

CITY OF WEST MONROE, LOUISIANA

*Financial Report
For the Year Ended June 30, 2023*

DRAFT



CITY OF WEST MONROE, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Board of Aldermen of the
City of West Monroe, Louisiana

Report on the Audit of the Financial Statements

Opinions

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 West Monroe, Louisiana (which is “the City”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, 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 aggregate remaining fund information of the City as of June 30, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net OPEB liability and related ratios, schedule of proportionate share of net pension liability, and the schedule of employer's pension contribution on pages 5 through 13 and 64 through 73, 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, economical, 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 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 combining and individual nonmajor fund financial statements, the Schedule of Compensation, Benefits and Other Payments to Agency Head, and the Act 87 Collecting and Disbursing Entity and Receiving Entity Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, Schedule of Compensation, Benefits and Other Payments to Agency Head, Act 87 Collecting and Disbursing Entity and Receiving Entity Schedules, and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, Schedule of Compensation, Benefits and Other Payments to Agency Head, Act 87 Collecting and Disbursing Entity and Receiving Entity Schedules, and Schedule of Expenditures of Federal Awards are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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.

West Monroe, Louisiana
December 8, 2023

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REQUIRED SUPPLEMENTARY INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT

CITY OF WEST MONROE, LOUISIANA

Management's Discussion and Analysis Year Ended June 30, 2023

As management of the City of West Monroe, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter and the accompanying basic financial statements. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

FINANCIAL HIGHLIGHTS

- The assets of the City of West Monroe, on a government-wide basis, exceeded its liabilities at the close of the fiscal year by \$39,546,113 (net position).
- At the end of the current fiscal year, the City of West Monroe's governmental funds reported combined ending fund balances of \$25,936,813.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$8,412,407 or 35% of the total general fund expenditures.
- The general fund reported a surplus of \$3,815,449 before transfers, and a surplus of \$120,499 after transfers.
- The City completed many projects that included improvements to infrastructure as well as ongoing constructions projects including the West Monroe Sports Complex. The additions and improvements to the City's Capital Assets totaled \$19,548,291 in the current year.
- The City's bonded debt had a net increase of \$15,192,000 mainly due to the issuance of \$17,000,000 in additional bonded debt. Total bonded debt at June 30, 2023, was \$44,381,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of West Monroe's basic financial statements. The City's basic financial statements comprise three components:

- *Government-wide financial statements,*
- *Fund financial statements,*
- *Notes to the financial statements.*

This report contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City's government, reporting the City's operations in more detail than the government-wide statements.
 - The governmental fund statements tell how general government services like public safety were financed in the short term as well as what amounts remain for future spending.
 - Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the public utilities (water, sewer, sewer treatment systems).
 - Fiduciary fund statements provide information about the financial relationship in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

In the past, the primary focus of local government financial statements has been summarized fund type information on a current financial resources basis. However, with the implementation of Statement No. 34 of the Governmental Accounting Standards Board (GASB Statement No. 34) for June 30, 2003, the new focus is on both the City as a whole (government-wide) and the fund financial statements. Each view provides a different snapshot of the City's finances. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The fund financial statements focus on the individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year-to-year or government-to-government) and enhance the City's accountability.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City of West Monroe as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position and the Statement of Activities, which are the government-wide statements, include all of the government's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide statements report the City's net position and how they have changed. Net position – the difference between the City's assets and liabilities – is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating. Other non-

financial factors such as changes in the City's property tax base and the condition of the City's roads and other infrastructure may need to be considered to assess the overall health of the City. In the Statement of Net Position and the Statement of Activities, the City is divided into two categories:

- Governmental activities – Most of the City's basic services are included here, such as the activities of the police, fire, public works, social services, parks and recreation departments, and general administration. Sales taxes and grants finance most of these activities.
- Business-type activities – The City charges fees to customers to cover the cost of certain services it provides. The City's water, sewer, and sewer treatment are included here.

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

FUND FINANCIAL STATEMENTS

The format of the fund financial statements will be more familiar to traditional users of government financial statements. The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting mechanisms that the City uses to keep track of specific sources of funding and spending for particular purposes.

The City has three kinds of funds:

- Governmental funds – Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided on a subsequent page that explains the relationship (or differences) between the government-wide and fund statements.
- Proprietary funds – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short-term and long-term financial information. The City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but they provide more detail and additional information, such as cash flows. The City also uses internal service funds (another kind of proprietary fund) to report activities that provide supplies and services for the City's other programs and activities – such as the Employees Health Insurance Fund.
- Fiduciary funds – Fiduciary funds are used to report assets held in a trustee or agency capacity for others outside the government. The City maintains a Cemetery Trust Fund and a Workers Compensation Reserve Fund. These activities are reported in a separate statement of fiduciary net assets. The City excludes this activity from its government-wide financial statements because the City cannot use these assets to finance its operations.

