

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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 the City of Monroe (the City) as of and for the year ended April 30, 2018, 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, 2018. 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 deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2018-003 to be 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 items 2018-001, 2018-002, and 2018-004 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's Response to Findings

The City's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and 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

Monroe, Louisiana
October 31, 2018



ALLEN, GREEN & WILLIAMSON, LLP

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Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the 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, 2018. 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* (Uniform Guidance). 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 major federal programs. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2018.

Other Matters

This report is replacing a previously issued report dated October 31, 2018. Subsequent to issuing the report dated October 31, 2018, it was brought to the auditor's attention that the City reported CFDA #66.202, Environmental Protection Agency – Congressional Mandated Projects, as a pass-through grant rather than direct funding. Additionally, the City had reported CFDA #20.205, passed through the Louisiana Department of Transportation, in the amount of \$319,115 as state funding rather than federal expenditures. The City has corrected the Schedule of Expenditures of Federal Awards for these items. Additional audit procedures were performed for the previously reported major federal program, CFDA #20.205, Highway Planning and Construction Cluster, to include the additional expenditures added to the Schedule of Expenditures of Federal Awards.

These revisions did not change our independent auditor's report on the financial statements and related notes to the financial statements.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated October 31, 2018, that includes a reference to the reports of other auditors, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

October 31, 2018 except for the Schedule of Expenditures of
Federal Awards and Notes to the Schedule of Expenditures of
Federal Awards for which the date is January 28, 2020

City of Monroe
Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2018

Federal Grantor / Pass-Through Grantor / Program Title	CFDA No.	Pass-Through Grant Number	Grant Identification Number	Passed Through to Subrecipient	Federal Expenditures
<u>U. S. Department of Housing and Urban Development</u>					
Direct:					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grants / Entitlement Grants	14.218	N/A	B-14-MC-22-0005		\$ 43,515
Community Development Block Grants / Entitlement Grants	14.218	N/A	B-15-MC-22-0005		333,488
Community Development Block Grants / Entitlement Grants	14.218	N/A	B-16-MC-22-0005		95,533
Community Development Block Grants / Entitlement Grants	14.218	N/A	B-17-MC-22-0005	\$ 40,000	99,911
Total CDBG - Entitlement Grants Cluster					<u>572,447</u>
Home Investment Partnerships Program	14.239	N/A	M-14-MC-22-0206		5,560
Home Investment Partnerships Program	14.239	N/A	M-15-MC-22-0206		3,373
Home Investment Partnerships Program	14.239	N/A	M-16-MC-22-0206		198,474
Home Investment Partnerships Program	14.239	N/A	M-17-MC-22-0206	154,660	154,660
Home Investment Partnership Grant Subtotal					<u>362,067</u>
Pass-Through Programs:					
Ouachita Parish Police Jury:					
Community Development Block Grants / State's Program and Non-Entitlement	14.228		FEMA 178-DR-LA		<u>58,159</u>
Louisiana Housing Corporation:					
Emergency Solutions Grant Program	14.231	LHS 15-17	N/A	147,066	151,478
Emergency Solutions Grants Program Subtotal					<u>151,478</u>
Total Dept. Housing & Urban Development				<u>341,726</u>	<u>1,144,151</u>
<u>U. S. Department of Justice</u>					
Direct:					
Bulletproof Vest Partnership Program	16.607	N/A	15-0404-0-1-754		9,361
Pass-Through Programs:					
Louisiana Commission on Law Enforcement and Administration of Criminal Justice:					
Crime Victim Assistance	16.575	2016-VA-02/01/03-3900	2016-VA-GX-0074		328,048
Ouachita Parish Sheriff:					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	2016DJ BX-0799		<u>16,639</u>
Total Department of Justice					<u>354,048</u>
<u>U. S. Department of Transportation</u>					
Direct:					
Airport Improvement Program:					
Airport Improvement Program	20.106	N/A	3-22-0033-033-2015		630,147
Airport Improvement Program	20.106	N/A	3-22-0033-036-2017		366,200
Airport Improvement Program	20.106	N/A	3-22-0033-035-2017		68,252
Total Airport Improvement Program					<u>1,064,599</u>
Federal Transit Cluster					
Federal Transit Formula Grants	20.507	N/A	LA 2016 004		1,691,677
Federal Transit Formula Grants	20.507	N/A	LA 2017 004		47,454
Federal Transit Formula Grants	20.507	N/A	LA 2018 002		559,840
Federal Transit Formula Grants	20.507	N/A	LA 2017 022		552,716
Federal Transit Formula Grants	20.507	N/A	LA X429 00		43,348
Total Federal Transit Cluster					<u>\$ 2,895,035</u>

(Continued)

City of Monroe
Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2018

Federal Grantor / Pass-Through Grantor / Program Title	CFDA No.	Pass-Through Grant Number	Grant Identification Number	Passed Through to Subrecipient	Federal Expenditures
<u>U. S. Department of Transportation (continued)</u>					
Pass-through Programs					
LA Highway Safety Commission					
Highway Safety Cluster:					
State and Community Highway Safety (Section 402)	20.600	2017-30-40	N/A		\$ 18,160
Minimum Penalties for Repeat Offenders for DWI (Section 164AL)	20.608	2017-30-40	N/A		18,520
Total Highway Safety Cluster					<u>36,680</u>
LA Dept of Transportation					
Highway Planning and Construction Cluster					
Highway Planning and Construction - Kansas Lane	20.205	H.007289	N/A		2,236,719
Highway Planning and Construction - Walnut Street Overlay	20.205	H.011740	N/A		319,115
Lieutenant Governor's Office of State Parks:					
Recreational Trails Program	20.219	H.010874	N/A		195,256
Total Highway Planning and Construction Cluster					<u>2,751,090</u>
Total Department of Transportation					<u>6,747,404</u>
<u>Environmental Protection Agency</u>					
Direct:					
Environmental Protection Agency-Office of Wastewater Management					
Congressionally Mandated Projects	66.202	N/A	XP-01F197		970,000
Pass-Through Programs:					
LA Dept of Environmental Quality					
Clean Water State Revolving Fund Cluster:					
Capitalization Grants for Clean Water State Revolving Funds	66.458	N/A	N/A		987,257
Total Environmental Protection Agency					<u>1,957,257</u>
<u>Delta Regional Authority</u>					
Direct:					
Delta Regional Area Economic Development	90.201	N/A	N/A		462,670
Total Delta Regional Authority					<u>462,670</u>
<u>U. S. Department of Homeland Security</u>					
Pass-Through Programs:					
Louisiana Department of Homeland Security and Emergency Preparedness					
Disaster Grants-Public Assistance (Presidentially Declared					
Disasters)	97.036	MON005F	PA-06-LA-4263-PW-00636		809,728
Total U. S. Department of Homeland Security					<u>809,728</u>
<u>U.S. Department of Health and Human Services</u>					
Pass-Through Programs:					
Jefferson Parish Sheriff's Office/West Monroe Police Department					
Drug-Free Communities Support Program Grants	93.276	N/A	N/A		49,408
Total U.S. Department of Health and Human Services - Office of National Drug Policy					<u>49,408</u>
Total Federal Expenditures				<u>\$ 341,726</u>	<u>\$ 11,524,666</u>

(Concluded)

The accompanying notes are an integral part of this schedule.