The Total Governmental Funds column requires reconciliation because of the different measurement focus from the government-wide statements (current financial resources versus total economic resources), which is reflected at the bottom of or following each statement. The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bond and others) into the Governmental Activities column (in the government-wide statements).

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's combined net position for the 2022-2023 fiscal year increased by \$10,614,745. Table 1 shows the statement of net position for the year ending 2022 and the year ending 2023. The table also shows the net position for governmental activities, business type activities and combines them into the total primary government.

Statement of Net Position

The following table reflects the condensed statement of net position:

TABLE 1
NET POSITION OF GOVERNMENTAL AND BUSINESS TYPE ACTIVITIES

(in Millions)

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2023	2022	2023	2022	2023	2022
ASSETS:						
Current and other assets	\$ 27.11	\$ 19.13	\$ 1.20	\$ 1.25	\$ 28.31	\$ 20.38
Capital Assets	65.48	47.75	23.33	23.35	88.81	71.10
Total Assets	<u>\$ 92.59</u>	<u>\$ 66.88</u>	<u>\$ 24.53</u>	<u>\$ 24.60</u>	<u>\$ 117.12</u>	<u>\$ 91.48</u>
LIABILITIES:						
Long-term debt outstanding	\$ 73.08	\$ 46.40	\$ 4.87	\$ 3.40	\$ 77.95	\$ 49.80
Other liabilities	4.58	3.81	0.51	0.48	5.09	4.29
Total Liabilities	<u>\$ 77.66</u>	<u>\$ 50.21</u>	<u>\$ 5.38</u>	<u>\$ 3.88</u>	<u>\$ 83.04</u>	<u>\$ 54.09</u>
DEFERRED INFLOWS OF RESOURCES:						
Deferred Inflows	\$ 6.40	\$ 13.81	\$ 0.87	\$ 1.64	\$ 7.27	\$ 15.45
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred Outflows	\$ 11.19	\$ 6.23	\$ 1.54	\$.76	\$ 12.73	\$ 6.99
NET POSITION:						
Invested in Capital Assets						
Net of debt	\$ 20.33	\$ 19.11	\$ 22.74	\$ 22.70	\$ 43.07	\$ 41.81
Restricted	-	-	.08	.08	.08	.08
Unrestricted	<u>\$ (.60)</u>	<u>\$ (10.01)</u>	<u>\$ (3.01)</u>	<u>\$ (2.94)</u>	<u>\$ (3.61)</u>	<u>\$ (12.95)</u>
Total Net Position	<u>\$ 19.73</u>	<u>\$ 9.10</u>	<u>\$ 19.81</u>	<u>\$ 19.84</u>	<u>\$ 39.54</u>	<u>\$ 28.94</u>

Net position (assets less liabilities) may serve over time as a useful indicator of a government's financial position. The City of West Monroe's assets exceeded liabilities by \$39.54 million at the close of the fiscal year.

Approximately eighty-thousand of the City's net position is subject to restrictions.

Governmental Activities

Net position of the City's governmental activities increased from \$9.10 million to \$19.73 million.

Business-type Activities

Net position of the City's business-type activities decreased from \$19.84 million to \$19.81 million.

Statement of Activities

The following table shows the revenues and expenses of the governmental and business-type activities:

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2023	2022	2023	2022	2023	2022
REVENUES:						
Program Revenues						
Charges for services	\$ 4.33	\$ 4.02	\$ 5.83	\$ 6.12	\$ 10.16	\$ 10.14
Operating grants and contributions	5.98	7.44			5.98	7.44
Capital grants and contributions	8.10	.44			8.10	.44
General Revenues						
Property Taxes	1.17	1.42			1.17	1.42
Other taxes	30.63	28.38			30.63	28.38
Intergovernmental	0.10	0.07			0.10	0.07
Franchise	1.09	0.99			1.09	0.99
Miscellaneous	.39	0.07			.39	0.07
Sale of Assets	.51	.84			.51	.84
Excess Premium on Bonds	1.09	-			1.09	-
Interest earned	0.17	0.03			0.17	0.03
Capital contributions	-	-	2.10	.39	2.10	.39
Total Revenues	<u>\$ 53.56</u>	<u>\$ 43.70</u>	<u>\$ 7.93</u>	<u>\$ 6.51</u>	<u>\$ 61.49</u>	<u>\$ 50.21</u>
EXPENSES:						
General government	\$ 10.57	\$ 9.70			\$ 10.57	\$ 9.70
Public safety	13.71	10.38			13.71	10.38
Public works	5.16	4.44			5.16	4.44
Culture and recreations	5.71	4.47			5.71	4.47
Urban Development	.78	1.04			.78	1.04
Health and welfare	4.26	3.72			4.26	3.72
Interest on long-term debt	1.99	1.17			1.99	1.17
Utilities	-	-	8.41	8.11	8.41	8.11
Total Expenses	<u>\$ 42.18</u>	<u>\$ 34.92</u>	<u>\$ 8.41</u>	<u>\$ 8.11</u>	<u>\$ 50.59</u>	<u>\$ 43.03</u>
Increase (Decrease) in net position						
Before transfers	\$ 11.38	\$ 8.78	\$ (.48)	\$ (1.60)	\$ 10.90	\$ 7.18
Transfers	(.74)	-	.46	-	(.28)	-
Increase/decrease in position	<u>\$ 10.64</u>	<u>\$ 8.78</u>	<u>\$ (.02)</u>	<u>\$ (1.60)</u>	<u>\$ 10.62</u>	<u>\$ 7.18</u>

Governmental Activities

The City's total revenues from governmental activities increased from \$43.72 million (year end 2022) to \$53.56 million (year end 2023). The largest source of the increase in the current year revenues is from an increase in sales taxes collected as well as an increase in capital grants that were received as a results of the increase in capital improvements. West Monroe's largest source of general revenue (\$30.63 million) is taxes, composed of property tax, sales tax, insurance premium taxes, and beer tax.

Fifty-seven percent of the City's revenue from governmental activities comes from these taxes. Capital grants and contributions (\$8.10 million) were the second largest revenue source for governmental activities.

The City's expenses from governmental activities for the fiscal year ended June 30, 2023, were \$42.18 million, an increase of \$7.26 million from year end 2022. These expenses cover a wide range of services with the largest being public safety \$13.71 million or 32%, and general government \$10.57 million or 25%.

Business-Type Activities

The total revenues from business-type activities were \$7.93 million for the fiscal year ended June 30, 2023. Charges for services decreased by approximately \$0.29 million. Expenses for the City's business-type activities were \$8.41 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City of West Monroe uses Fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Government Funds

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25.94 million.

The general fund is the chief operating fund of the City. At the end of the fiscal year, unassigned fund balance of the general fund was \$8.41 million. As a measure of the general fund liquidity, it may be useful to compare unassigned fund balance to total expenditures. Unassigned fund balance represents 35% of the total general fund expenditures. Due to the uncertain economic conditions, expenditures were closely monitored and correlated to revenues received.

The City spent a total of \$13.25 million out of the 86 Sales Tax Capital Fund to fund major capital projects and purchases. This amount increased by \$4.38 million from last year. The fund transferred out \$.86 million to pay for debt service. The fund also received \$4.54 to help fund current and future capital improvements.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Utilities Enterprise Fund at the end of the year were \$19.81 million. The fund had an operating loss for the year of \$2.58 million after depreciation and prior to transfers.

Net position of the Internal Service fund (Employees Health Insurance Fund) at the end of the year was \$0.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget once. The difference between the original expenditure budget and the actual amount of expenditures was an increase of \$.59 million. Actual total revenues were \$3.72 million more than the original budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following table shows the Capital Assets (net of depreciation) of the governmental and business type activities:

TABLE 3
CAPITAL ASSETS
(NET OF DEPRECIATION in millions)

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
Land	\$ 6.91	\$ 6.91	\$ 0.07	\$ 0.07	\$ 6.98	\$ 6.98
Construction in progress	18.85	1.71	-	-	18.85	1.71
Buildings	11.97	12.72	-	-	11.97	12.72
Improvements	3.19	3.13	-	-	3.19	3.13
Equipment	1.02	.59	-	-	1.02	0.59
Vehicles	.52	.58	-	-	.52	.58
Infrastructure	21.60	22.11	-	-	21.60	22.11
Water Plant	-	-	8.52	7.91	8.52	7.91
Treatment and Reuse Plant	-	-	14.74	15.38	14.74	15.38
Total	<u>\$ 64.06</u>	<u>\$ 47.75</u>	<u>\$ 23.33</u>	<u>\$ 23.36</u>	<u>\$ 87.39</u>	<u>\$ 71.11</u>

The City of West Monroe's investment in Capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$87.39 million (net of depreciation). This is an increase of \$16.28 million from last year. This investment includes land, construction in progress, buildings and improvements, equipment, vehicles, infrastructure, water, and sewer treatment

plant. The biggest addition is the construction of West Monroe Sports Complex that is still ongoing as of June 30, 2023.