City of Monroe
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2018

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards, presents the activity of all federal award activity of the City of Monroe (the City) under programs of the federal government for the year ended April 30, 2018. 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). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

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 RECEIVABLE OUTSTANDING The City has loans receivable outstanding under CFDA #14.218 CDBG Entitlement Grants of \$58,267 and under CFDA #14.239 Home Investment Partnership Grants of \$135,946 at April 30, 2018.

NOTE 4 - FUNDS PROVIDED TO SUBRECIPIENTS Of the Federal expenditures presented on this schedule, the City provided \$341,726 through the Community Development Block Grants, HOME 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, 2018:

Major funds:	
General Fund	\$ 905,177
Capital Infrastructure	781,785
Monroe Regional Airport	1,064,599
Sewer	1,957,257
Nonmajor special revenue funds:	
Community Development Block Grant	572,447
Fire and Police Capital Tax	328,048
Emergency Shelter	151,478
CDBG Home	362,067
Justice Assistance Program	16,639
Nonmajor capital project funds:	
Kansas Lane Connector	2,236,719
DRU Gustav/Ike Storm Water	58,159
Trails Grant Levee	195,256
Nonmajor Enterprise Funds:	
Monroe Transit System	2,895,035
Total	<u><u>\$11,524,666</u></u>

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.

NOTE 7 – PRIOR YEAR CORRECTION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the fiscal year ended April 30, 2017, the City reported \$345,937 for CFDA# 20.205 – Highway Planning and Construction – Walnut Street Overlay (H.011740) passed through the Louisiana Department of Transportation as state funding rather than federal expenditures.

City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2018

Part I - Summary of 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 2018-003 was considered to be a material weakness.
- iii. There were no instances of noncompliance, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by the Uniform Guidance.
- v. The type of report the auditor issued on compliance for major programs was unmodified.
- vi. The audit disclosed no audit finding which the auditor is required to report under the Uniform Guidance.
- vii. The major federal programs are:
 - CFDA #14.218 Community Development Block Grant – Entitlement Program Cluster
 - CFDA #20.205 and 20.219 Highway Planning and Construction Cluster
 - CFDA#66.202 Environmental Protection Agency Office of Wastewater Management
 - CFDA#66.458 DEQ Capitalization Grant for Clean Water Cluster
 - CFDA#97.036 Disaster Grants - Public Assistance
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in the Uniform Guidance, Section .520(b) was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance.

City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2018

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: **2018-001** **Sales Tax Collections**

Entity-wide or program/department specific: This finding applies to the Tax and Revenue Department.

Criteria or specific requirement: Best accounting practices recommend for internal control purposes that cash receipts be deposited daily. Additionally, collections should be stamped the date received. This process will assist management in performing quality control procedures in ensuring deposits are made daily.

Condition found: It was noted through observation and testing, sales tax remittances paid with check or money order are being separated from the remittances and payments are being placed in a stack later processing. Additionally, it was noted these sales tax remittances are not being stamped as to the date received by the Tax and Revenue Department. Therefore, the auditor was unable to determine if deposits are being made on a timely basis.

Context: Of sixty receipts selected for testing, none could be determined if deposited timely and seven receipts did not agree to the net remittance report.

Effect: It is undeterminable if the depositing of cash receipts at the Tax and Revenue Department are deposited as frequently as best accounting practices and the Office of the Legislative Auditor would prescribe.

Cause: Lack of diligence on the part of the Tax and Revenue personnel to daily deposit receipts.

Recommendation to prevent future occurrences: The Tax and Revenue Department should mark all items as to the date received. Additionally, procedures should be established to ensure deposits of all types be made in a timely manner.

Origination date and prior year reference (if applicable): This finding is originated in the fiscal year ended April 30, 2018.

View of responsible official: See auditee prepared corrective action plan included later in this report as “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, 2018

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: 2018-002 Credit Card Documentation

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

Criteria or specific requirement: Good internal controls provide a system that documents the date, the purpose and by whom the credit card charges were incurred; additionally, for the purchase of meals, those attending should be documented.

Condition found: The documentation for credit card purchases needs improvement. Of the limited testing by external auditors, incidents occurred where the documentation did not include the purpose of a meal, who participated in the meal, and who actually incurred the charge. Four transactions had no original detail receipts, seven transactions were missing the purpose of each purchase, and two transactions did not include the name of the person who consumed the meals.

Context: The testing consisted of reviewing forty-seven credit card transactions.

Effect: Proper documentation for credit card charges is lacking.

Cause: Some staff of the City need to be more cognizant of the importance of good documentation of expenses incurred, especially in regard to credit card transactions. Having the only support being a line item charge on the credit card statement is not sufficient documentation.

Recommendation to prevent future occurrences: All documentation of credit card charges should be such that it identifies who made the charge, the purpose of and the attendees of all meetings with meals that are served. All fuel charges should identify who made the charge and the vehicle fueled. A system should be in place to identify the user of the card by either the card being assigned to a single individual or a check in check out system to indicate when and who checked out the card and when it was returned.

Caution should be taken to assure that no charges will violate Article 7 Section 14 of the Louisiana Constitution “Donation, Loan, or Pledge of Public Credit.” Section 14.(A) Prohibited Uses. Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

Origination date and prior year reference (if applicable): This finding originated in fiscal year end April 30, 2017.

View of responsible official: See auditee prepared corrective action plan included later in this report as “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, 2018

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: **2018-003** **Timecard System Needs to Be Implemented City-wide**

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

Criteria or specific requirement: A good internal control over time documentation requires a system that is comprehensive, accountable, and consistently applied.

Condition found: The City has palm reading timecard terminals located throughout the departments for purpose of accounting for the hours worked by employees of the City. The software system and the terminals seem to be functioning properly and provide good documentation of the clocking in and clocking out by employees using this system. However, the system is not being used by all departments. In fact, many large departments and maybe even the majority of the employees are not using this timecard system. For example the Police and Fire Departments employees are using a manual system that relies extensively on an honor system that the employee is working and the time the employee is working. Generally, the employees on the honor system are automatically given eight hours a day as being worked unless the employee submits paperwork reflecting that they were off or out.

Other departments are using the palm reading timecard system extensively by clocking in at the time of starting work, clocking out when going to lunch, clocking in when returning from lunch, as well as clocking out at the end of the day. Periodically, clocking in and clocking out will occur when the employee takes a leave of absence.

The official timekeeper for each department corrects clock in and clock out errors upon receipt of either a verbal communication, an email/text from the employee requesting the clock in/out error be corrected, or via communication from the Division Head/Department Head. Other departments require an official clocking errors form be completed by the employee and be approved by the Division Head/Department Head of that employee before the change is inputted.

The official timekeeper generally prints the timecard for each employee for the entire pay period after all time has been entered. Thereafter, the printed timecard is submitted to the employee for approval and to the Division Head or Department Head for approval. Thereafter the official timekeeper will submit the data to the City Hall for further payroll processing.

Certain key employees of the City use the palm reading timecard system for an “attendance only” documentation. This “attendance only” system for key employees only requires the employee to clock in sometimes during the day. No clocking in at the start time, no clocking out for lunch and back in to start the afternoon shift, nor clocking out at the end of the day is required.