Long-term Debt

The following table shows the City's outstanding debt:

	Table 4 – Outstanding Debt	
	<u>YR END 6/30/23</u>	<u>YR END 6/30/22</u>
Bond Payable Series 2010	\$ 591,000	\$ 654,000
Bond Payable Series 2022	\$ 16,820,000	\$ -
Community Dev. Block Grant for Economic Development	\$ 78,685	\$ 103,681
Bond Payable Series 2015	\$ 17,315,000	\$ 18,460,000
Bond Payable Series 2018	\$ 9,655,000	\$ 10,075,000
Heart and Lung Disability	\$ 137,894	\$ 148,098
Vacation, Sick and Comp. Time	<u>\$ 1,073,800</u>	<u>\$ 1,107,925</u>
Total	<u>\$ 45,671,379</u>	<u>\$ 30,548,704</u>

At the end of the fiscal year, the City of West Monroe had total bonded debt outstanding of \$44.38 million. This is an increase of \$14.63 million in total bond debt.

The City of West Monroe's total long-term debt obligations at year end were \$45.67 million.

Additional information of the City's long-term debt can be found in Note 12 in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's management and elected officials considered many factors when preparing the 2023-2024 budget. The major factor in preparing the budget is to determine the revenue that will be generated from sales tax. Sales tax accounts for 75% of the total General Fund revenue. The sales tax income projected for the 2023-2024 budget is \$22.89 million. All other General Fund revenues should remain consistent with prior year collections. The total General Fund revenue budget for the 2023-2024 fiscal year is \$28.14 million compared to \$27.68 million of actual revenue for 2022-2023.

The budgeted expenses for the 2023-2024 fiscal year are \$25.02 million, a small increase from the prior year's actual expenses.

Most of the City's expenses have remained constant. The City's matching contributions to the pension systems have increased slightly for the 2023-2024 fiscal year. However, depending on the condition of the investment markets and other factors the City's contribution to the pension systems should remain constant this fiscal year to the next. The City's administration will closely monitor all revenues and expenses to ensure the City maintains a positive fund balance. The projected General Fund balance for the year ending June 30, 2024, is \$12.22 million.

OTHER POST-EMPLOYMENT BENEFITS

In the year ended June 30, 2023, the City of West Monroe has complied with requirements of Government Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting for Post Employment Benefits Other than Pensions*. This statement requires that employers disclose the *Schedule of Changes in Net OPEB Liability and Related Ratios* as determined by actuarial computations. The disclosure of these amounts are presented in more detail in the Notes to the Financial Statements.

PENSIONS

In the year ended June 30, 2023, the City of West Monroe has complied with requirements of Government Accounting Standards Board Statement Number 68, *Accounting and Financial Reporting for Pensions*. This statement requires that employers disclose the *Net Pension Liability, Deferred Inflows* and *Deferred Outflows* as determined by actuarial computations. The disclosure of these amounts are presented in more detail in the Notes to the Financial Statements.

REQUEST FOR INFORMATION

The financial report is designed to provide citizens, taxpayer, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives. If you have any questions about this report or need additional information, contact the Finance Director, City of West Monroe, 2305 North 7th Street, West Monroe, Louisiana 71291.

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

DRAFT

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 20,054,958	\$ 295,120	\$ 20,350,078	\$ 815,880
Investments	3,603,940	-	3,603,940	-
Accounts Receivable	595,604	1,056,184	1,651,788	5,469
Minimum Lease Payments Receivable	81,315	-	81,315	-
Due From Other Governments	2,738,488	-	2,738,488	-
Internal Balances	10,713	(157,340)	(146,627)	(2,800)
Inventories	23,529	-	23,529	-
Lease Asset (Net)	1,426,965	-	1,426,965	-
Capital Assets:				
Non-Depreciable	25,757,127	74,150	25,831,277	-
Depreciable	38,296,305	23,257,814	61,554,119	-
<u>TOTAL ASSETS</u>	<u>\$ 92,588,944</u>	<u>\$ 24,525,928</u>	<u>\$ 117,114,872</u>	<u>\$ 818,549</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	11,194,313	1,537,846	12,732,159	33,710
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,112,877	\$ 19,529	\$ 1,132,406	\$ 917
Deposits Payable	58,857	217,488	276,345	-
Non-Current Liabilities				
Due Within One Year				
Bonds Payable	2,120,000	63,000	2,183,000	-
Notes Payable	25,000	-	25,000	-
Lease Liability	380,807	-	380,807	-
Other Long-Term Liabilities	882,515	209,918	1,092,433	-
Due in More Than One Year				
Bonds Payable	41,670,000	528,000	42,198,000	-
Notes Payable	53,685	-	53,685	-
Lease Liability	979,219	-	979,219	-
Other Long-Term Liabilities	119,261	-	119,261	-
Net Pension Liability	26,174,530	3,656,550	29,831,080	103,266
Net OPEB Liability	4,078,996	683,328	4,762,324	-
<u>TOTAL LIABILITIES</u>	77,655,747	5,377,813	83,033,560	104,183
<u>DEFERRED INFLOWS OF RESOURCES</u>	6,395,479	871,879	7,267,358	-
<u>NET POSITION</u>				
Net Investment in Capital Assets	20,330,371	22,740,964	43,071,335	-
Restricted for Debt Service	-	77,632	77,632	-
Restricted for Judicial	-	-	-	32,846
Restricted for Public Safety	-	-	-	490,260
Unrestricted, Capital Projects	8,896,244	-	8,896,244	-
Unrestricted, Debt Service	1,288,035	-	1,288,035	-
Unrestricted, Unreserved	(10,782,619)	(3,004,514)	(13,787,133)	224,970
<u>TOTAL NET POSITION</u>	<u>\$ 19,732,031</u>	<u>\$ 19,814,082</u>	<u>\$ 39,546,113</u>	<u>\$ 748,076</u>

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Function/Program Activities	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Government Activities:				
General Government	\$ 10,567,243	\$ 1,386,153	\$ 541,524	\$ 4,500,272
Public Safety	13,712,790	144,685	2,351,477	-
Public Works	5,155,578	1,161,031	-	-
Culture and Recreation	5,705,464	1,615,721	213,293	3,605,422
Urban Redevelopment	789,083	-	-	-
Health and Welfare	4,270,547	23,993	2,870,460	-
Interest on Long-Term Debt	1,991,001	-	-	-
Total Governmental Activities	42,191,706	4,331,583	5,976,754	8,105,694
 Business-Type Activities:				
Utilities	8,415,422	5,834,600	-	-
Total Primary Government	\$ 50,607,128	\$ 10,166,183	\$ 5,976,754	\$ 8,105,694

Component Units:

City Court	\$ 548,153	\$ 514,724	\$ -	\$ -
City Marshal	482,916	493,992	-	-
Total Component Units	\$ 1,031,069	\$ 1,008,716	\$ -	\$ -

General Revenues:

Taxes:

Property Taxes Levied for General Purposes
Property Taxes Levied for Street Maintenance
Sales Taxes
Insurance Premium Taxes

Intergovernmental Revenues
Franchise Revenue
Miscellaneous
Special Item - Sale of Assets
Excess Premium on Bonds
Earnings on Investments
Capital Contributions
Transfers

Total General Revenues, Special Items and Transfers

Changes in Net Position

Net Position - Beginning

Net Position - Ending

Changes in Net Assets Primary Government			
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Units</u>
\$ (4,139,294)	\$ -	\$ (4,139,294)	\$ -
(11,216,628)	-	(11,216,628)	-
(3,994,547)	-	(3,994,547)	-
(271,028)	-	(271,028)	-
(789,083)	-	(789,083)	-
(1,376,094)	-	(1,376,094)	-
(1,991,001)	-	(1,991,001)	-
<u>(23,777,675)</u>	<u>-</u>	<u>(23,777,675)</u>	<u>-</u>
-	(2,580,822)	(2,580,822)	-
<u>\$(23,777,675)</u>	<u>\$ (2,580,822)</u>	<u>\$ (26,358,497)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (33,429)
-	-	-	11,076
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,353)</u>
1,172,019	-	1,172,019	-
281,918	-	281,918	-
29,802,302	-	29,802,302	-
545,991	-	545,991	-
106,147	-	106,147	-
1,092,697	-	1,092,697	-
388,487	-	388,487	-
505,070	-	505,070	-
1,092,697	-	1,092,697	-
167,609	-	167,609	257
-	2,096,929	2,096,929	-
(740,578)	461,954	(278,624)	-
<u>34,414,359</u>	<u>2,558,883</u>	<u>36,973,242</u>	<u>257</u>
10,636,684	(21,939)	10,614,745	(22,096)
<u>9,095,347</u>	<u>19,836,021</u>	<u>28,931,368</u>	<u>770,172</u>
<u>\$ 19,732,031</u>	<u>\$ 19,814,082</u>	<u>\$ 39,546,113</u>	<u>\$ 748,076</u>

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

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

DRAFT

CITY OF WEST MONROE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	86 Sales Tax 75% Capital Fund	ARPA Fund	2022 Debt Capital Fund
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 7,447,090	\$ 1,536,098	\$ 1,262,934	\$ 6,892,871
Investments	2,566,256	-	1,037,684	-
Accounts Receivable	367,106	-	-	203,676
Minimum Lease Payment Receivable	81,315	-	-	-
Due From Other Governments	1,658,646	607,105	-	-
Due From Other Funds	820,266	165,541	-	1,506
Inventories	23,529	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 12,964,208</u>	<u>\$ 2,308,744</u>	<u>\$ 2,300,618</u>	<u>\$ 7,098,053</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 752,559	\$ 126,881	\$ -	\$ -
Due To Other Funds	135,541	645,765	-	-
Deposits Payable	58,857	-	-	-
<u>Total Liabilities</u>	<u>946,957</u>	<u>772,646</u>	<u>-</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unearned Revenue	-	-	-	-
<u>Total Deferred Inflows of Resources</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>				
Nonspendable	104,844	-	-	-
Restricted	-	-	2,300,618	7,098,053
Committed	-	-	-	-
Assigned	3,500,000	1,536,098	-	-
Unassigned	8,412,407	-	-	-
<u>Total Fund Balances</u>	<u>12,017,251</u>	<u>1,536,098</u>	<u>2,300,618</u>	<u>7,098,053</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u>	<u>\$ 12,964,208</u>	<u>\$ 2,308,744</u>	<u>\$ 2,300,618</u>	<u>\$ 7,098,053</u>