Context: There are approximately 950 employees paid by the City.

Effect: The current practice provides a system that could be misused and a system with less than desirable internal controls and checks.

Cause: The City is not fully utilizing the timekeeping system being certain departments have not implemented the palm reading timecard system.

City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2018

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:

Recommendations to prevent future occurrences: The following recommendations are needed to strengthen the timecard system:

1. The palm reading timecard systems should be implemented City-wide.
2. All clocking errors should be submitted to the official timekeeper of each department by using an official clocking error form that is signed by the employee and approved by the Division Head. No clocking errors changes should be made by the official timekeeper by verbal communication or by an employee email/text. Division Head clocking errors should follow the same process but the form be approved by the Department Head. The Department Head clocking errors form should be approved by the Mayor or his Chief Operating Officer.
3. Clocking in and out should occur at the palm reading timecard terminal in the building that is the employee's primary station of employment.
4. Any absence (vacation, sick, etc.) that the employee will be compensated for should be documented with an official form that is signed by the employee and the Division Head. Division Head absences should be approved by the Department Head. The Department Head absences should be approved by the Mayor or his Chief Operating Officer.
5. All employee timecards should be signed by the employee and approved by the Division Head. All Division Heads' timecards should be approved by the Division Head. All Division Heads timecards should be approved by the Mayor and or his Chief Operating Officer.
6. The "attendance only" practice should be discontinued immediately.
7. Clocking in and out for lunch using the palm reading timecard terminal located in the building of an employee's primary work station should occur unless it is not practical. An example where it may not be practical would be for employees working in the field during the day or an employee being called out in an emergency situation.
8. For situations where an employee is called out on emergency and no clocking in or out occurred should be treated the same as a clocking error and an official clocking error form should be prepared, signed by the employee, and approved by the Division Head. This completed form would be submitted to the official timekeeper of the employee's department.
9. The very limited working from home situations that currently exist should be discontinued.
10. The timekeeping software system should be programmed to block any changes by the official timekeeper of each department to his/her personal timecard. All clocking errors and any other changes to the official timekeeper's time records should be made by personnel in the Payroll Department at City Hall after approval by the employee's Department Head.
11. The City's Internal Auditor should periodically test the timecard system to assure compliance with the suggested related documentation regarding these recommendations. Further, the City's Internal Auditor should test the time reported by employees to the key entry fobs reports to assure consistency in reporting.

Origination date and prior year reference (if applicable): This finding originated in fiscal year ended April 30, 2017.

View of responsible official: See auditee prepared corrective action plan included later in this report as "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, 2018

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: 2018-004 Time & Employee Absences Documentation Needs Improvement

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

Criteria or specific requirement: Good internal control requires adequate documentation for expenses/expenditures, which should be adequately approved by supervisors and time records should be signed by the applicable employee.

Condition found:

In our testing of fifty payroll disbursements, the following items were noted:

- Seven disbursements did not have the employee’s signature on the time records,
- Two instances of the supervisor not approving the employee’s timesheet, and
- One employee’s payroll file did not contain documentation of the completion of USCIS Form I-9 “Employment Eligibility Verification” issued by the Department of Homeland Security.

In our testing of twenty-six instances of employees taking leave, the following items were noted:

- Eleven exceptions of the time records not documenting leave and attendance,
- Ten exceptions of missing supervisor’s approval of employee leave, and
- Two exceptions to maintaining written leave records.
- It was noted that some employees have access to change their leave record in the time system, rather than having another employee make the change for them.

Context: The auditors tested twenty-five payroll disbursements and twenty-six instances of employees taking leave of absences.

Effect: The payroll records of the City are missing proper documentation of the approval process by the City and appropriate records.

Cause: The most significant cause is due to the lack of a uniform documentation policy, particularly as it relates to leave of senior management.

Recommendation to prevent future occurrences: Care should be exercised by timekeepers to assure that all time records for each pay period include the employees and the respective supervisors’ approvals. The Form I-9 must be completed on all new employees.

More emphasizes by management needs to be placed on the documentation of employee time records, particularly in regards to paid absences. If a staff person is being compensated for leave, the City needs records to reflect the actual hours incurred to earn the paid leave and the supervisor’s approval when the staff actually takes the leave. Additionally, controls should be implemented to ensure employees are not able to make changes to their personal time and leave information.

Origination date and prior year reference (if applicable): This finding originated fiscal year end April 30, 2018.

View of responsible official: See auditee prepared corrective action plan included later in this report as “Corrective Action Plan for Current Year Findings and Questioned Costs.”

City of Monroe

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

DIVIDER

City of Monroe

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DIVIDER



ALLEN, GREEN & WILLIAMSON, LLP

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES REQUIRED BY THE PASSENGER FACILITY CHARGE AUDIT GUIDE

INDEPENDENT AUDITOR'S REPORT

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, 2018.

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, 2018.

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, 2018, 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, 2018 that includes a reference to the report of other auditors, which contained unmodified opinions on the 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, 2018

City of Monroe
Schedule of Expenditures of Passenger Facility Charges
Monroe Regional Airport
For the Year Ended April 30, 2018

	FY 17						
	Program	Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY-18	Program
	Total	May-July	Aug-Oct	Nov-Jan	Feb-Apr	Total	Total
Revenue							
Collections	\$5,589,918	\$ 111,203	\$ 102,145	\$ 107,233	\$ 95,415	\$ 415,996	\$ 6,005,914
Interest, net of service charges	51,626	(77)	74	86	179	262	51,888
Total Revenue, net of service charges	<u>5,641,544</u>	<u>111,126</u>	<u>102,219</u>	<u>107,319</u>	<u>95,594</u>	<u>416,258</u>	<u>6,057,802</u>
Disbursements							
Application 03-01-C-00-MLU-001	504,334	-	-	-	-	-	504,334
Application 03-01-C-00-MLU-002	40,700	-	-	-	-	-	40,700
Application 03-01-C-00-MLU-003	401,025	-	-	-	-	-	401,025
Application 06-02-C-00-MLU-002	413,444	-	-	-	-	-	413,444
Application 08-03-C-00-MLU-001	3,447,947	105,000	105,000	105,000	70,000	385,000	3,832,947
Application 08-03-C-00-MLU-002	43,184	-	-	-	-	-	43,184
Total Disbursements	<u>4,850,634</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>70,000</u>	<u>385,000</u>	<u>5,235,634</u>
Net PFC Revenue	790,910	6,126	(2,781)	2,319	25,594	31,258	822,168
PFC Account Balance (cash basis)	<u>\$ 790,910</u>	<u>\$ 797,036</u>	<u>\$ 794,255</u>	<u>\$ 796,574</u>	<u>\$ 822,168</u>	<u>\$ 822,168</u>	<u>\$ 822,168</u>

City of Monroe

OTHER INFORMATION

DIVIDER

City of Monroe

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DIVIDER

City of Monroe, Louisiana
Mayor- Council Government

James E. "Jamie" Mayo
Mayor



Stacey Rowell
Director of Administration

Status of Prior Year Findings and Questioned Costs as of April 30, 2018:

Reference # and Title: 2017-001 Civic Center Deposits Appear to Occur Weekly in Some Instances

Entity-wide or program/department specific: This finding applies to the Civic Center Enterprise Fund.