CITY OF WEST MONROE, LOUISIANA
RECONCILIATION OF GOVERNMENTAL
FUNDS BALANCES TO STATEMENT OF NET POSITION
JUNE 30, 2023

Total Nonmajor Governmental Funds	Total Governmental Funds	Total Governmental Fund Balances	\$ 25,936,813
		<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
\$ 2,915,965	\$ 20,054,958	Capital assets (including lease assets) used in governmental activities are not financial resources and therefore are not reported in the funds.	65,480,397
-	3,603,940		
22,597	593,379		
-	81,315		
472,737	2,738,488		
465,962	1,453,275	Net OPEB Liability	(4,078,996)
-	23,529		
<u>\$ 3,877,261</u>	<u>\$ 28,548,884</u>	Deferred Outflows Related to OPEB	1,144,443
		Deferred Inflows Related to OPEB	(4,645,728)
		Total Deferred Inflows/Outflows Related to OPEB	<u>(3,501,285)</u>
		Net Pension Liability	(26,174,530)
\$ 233,437	\$ 1,112,877	Deferred Outflows Related to Pensions	10,049,870
659,031	1,440,337	Deferred Inflows Related to Pensions	(1,749,751)
-	58,857	Total Deferred Inflows/Outflows Related to Pensions	<u>8,300,119</u>
<u>892,468</u>	<u>2,612,071</u>		
		Long-term liabilities, including bonds and notes payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(46,230,487)
-	-		
-	-		
-	104,844	The internal service fund is used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	-
1,329,820	10,728,491		
-	-		
1,730,187	6,766,285		
(75,214)	8,337,193		
<u>2,984,793</u>	<u>25,936,813</u>		
<u>\$ 3,877,261</u>	<u>\$ 28,548,884</u>	Net Position of Governmental Activities	<u>\$ 19,732,031</u>

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>86 Sales Tax 75% Capital Fund</u>	<u>ARPA Fund</u>	<u>2022 Debt Capital Fund</u>
<u>Revenues</u>				
Taxes	\$ 20,996,957	\$ 7,030,513	\$ -	\$ -
Intergovernmental	393,347	4,299,583	2,261,092	-
Licenses and Permits	1,108,390	-	-	-
Charges for Services	2,848,320	-	-	-
Fines and Forfeitures	277,763	-	-	-
Use of Money and Property	108,075	611	37,684	19,998
Franchise Revenue	1,092,697	-	-	-
Sale of Assets	505,070	-	-	-
Other	357,182	17,750	-	3,605,421
Total Revenues	<u>27,687,801</u>	<u>11,348,457</u>	<u>2,298,776</u>	<u>3,625,419</u>
<u>Expenditures</u>				
General Government	6,481,281	-	-	-
Public Safety	10,055,062	-	-	-
Public Works	3,411,520	-	-	-
Culture and Recreation	3,312,407	-	-	-
Urban Redevelopment	612,082	-	-	-
Health and Welfare	-	-	-	-
Capital Improvements	-	13,246,714	-	14,620,294
Claims Paid	-	-	-	-
Debt Service:				
Principal Payments	-	257,867	-	-
Interest and Other	-	175,266	-	-
Total Expenditures	<u>23,872,352</u>	<u>13,679,847</u>	<u>-</u>	<u>14,620,294</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>				
	3,815,449	(2,331,390)	2,298,776	(10,994,875)
<u>Other Financing Sources and (Uses)</u>				
Proceeds From General Obligation Bonds	-	-	-	18,092,904
Transfers In	2,262,933	4,541,298	-	-
Transfers Out	(5,957,883)	(858,191)	(2,262,934)	-
Total Other Financing Sources and Uses	<u>(3,694,950)</u>	<u>3,683,107</u>	<u>(2,262,934)</u>	<u>18,092,904</u>
<u>Net Change in Fund Balance</u>	120,499	1,351,717	35,842	7,098,029
<u>Fund Balances - Beginning</u>	<u>11,896,752</u>	<u>184,381</u>	<u>2,264,776</u>	<u>24</u>
<u>FUND BALANCES - ENDING</u>	<u>\$ 12,017,251</u>	<u>\$ 1,536,098</u>	<u>\$ 2,300,618</u>	<u>\$ 7,098,053</u>

CITY OF WEST MONROE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Nonmajor Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	\$ 8,504,905
\$ 3,788,161	\$ 31,815,631		
3,005,145	9,959,167	<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
-	1,108,390		
-	2,848,320		
-	277,763		
1,201	167,569	Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
-	1,092,697	Capital asset purchases capitalized	19,548,291
-	505,070	Depreciation expense	(3,247,201)
721,311	4,701,664		<u>16,301,090</u>
<u>7,515,818</u>	<u>52,476,271</u>		
-	6,481,281	Lease Assets Acquired	638,019
182,355	10,237,417	Amortization Expense	(190,928)
402,345	3,813,865		<u>447,091</u>
261,091	3,573,498		
-	612,082	Postretirement benefit plan net change - GASB 75	310,642
3,297,041	3,297,041	Pension net change - GASB 68	622,119
1,301,905	29,168,913		
-	-	Repayment of debt principal, including capital leases, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	2,038,067
1,769,996	2,027,863		
<u>1,815,735</u>	<u>1,991,001</u>		
<u>9,030,468</u>	<u>61,202,961</u>		
(1,514,650)	(8,726,690)	The issuance of long-term debt (e.g. capital leases, bonds) provides current financial resources to government funds, but the repayment reduces long-term liabilities in the statements of net assets.	(17,638,019)
-	18,092,904	Internal Service fund is used by management to charge the cost of certain activities to individual funds. The net of the internal service fund is included in governmental activities in the statement of net position.	-
1,836,202	8,640,433		
(422,734)	(9,501,742)		
<u>1,413,468</u>	<u>17,231,595</u>		
(101,182)	8,504,905	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	50,789
<u>3,085,975</u>	<u>17,431,908</u>		
<u>\$ 2,984,793</u>	<u>\$ 25,936,813</u>	Change in Net Position in Governmental Activities	<u>\$ 10,636,684</u>

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	<u>Business-Type Activities Utility Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Accounts Receivable, Net of Allowance	\$ 1,056,184	\$ 2,225
Due From Other Funds	-	-
Total Current Assets	1,056,184	2,225
<u>Non-Current Assets</u>		
Restricted:		
Cash - Customer Deposits	217,488	-
Cash - Sinking Fund	42,936	-
Cash - Reserve Fund	34,696	-
Total Restricted Cash	295,120	-
Capital Assets:		
Land	74,150	-
Construction in Process	-	-
Sparta Reuse Plant	20,701,729	-
Buildings	73,436	-
Water Plant	17,272,395	-
Wastewater Treatment Plant	16,750,560	-
Machinery, Equipment & Other	2,058,506	-
Less: Accumulated Depreciation	(33,598,812)	-
Total Capital Assets	23,331,964	-
<u>TOTAL ASSETS</u>	\$ 24,683,268	\$ 2,225
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Related to OPEB	191,721	-
Related to Pensions	1,346,125	-
Total Deferred Outflows of Resources	1,537,846	-
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 19,529	\$ -
Customer Deposits	217,488	-
Accrued Vacation and Sick Pay	209,918	-
Sewer Bonds Payable	63,000	-
Due to Other Funds	157,340	2,225
Total Current Liabilities	667,275	2,225
<u>Long Term Liabilities</u>		
Net OPEB Liability	683,328	-
Net Pension Liability	3,656,550	-
Sewer Bonds Payable - Long-Term	528,000	-
Total Long Term Liabilities	4,867,878	-
Total Liabilities	5,535,153	2,225
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Related to OPEB	778,269	-
Related to Pensions	93,610	-
Total Deferred Inflows of Resources	871,879	-
<u>NET POSITION</u>		
Net Investment in Capital Assets	22,740,964	-
Reserved for Debt Retirement	77,632	-
Unrestricted	(3,004,514)	-
<u>TOTAL NET POSITION</u>	\$ 19,814,082	\$ -

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
<u>Operating Revenues</u>		
User Charges	\$ 2,817,247	\$ 2,744,696
Treatment Plant Fees	1,443,563	-
Water Penalties and Turn-on Fees	120,002	-
Sewer District 5 Contributions	1,451,476	-
Miscellaneous Revenue	2,312	-
Total Operating Revenues	<u>5,834,600</u>	<u>2,744,696</u>
<u>Operating Expenses</u>		
Waterworks	1,142,036	-
Sewerage	903,759	-
Water Treatment Plant	606,168	-
Sewer Treatment Plant	2,630,323	-
Public Works Construction	139,694	-
Public Works Administrative	529,052	-
Other Administrative	342,721	501,138
Claims Paid	-	2,364,289
Interest Expense	2,800	-
Depreciation	2,118,869	-
Total Operating Expenses	<u>8,415,422</u>	<u>2,865,427</u>
<u>Operating Income (Loss)</u>	(2,580,822)	(120,731)
Contributed Capital	2,096,929	-
Transfers In (Out)	461,954	120,731
Total	<u>2,558,883</u>	<u>120,731</u>
<u>Changes in Net Position</u>	(21,939)	-
<u>Net Position - Beginning</u>	<u>19,836,021</u>	<u>-</u>
<u>NET POSITION - ENDING</u>	<u>\$ 19,814,082</u>	<u>\$ -</u>