Condition: Best accounting practices recommend for internal control purposes that cash receipts be deposited daily. The New Statewide Agreed-Upon Procedures, that will be effective for the City of Monroe for the first time for the fiscal year ending April 30, 2018, strongly encourages governments to deposit their receipts daily.

It appears the collection of daily deposits at the Civic Center are sometimes held and batched on a weekly basis.

Corrective action taken: The Civic Center personnel are for the most part, making timely deposits. However, as noted in 2018-M4, they did have some exceptions this fiscal year. Accounting is reviewing the cash collections of all departments and any exceptions are required to be documented and scanned behind the deposit. See current year management letter item 2018-M4.

Reference # and Title: 2017-002 Credit Card Documentation

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

Condition: Good internal control would provide a system that documents the date and purpose and by whom the credit card charges were incurred.

The documentation for credit cards needs improvements. Of the limited testing by external auditors, many incidents occurred where the documentation did not include the purpose of a meal, who participated in the meal, and who actually incurred the charge. Several departments of the City buy sandwiches for department meetings that lacks this same noted documentation - the purpose of the meeting, those who attended the meeting, who partook of the meal, and who actually made the charge.

Corrective action taken: The City has implemented the use of a Permission to Purchase form that is to be completed before making a credit card purchase. This form requires the purchaser's name, business purpose of the purchase, estimated amount, items to be purchased and the signature of the supervisor approving the purchase. When the purchase is complete the credit card is returned along with the receipt. The business purpose for meetings, along with a list of employees attending, is required for purchases of food for meetings. However, due the current year finding 2018-002, the City will implement stronger controls on credit cards including restricting usage for repeat violators. The City will consider going to a system should be in place to identify the user of the card by either the card being assigned to a single individual. See current year finding 2018-002.

Status of Prior Year Findings and Questioned Costs as of April 30, 2018 continued:

Reference # and title: 2017-003 Timecard System Needs to Be Implemented City-wide

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

Condition: A good internal control requires a system that is comprehensive, accountable, and consistently applied.

The City has palm reading timecard terminals located throughout the departments for purpose of accounting for the hours worked by employees of the City. The software system and the terminals seem to be functioning properly and provide good documentation of the clocking in and clocking out by employees using this system. However, the system is not being used by all departments. In fact, many large departments and maybe even the majority of the employees are not using this timecard system. For example the Police and Fire Departments employees are using a manual system that relies extensively on an honor system that the employee is working and the time the employee is working. Generally, the employees on the honor system are automatically given eight hours a day as being worked unless the employee submits paperwork reflecting that they were off or out.

Other departments are using the palm reading timecard system extensively by clocking in at the time of starting work, clocking out when going to lunch, clocking in when returning from lunch, as well as clocking out at the end of the day. Periodically, clocking in and clocking out will occur when the employee takes a leave of absence.

The official timekeeper for each department corrects clock in and clock out errors upon receipt of either a verbal communication, an email/text from the employee requesting the clock in/out error be corrected, or via communication from the Division Head/Department Head. Other departments require an official clocking errors form be completed by the employee and be approved by the Division Head/Department Head of that employee before the change is inputted.

The official timekeeper generally prints the timecard for each employee for the entire pay period after all time has been entered. Thereafter, the printed timecard is submitted to the employee for approval and to the Division Head or Department Head for approval. Thereafter the official timekeeper will submit the data to the City Hall for further payroll processing.

Certain key employees of the City use the palm reading timecard system for an “attendance only” documentation. This “attendance only” system for key employees only requires the employee to clock in sometimes during the day. No clocking in at the start time, no clocking out for lunch and back in to start the afternoon shift, nor clocking out at the end of the day is required.

Corrective action taken: The City has written a new time keeping policy which addresses the above issues. However, the City has contracted with an outside consulting firm to perform a job survey, compensation study and handbook rewrite as well as to provide technical assistance and training in Human Resource compliance. The new timekeeping policy will be implemented after the consulting firm’s review in order to incorporate additional recommendations. The City has addressed items 2-11. See current year finding 2018-003.

Status of Prior Year Findings and Questioned Costs as of April 30, 2018 continued:

Reference # and Title: 2017-004 Employee Dismissed Due to Suspected Erroneous Time Card Reporting

Entity-wide or program/department specific: This finding is specific to the Planning and Urban Department: CFDA # 14.218 Community Development Block Grants/Entitlement Grants.

Condition: Costs charged to Federal Awards should be necessary and reasonable, be eligible costs, and be supported with proper documentation. Payroll should be supported by time records that reflect actual hours incurred for a Federal Awards program.

An official in the City’s Community Development Block Grants department was unable to provide documentation of actual work completed that the official said was being performed at sites other than at the assigned work station. The employee sometimes clocked in at sites other than the assigned work station which raised questions.

Corrective action taken: In May 2018, the Mayor appointed a new Director of Planning & Urban Development who has extensive background and experience in working with federal grants and compliance. With her direction, leadership and experience, the City is confident that Community Development will address all obstacles and issues of concern as far as timeliness, reporting and staffing. This finding is considered cleared.

Reference # and Title: 2017-005 Five Percent Unfavorable Budget Variance

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

Condition: Louisiana Revised Statute 39:1311 requires the chief executive or administrative officer to advise the governing authority or independently elected official in writing when total expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more and when total revenues and other sources for the remainder of the year, within a fund, are failing to meet budgeted revenues and other sources by five percent or more.

For fiscal year ended April 30, 2018, the City had two special revenue funds in which the total actual expenditures and other uses exceeded the amount budgeted and had one special revenue fund in which the total revenues and other sources failed to meet the budgeted amount by five percent or more.

Corrective action taken: Per LA Revised Statute 39:1311, the Budget Officer is reviewing all funds starting in the fourth quarter of the fiscal year and assessing whether total revenue and other sources plus projected revenue and other sources for the remainder of the year are failing to meet budgeted revenues and other sources by five percent or more. The budget is then being adjusted accordingly through the budget amendment process. In addition, the Budget Officer is assessing whether total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year are exceeding the total budgeted expenditures and other uses by five percent or more and adjusting the budget accordingly through the budget amendment process.

Reference # and Title: 2017-006 Employee Dismissed Due to Suspected Erroneous Time Card Reporting

CFDA#, Federal Award Title, Federal Agency, Federal Award # and Year, and the name of Pass-Through Entity: This finding relates to the Community Development Block (CDBG) Entitlement Grants

Status of Prior Year Findings and Questioned Costs as of April 30, 2018 continued:

CFDA# 14.218 for the Federal Award Years 2015 and 2016, received from Federal Agency: U.S. Department of Housing and Urban Development.

Condition: Costs charged to Federal Awards should be necessary and reasonable, be eligible costs, and be supported with proper documentation. Payroll should be supported by time records that reflect actual hours incurred for a Federal Awards program.

An official in the City's Community Development Block Grants department was unable to provide documentation of actual work completed that the official said was being performed at sites other than at the assigned work station. The employee sometimes clocked in at sites other than the assigned work station which raised questions.

Corrective action taken: In May 2018, the Mayor appointed a new Director of Planning & Urban Development who has extensive background and experience in working with federal grants and compliance. With her direction, leadership and experience, the City is confident that Community Development will address all obstacles and issues of concern as far as timeliness, reporting and staffing. This finding is considered cleared.

Reference # and title: 2017-007 Sub-recipient Monitoring

CFDA#, Federal Award Title, Federal Agency, Federal Award # and Year, and the name of Pass-Through Entity: This finding relates to the Community Development Block (CDBG) Entitlement Grants CFDA# 14.218 for the Federal Award Years 2015 and 2016, received from Federal Agency: U.S. Department of Housing and Urban Development.

Condition: The federal regulations require pass-thru entities to monitor sub-recipients to assure that expenditures from Federal Award are spent in accordance with the Federal regulations governing that Award.

The CDBG department did not perform the required sub-recipient during the fiscal year end April 30, 2017 in accordance with Federal regulations.

Corrective action taken: The Office of Community Development is creating a Compliance Specialist position that will work closely with the Director of Community Development and will provide staff with support with compliance with federal and state regulations. This finding is considered cleared.

Reference # and title: 2017-008 CDBG Request Exceeds the Maximum Allowed for Planning and Administration

CFDA#, Federal Award Title, Federal Agency, Federal Award # and Year, and the name of Pass-Through Entity: This finding relates to the Community Development Block (CDBG) Entitlement Grants CFDA# 14.218 for the Federal Award Years 2015 and 2016, received from Federal Agency: U.S. Department of Housing and Urban Development.

Condition: Earmarking regulations permits up to twenty percent of the total CDBG award for planning and administration activities. Accordingly, during fiscal year April 30, 2017, \$127,825 would be the maximum amount allowed for planning and administration activities for a total \$636,561 CDBG Award.

The City of Monroe spent \$165,080 on planning and administration, or \$37,255 more than permitted by the 20% limitation imposed by the CDBG regulations.

Status of Prior Year Findings and Questioned Costs as of April 30, 2018 continued:

Corrective action taken: The Office of Community Development is creating a Compliance Specialist position that will work closely with the Director of Community Development and will provide staff with support with compliance with federal and state regulations. This finding is considered cleared.

Reference # and title: **2017-009** **Period of Performance**

CFDA#, Federal Award Title, Federal Agency, Federal Award # and Year, and the name of Pass-Through Entity: This finding relates to the Federal Transit Formula Grants CFDA# 20.507 for the Federal Award Year 2016, received from Federal Agency: U.S. Department of Transportation.

Condition: A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity (2 CFR section 200.309).

One of the transit grant's period of performance began October 1, 2016. At the time the City had submitted the request for reimbursements for the operating expenses under this grant, the City had included costs that incurred before the period of performance began, which was not authorized by the Federal awarding agency. It was noted, however, that the City did incur additional expenses to cover the pre-requested funds before fiscal year end April 30, 2017.

Corrective action taken: Accounting has revised the procedure in determining eligible expenses by pulling an additional report which includes invoice date and G/L date to make sure expenses incurred are actually within the period of performance. Additionally, capital purchases that may be reimbursed from federal funds, but do not meet the capitalization threshold established by the City are reclassified to small equipment purchases account instead of a supply account. This finding is considered cleared.

Respectfully submitted,



Stacey Rowell, CPA
Director of Administration

Corrective Action Plan for Current Year Findings and Questioned Costs continued

Reference # and Title: 2018-002 Credit Card Documentation

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

Criteria or specific requirement: Good internal controls provide a system that documents the date, the purpose and by whom the credit card charges were incurred; additionally, for the purchase of meals, those attending should be documented.

Condition found: The documentation for credit card purchases needs improvement. Of the limited testing by external auditors, incidents occurred where the documentation did not include the purpose of a meal, who participated in the meal, and who actually incurred the charge. Four transactions had no original detail receipts, seven transactions were missing the purpose of each purchase, and two transactions did not include the name of the person who consumed the meals.

Corrective action planned: The City will implement stronger controls on credit cards including restricting usage for repeat policy violators. The City will consider implementing a system in which the card is assigned to a single individual.

Person responsible for corrective action:

Stacey Rowell, CPA Telephone: (318) 329-4925
Director of Administration
City of Monroe
P. O. Box 123
Monroe, Louisiana 71210

Anticipated completion date: January 2019

Reference # and title: 2018-003 Timecard System Needs to Be Implemented City-wide

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

Criteria or specific requirement: A good internal control over time documentation requires a system that is comprehensive, accountable, and consistently applied.

Condition found: The City has palm reading timecard terminals located throughout the departments for purpose of accounting for the hours worked by employees of the City. The software system and the terminals seem to be functioning properly and provide good documentation of the clocking in and clocking out by employees using this system. However, the system is not being used by all departments. In fact, many large departments and maybe even the majority of the employees are not using this timecard system. For example the Police and Fire Departments employees are using a manual system that relies extensively on an honor system that the employee is working and the time the employee is working. Generally, the employees on the honor system are automatically given eight hours a day as being worked unless the employee submits paperwork reflecting that they were off or out.

Other departments are using the palm reading timecard system extensively by clocking in at the time of starting work, clocking out when going to lunch, clocking in when returning from lunch, as well as clocking out at the end of the day. Periodically, clocking in and clocking out will occur when the employee takes a leave of absence.

The official timekeeper for each department corrects clock in and clock out errors upon receipt of either a verbal communication, an email/text from the employee requesting the clock in/out error be corrected, or via communication from the Division Head/Department Head. Other departments require an official

Corrective Action Plan for Current Year Findings and Questioned Costs continued

clocking errors form be completed by the employee and be approved by the Division Head/Department Head of that employee before the change is inputted.

The official timekeeper generally prints the timecard for each employee for the entire pay period after all time has been entered. Thereafter, the printed timecard is submitted to the employee for approval and to the Division Head or Department Head for approval. Thereafter the official timekeeper will submit the data to the City Hall for further payroll processing.

Certain key employees of the City use the palm reading timecard system for an “attendance only” documentation. This “attendance only” system for key employees only requires the employee to clock in sometimes during the day. No clocking in at the start time, no clocking out for lunch and back in to start the afternoon shift, nor clocking out at the end of the day is required.

Corrective action planned:

In reference to recommendation number 1 under the finding, the palm reading timecard system has been implemented in all departments except Fire, Police, and Executive, and department heads. In the remaining areas, it may not be operationally practical to implement and therefore would not achieve the desired control. This requirement will be reviewed by management and discussed with auditors to determine if timekeeping systems used in lieu of the palm readers is sufficient.

Recommendation numbers 2-11 have been implemented, although there have been exceptions as noted in this report. The requirements will be communicated again to the departments. Once an Internal Auditor is hired by City Council, testing this process will be part of their audit plan.

Person responsible for corrective action:

Stacey Rowell Telephone: (318) 329-4925
Director of Administration
City of Monroe
P. O. Box 123
Monroe, Louisiana 71210

Anticipated completion date: January 2019

Reference # and Title: 2018-004 Time & Employee Absences Documentation Needs Improvement

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

Criteria or specific requirement: Good internal control requires adequate documentation for expenses/expenditures, which should be adequately approved by supervisors and time records should be signed by the applicable employee.

Condition found:

In our testing of fifty payroll disbursements, the following items were noted:

- Seven disbursements did not have the employee’s signature on the time records,
- Two instances of the supervisor not approving the employee’s timesheet, and
- One employee’s payroll file did not contain documentation of the completion of USCIS Form I-9 “Employment Eligibility Verification” issued by the Department of Homeland Security.

Corrective Action Plan for Current Year Findings and Questioned Costs continued

In our testing of twenty-six instances of employees taking leave, the following items were noted:

- Eleven exceptions of the time records not documenting leave and attendance,
- Ten exceptions of missing supervisor's approval of employee leave, and
- Two exceptions to maintaining written leave records.
- It was noted that some employees have access to change their leave record in the time system, rather than having another employee make the change for them.

Corrective action planned: The City's timekeeping policies and procedures will be reviewed with all supervisors, department heads and timekeepers. The Director of Administration will meet one-on-one with the supervisors that are noted by the exceptions

Person responsible for corrective action:

Stacey Rowell, CPA Telephone: (318) 329-4925
Director of Administration
City of Monroe
P. O. Box 123
Monroe, Louisiana 71210

Anticipated completion date: December 2018

Respectfully submitted,



Stacey Rowell, CPA
Director of Administration



ALLEN, GREEN & WILLIAMSON, LLP

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(Retired) 1963 - 2000

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, 2018, 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, 2018, 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 these comments during our next audit engagement. Our comments and recommendations, which have 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 these comments 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 responses are summarized as follows:

2018-M1 Millage Rates Need to Be Updated for Allocation Purposes

Comment: The allocation of ad valorem taxes between applicable funds for the year ended April 30, 2018 was incorrect due to the entry made to allocate the ad valorem taxes to each applicable fund was using the millage rates in effect for calendar year 2016 rather than calendar year 2017. This resulted in the General Fund erroneously receiving approximately \$60,000 more in revenues while several other funds of the City were collectively shortchanged by the \$60,000. The City had corrected the calculation and the General Fund had reimbursed the other funds for the amounts shortchanged after the auditor had brought it to their attention.

Recommendation: The City should establish review procedures to ensure the allocation of ad valorem taxes is properly updated each year.

Management's response: The City has updated the distribution calculation and will review the allocation on a yearly basis when the millage rate ordinance is adopted by council to verify that the allocation is accurate. Accounting will update its procedures to include this process.

City Of Monroe
Management letter Items
For Year End April 30, 2018

2018-M2 Bond Refundings

Comment: The City had refunded two bonds during the current fiscal year. It was noted by the auditor, the City did not initially record the bond discount and deferred outflows of resources related to refundings properly. The City provided correcting entries after the auditor had brought it to their attention.

Recommendation: The City should establish procedures to ensure that journal entries are thoroughly reviewed to ensure bond refunding transactions are properly reported in the City's financial statements.

Management's response: The City will comply with GASB requirements for properly recording debt transactions.

2018-M3 Accounts Receivable Aging

Comment: The accounts receivable utilities aging for trash, sewer, and water reflects approximate \$6.3 million in balance due at April 30, 2018. Approximately \$3.0 million of this balance represents accounts with balances that the charges are more than 120 days old. Due to the nature of utilities and the ability of the City to disconnect the property owners quickly for nonpayment, the City having this size balance more than 120 days past due does not seem prudent. It was also noted that the City is not consistently depositing receipts on a daily basis.

Recommendation: A concentrated effort should be made by the City to clear up these old balances by having the property owner pay their bill for these past due balances. Additionally, the City should review its practice to strengthen the collection policy so that new utility charges are paid before reaching the 90 and 120 days in arrears. Additionally, the City should establish monitoring procedures to ensure receipts are being deposited on a daily basis.

Management's response: The city will begin using the Bad Debt process in the Utility Management software to maintain realistic Utility Accounts Receivable balances. Utility Management is in the process of utilizing collection services through the LAMATS program available through LMA. The City will strictly adhere to its cutoff procedures in an effort to reduce the amount of customers in delinquent status.

2018-M4 Civic Center Deposits

Comment: Good internal controls require deposits being stamped to determine the date received and deposited in a timely manner. When testing thirty deposits at the Civic Center, two deposits had exceptions: one deposit was not deposited timely and one deposit could not be determined if deposited timely due to no documentation of when the deposit was received.

Recommendation: The Civic Center personnel should make a concentrated effort to ensure all receipts are stamped the date received and deposits made timely. The City should establish monitoring procedures over receipts to ensure adherence to policies and procedures.

Management's response: Civic Center personnel will be informed of the requirements for documentation for deposits as well as the daily deposit requirements. Accounting monitors deposit documentation and notifies the departments when exceptions occur and requests either additional documentation or an explanation as to why the exception occurred.

City Of Monroe
Management letter Items
For Year End April 30, 2018

2018-M5 Material & Supplies Inventory at Water Distribution, Sewer, & Central Warehouse

Comment: The auditors did a physical inspection during the City's actual inventory count at year-end. Later the auditors attempted to trace the actual items inspected during the inventory count to the final inventory list provided by the three departments. There were some discrepancies and certain items of inventory were recounted. Also, the auditor traced the cost for several items listed on the final inventory list to actual vendor invoices in order to substantiate that the cost of inventory was properly valued. The City was able to provide some vendor invoices supporting the cost of the items while for other items the original invoices were not provided. Inventory valuation and control is not reliable, which may be in part attributable to the inventory software system. Additionally, it is noted that all water distribution inventory is being maintained in the inventory software system such as fire hydrants and items in the yard. The City is not consistently accounting for obsolete items and estimating the allowance for obsolete items.

Recommendation: The final inventory listing provided to the auditors after all items have been counted should be complete and accurate and the cost for the items should be supported by paid invoices. Additional care should be taken in compiling the final inventory listing for each department's inventory. The City should establish procedures that are consistent when establishing the estimate for obsolete inventory.

Management's response: The software company has been contacted concerning issues the city is having with the inventory module. Also, additional training will be provided to warehouse personnel, as well as backup training for Accounting personnel. The City will establish an allowance for obsolete items.

2018-M6 Timely Requests for Reimbursements of Grants

Condition found: In reviewing of the City's grant revenues, it was noted that requests for reimbursements of grant expenditures are not always being completed and submitted to the awarding agency in a timely manner for reimbursements. It was additionally noted that the City is not fully reconciling the grant requests to the monies received to ensure reimbursements are complete and accurate.

Recommendation: The City should establish procedures to ensure reimbursement requests are being submitted in a timely manner and that the request are complete and accurate. Additionally, the City should establish timelines to ensure money that has been requested is received. If funds have not been received within the set timeline, then staff should follow-up on the request with the awarding agency.

Management's response: The City will review its procedures concerning grant reimbursement requests and make necessary changes to ensure timeliness of grant fund requests and receipt of funds.

2018-M7 Bids

Comment: A review of the bids let and received reflected the following deviations from state statute governing purchasing goods, materials, and public works:

- Two instances of ads reflected date of bid opening to be less than the required 25 days for public works.
- One instance of the second lowest bid being awarded and the bid file was not adequately documented with the reason for not going with the lowest bid until asked by the auditor.
- One instance in which the ad reflected that sealed bids were to be received until November 31, 2018 but bids were opened in February 2018.

Recommendation: Purchasing personnel should review the state statutes regarding bidding to assure that the City complies fully with the state laws regarding purchasing.

City Of Monroe
Management letter Items
For Year End April 30, 2018

Management's response: Purchasing will review the state statutes and be more diligent in complying with state law.

2018-M8 Issuance of Police Traffic Tickets

Comment: In recent years a management letter item included in the annual management letter was reported suggesting that from the raw data reviewed in that fiscal year the number of traffic tickets issued by patrolmen appeared to be extremely low. The audit procedure performed of the Police Department by the auditors in that earlier fiscal year 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 that 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.

The City expanded its annual financial report and prepared a Comprehensive Annual Financial Report (CAFR) starting with the fiscal year ended April 30, 2017. The CAFR is recommended by the Governmental Accounting Standards Board, the financial accounting and reporting standard setters for governmental entities in the United States. One section of the CAFR is what is called the Statistical Section that includes financial data of the City for the past ten years. Table 20 of the Statistical Section reflects the number of traffic tickets issued by the City during the past ten fiscal years. That table reflects that the number of tickets issued annually has declined steadily during the ten years from 27,594 for 2009 to 3,191 for 2018.

This table reinforces the focus of the previous year management letter item that the City may be missing out on revenues that some municipalities depend on greatly for their source of funding for various City activities.

Recommendation: Based on the raw data and the statistical section info concerning traffic tickets issued, the City may want to consider studying this matter to determine if additional revenue could appropriately be increased.

- **Management's response:** During the term of the past Chief's administration, MPD once operated a separate and exclusive division for Traffic Enforcement, this division was consolidated with the patrol bureau during the twelve-hour shift change. The Traffic Enforcement division was solely responsible for writing traffic tickets and enforcing traffic laws. The unit consisted of five officers and one supervisor. After Traffic Enforcement consolidated with Patrol, an almost immediate reduction in the number of citation issued was noticed. As a result of the consolidation, many of the traffic officers requested and received transfers out of the unit due to the added duties and heavy work load. Currently MPD has two Traffic Enforcement officers who have dual responsibilities of working regular patrol duties and answering calls as well as Traffic Enforcement.
- The retirement or separation of high yield ticket writers. Several of the high yield ticket writers were from the Traffic Enforcement division and have since left the department. Over the past several years MPD has lost several officers who exceeded the normal production level of issued citations due to a personal passion they held for the job. These officers were often personally responsible for issuing several hundred citations per week.
- Local Agency Compensated Enforcement (L.A.C.E. Program) is funded by the District Attorney, who contract with the State Police and Ouachita Parish Sheriff Office and reimburse the agencies for overtime and mileage claimed by officers working extra-duty shifts. The local governments keep the proceeds of the tickets written by troopers or deputies during the shifts. Under state law, the tickets generate fees and court costs that benefit public defender offices and other agencies. The city limits of Monroe were once exclusively patrolled by MPD but due to this program, Monroe is now patrolled by LSP and

City Of Monroe
Management letter Items
For Year End April 30, 2018

OPSO. Monroe participated in this program in the past and generated a massive amount of issued citations. However, it is my understanding that during a past Chief's administration, Monroe Police disassociated itself from the program due to the increased number of citizen complaints alleging they were wrongfully cited for traffic violations. The average officer working this program often generated approximately twenty or more tickets each day of work. This program is partially responsible for the rapid increase and decrease for citations issued within the affected time frame.

- With the arrival of UBER and LYFT, officer have noticed a marked reduction in DWI's which we believe is directly or indirectly responsible for the reduction of DWI arrest in Monroe.

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, 2018, 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 the 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 items and performed procedures to assess the reasonableness of the Status of Prior Management Letter Items 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, 2018

City of Monroe
Status of Prior Year Management Letter Items
For the Year Ended April 30, 2018

2017-M1 **Monroe City Court Not Able to Download Digital Traffic Tickets**

Comment: The Monroe City Court administers and enforces the collection of fines associated with traffic citations issued by Monroe City Police Department. It is important that the Monroe City Court has the proper documents in order to collect the appropriate amount of fines. The City of Monroe software system generates a PTS file that can be downloaded into the Monroe City Court software system. However, since an employee left the employment of the Monroe City Court, the other City Court personnel have not been able to download the digital traffic tickets written by the City of Monroe Police Department. Accordingly, a hard copy of the digital tickets are being printed and the information manually entered into the Monroe City Court software system. This approach is time consuming and inefficient. It is imperative that the Monroe City Court obtain training for its staff in order to enhance the probability of collection of all revenues due the Monroe City Court and the City of Monroe from traffic citations.

Recommendation: The Monroe City Court should work to resolve their personnel’s inability to download the electronic traffic tickets from the City of Monroe software.

Management’s response: Resolved

2017-M2 **Southside Economic Development District (SEDD) Reporting and Compliance Responsibility**

Comment: The City recently awarded \$100,000 to the SEDD and since have recommended to the SEDD that they comply with the regulations contained in the Statute that established the SEDD. LA Revised Statute 33:2740.51 “The Southside Economic Development District of the City of Monroe” has extensive provisions regarding operations and specific details regarding the City of Monroe’s oversight of the operations of the SEDD, such as

- The City Council and Mayor primarily appoint the board members of the SEDD,
- “F.(1) The Board shall prepare or cause to be prepared a plan or plans specifying the public improvements, facilities, and services proposed to be furnished, constructed, or acquired for the district . . .

(2) Any plan may specify and encompass any public services, capital improvements, and facilities which the City of Monroe is authorized to undertake, furnish, or provide under the constitution and laws of the state of Louisiana,

(3) Any plan shall include an estimate of the annual and total cost of acquiring, constructing, or providing the services, improvements, or facilities set forth therein/

(5)(a) . . . “The Council, by a majority vote of all its members, may adopt or reject the plan as originally submitted by the board or alter or modify the plan or any portion of detail thereof.”

(5)(b) If the plan as originally submitted by the board is adopted by the majority vote of the council, it shall become final and conclusive and may thereafter be implemented.”

City Of Monroe
Status of Prior Year Management letter Items
For Year End April 30, 2018

- “G.(1)(a) Notwithstanding the provisions of Subsection F of this Section, the board may prepare and submit directly to the council a plan or plans setting forth its intention to employ professional consultants, experts, and such other advisors and personnel as it shall deem to be necessary or convenient to assist in the preparation of a plan or plans for the orderly and efficient development of services and improvements within the district.
(b) The plan shall specify the services proposed to be rendered by such employees, an estimate of the aggregate of the proposed salaries of such employees, and an estimate of the other expenses of the board required for the preparation of such plan or plans.

(2)(a) The council shall review and consider such plan within thirty days following submission to it by the board and shall adopt or reject such plan by a majority vote of its members.
(b) If the council adopts such plan, it shall become final and conclusive.”

- “I.(1) All services to be furnished within the district pursuant to any plan finally and conclusively adopted hereunder shall be furnished, supplied, and administered by the city through its regularly constituted departments, agencies, boards, commissions, and instrumentalities. All capital improvements and facilities to be acquired, constructed, or provided within the district, whether from the proceeds of bonds or otherwise, shall likewise be so acquired, constructed, or provided by the city through its regularly constituted departments, agencies, boards, commissions, and instrumentalities, it being the intention hereof to avoid the duplication of administrative and management efforts and expense in the implementation of any plan adopted for the benefit of the district.
(2) In order to provide such services and/or provide, construct, or acquire such capital improvements or facilities, the board may enter into intergovernmental local service contracts with the city.”

The language in the Statute seems to clearly require the SEDD to comply with the policies and regulations of the City of Monroe considering the statutes reads “all services to be furnished within the district (SEDD) pursuant to any plan finally and conclusively adopted hereunder shall be furnished, supplied, and administered by the City through its regularly constituted departments, agencies, boards, commissions, and instrumentalities. It being the intention hereof to avoid the duplication of administrative and management efforts and expense in the implementation of any plan adopted for the benefit of the district.”

The SEDD has been resistant to following the regulations contained in LA Revised Statute 33:2740.51. In order to avoid these regulations, the SEDD could petition the Louisiana Legislature to amend the Statute. However, until the Statute is revised the SEDD should fully comply with the current provisions of LA Revised Statute 33:2740.51, including the following:

- ◆ Submitting their annual plan and budget to the City of Monroe Council for approval,
- ◆ Working with the staff of the City of Monroe and complying with the City of Monroe regulations in implementing their plan.

Recommendation: The SEDD must comply with the LA Statute that established and governs their existence. If the Statute is not favorable to the SEDD Board’s preferences and needs, the SEDD should seek revisions to the Statute. Until the Statute is changed, the SEDD must comply with the current Statute.

City Of Monroe
Status of Prior Year Management letter Items
For Year End April 30, 2018

Management's response: Resolved

2017-M3 **Test of Census Data for OPEB Reporting**

Condition found: Good internal control should provide a system that census data for employees is complete and accurate so that the actuary's reporting on other postemployment benefits is accurate.

The census data provided to the actuary for other postemployment benefits contained inaccuracies for employees participating in the other post-employment benefits. Part of the inaccuracies was a result of the employee listing not been printed as of the proper date.

Recommendation: Care should be taken in the future and closer coordination with the actuary to assure the employee listings are provided as of the proper date.

Management's response: Resolved

2017-M4 **Statewide Agreed-upon Procedures**

Condition found: The Office of the Legislative Auditors Office mandated in early 2017 that Local Governments be subject to Statewide Agreed-upon Procedures (SAUPs) that covered 12 different areas. These areas included written policies and procedures, board meetings, bank reconciliations, collections, disbursements, credit and other types of cards, travel and expenses, payroll and personnel, contracts, debt service, ethics and others. These procedures supplemented the work included in the annual financial and compliance audits performed by independent certified public accountants. This separate engagement will be included in the traditional reporting package submitted by auditors and governments after the annual audit is completed.

These new procedures are going wider and deeper than a traditional audit has covered in past years with the hope of reducing fraud, waste and abuse. The application of the procedures for the twelve areas may not be material in some cases but are in more risky aspects of the operations of a government.

The City of Monroe will be subject to these new SAUPs for the first time for the City's fiscal year 2017 – 2018.

Recommendation: The auditors encourage the City to continue its recent efforts of improving operational and control aspects of the City in order to be compliant with the implied best practices noted by Office of Louisiana Legislative Auditor. These procedures are in a lot of areas so it will take significant amount of time and effort to be fully compliant. It is additionally recommended for the Internal Auditor to perform testing throughout the year on a sample of the Agreed-upon Procedures to assist the City in monitoring their efforts.

The nature of Agreed-upon Procedures is the government and the auditor agree upon the procedures to be performed, the auditor goes and performs the procedures, and reports back his findings. The mandated procedures currently have no materiality threshold. Accordingly, the report would reflect any deviations in your operations from what the Office of Louisiana Legislative Auditor prescribes as best practices in governments. Therefore, the City should double its efforts in order that exceptions are kept to a minimum.

Management's response: Resolved

City Of Monroe
Status of Prior Year Management letter Items
For Year End April 30, 2018

2017-M5 **Timely Requests for Reimbursements of Grants**

Condition found: In reviewing of the City's grant revenues, it was noted that requests for reimbursements of grant expenditures are not always being completed and submitted to the awarding agency in a timely manner for reimbursements. It was additionally noted that the City is not fully reconciling the grant requests to the monies received to ensure reimbursements are complete and accurate.

Recommendation: The City should establish procedures to ensure reimbursement requests are being submitted in a timely manner and that the request are complete and accurate. Additionally, the City should establish timelines to ensure money that has been requested is received. If funds have not been received within the set timeline, then staff should follow-up on the request with the awarding agency.

Management's response: See current year management letter item 2018-M6.

AGREED UPON PROCEDURES



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the City of Monroe, and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period April 30, 2018. The City's management is responsible for the control and compliance areas identified in these Statewide Agreed-Upon Procedures. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics** including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Comment:

Purchasing - No written policies and/or procedures regarding process of adding vendors to the vendor listing.

Contracting – No written policies and/or procedures for legal review, approval process and the monitoring process of contracts.

Ethics – No written policy and/or procedure for ethics.

Debt Service – No written policies and procedures for debt service.

Management Response: Management will develop and implement the referenced policies/procedures.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Comment: The City Council meets twice a month and finance committee meets monthly. Budget to actual comparisons are discussed in the finance committee meetings and a finance committee meeting was not held in December 2017. However, the City did email the financial information to the finance committee.

Management Response: City Council will make every effort to hold a finance committee meeting every month.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Comment: Unable to test five bank accounts since only four had regular deposit activity. Of the four tested, two of the reconciliations were prepared beyond two months of the related statement closing date.

Management's Response: These exceptions were due to personnel turnover/shortage. Accounting division will make every effort to complete all reconciliations according to the procedures.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under

“Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Comment: Five collection locations were tested for the collection process and segregation of duties. Two exceptions were noted for the Chennault Golf Course in that employees share one cash drawer and the employee making deposits also collects cash when needed. One exception was noted for the Zoo in which the employee making deposits also intermittently collects cash.

Management’s Response: Due to the limited personnel that the City can afford for these locations, on occasion there may be separation of duty issues. These are limited in occurrence and the City will review to see if mitigating controls can be implemented.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management’s representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Comment: Two exceptions were noted related to credit card statements where a finance charge was incurred on one monthly statement and no signature of approval in writing on another. Ten transactions (or all if less than 10) were tested for each credit card statement selected and four exceptions were noted where there was no original itemized receipt identifying precisely what was purchased. There were five exceptions noted where five credit card transactions did not have written documentation for business/public purpose.

Management's Response: See response to finding 2018-002.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Comment: Two employees selected did not have documentation of their daily attendance and one employee did not have supervisor approval of leave.

Management's Response: See response to finding 2018-004.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Comment: The City does not have an ethics policy so none of the five selected employees had demonstrated through signature verification reading the policy.

Management's Response: Management will develop and implement an Ethics policy.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

We were not engaged to and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance area identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance area identified in the SAUPs and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

October 31, 2018

City of Monroe

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