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
	<u> </u>	<u> </u>
Cash Flows From Operations		
Receipts From Customers	\$ 5,788,986	\$ -
Receipts From Group Contributions	-	2,745,699
Payments to Provide Services	(5,841,851)	(2,365,292)
Payments for General and Administrative	(345,521)	(501,138)
Net Cash Provided (Used) by Operating Activities	<u>(398,386)</u>	<u>(120,731)</u>
 Cash Flows From Noncapital Financing Activities		
Increase in Customer Deposits	16,422	-
Operating Transfers In (Out)	461,954	120,731
Net Cash Flows From Noncapital Financing Activities	<u>478,376</u>	<u>120,731</u>
 Cash Flows From Capital and Related Financing Activities		
Acquisitions of Capital Assets	2,096,929	-
Capital Contribution From Other Funds	(2,096,929)	-
Bond Proceeds	-	-
Principal Paid on Bonds	(63,000)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(63,000)</u>	<u>-</u>
 Net Increase in Cash and Cash Equivalents	16,990	-
 Cash and Cash Equivalents at Beginning of Year	<u>278,130</u>	<u>-</u>
 <u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 295,120</u>	<u>\$ -</u>
 Classified As:		
Cash in Bank	\$ -	\$ -
Restricted Assets	<u>295,120</u>	<u>-</u>
 <u>TOTAL CASH AND CASH EQUIVALENTS</u>	<u>\$ 295,120</u>	<u>\$ -</u>

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
<u>Reconciliation of Operating Loss to Net Cash</u>		
<u>Provided by Operating Activities:</u>		
Changes in Net Position	\$ (2,580,822)	\$ (120,731)
Adjustments to Reconcile Net Loss to Net		
Cash Used by Operating Activities		
Depreciation	2,118,869	-
(Increase) Decrease in Accounts Receivable	(253,638)	1,003
(Decrease) Increase in Accounts Payable	(64,823)	-
(Increase) Decrease in Due From Other Funds	165,242	-
Increase (Decrease) in Due to Other Funds	157,340	(1,003)
Increase in Net Pension Liability and Deferrals (Net)	120,332	-
Decrease in Net OPEB Liability and Deferrals (Net)	(77,550)	-
Increase (Decrease) in Accrued Vacation and Sick Pay	16,664	-
Total Adjustments	<u>2,182,436</u>	<u>-</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ (398,386)</u>	<u>\$ (120,731)</u>

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	Total	<u>Component Unit</u> <u>Custodial Funds</u>	
	<u>Private-Purpose</u> <u>Trust Funds</u>	<u>City</u> <u>Court</u>	<u>City</u> <u>Marshal</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,242,460	\$ 4,580	\$ 143,650
Investments	18,191	-	-
Accounts Receivable	2,000	-	6,095
Due From Other Funds	148,627	-	-
<u>TOTAL ASSETS</u>	<u>\$ 1,411,278</u>	<u>\$ 4,580</u>	<u>\$ 149,745</u>
 <u>LIABILITIES</u>			
Due to Other Funds	\$ 2,000	\$ -	\$ -
Due to Others	-	-	7,940
<u>TOTAL LIABILITES</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 7,940</u>
 <u>NET POSITION</u>			
Reserved:			
Workmen's Compensation Claims	534,499	-	-
Park Equipment	148,627	-	-
Cemetery Maintenance	726,152	-	-
Cash Bond Refunds	-	-	141,805
Restitution	-	4,580	-
Insurance Claims	-	-	-
Unassigned	-	-	-
Total Net Position	<u>1,409,278</u>	<u>4,580</u>	<u>141,805</u>
<u>TOTAL LIABILITIES AND</u>			
<u>NET POSITION</u>	<u>\$ 1,411,278</u>	<u>\$ 4,580</u>	<u>\$ 149,745</u>

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Total	Component Unit	
		Private -Purpose Trust Fund	Custodial Funds
		City Court	City Marshal
<u>Additions</u>			
Sales Tax	\$ 24,000	\$ -	\$ -
Lot Sales	35,440	-	-
Insurance Proceeds	113,061	-	-
Park Fees	35,062	-	-
Cash Bonds Collected	-	-	39,600
Restitution Collected	-	37,186	-
Contributions	81,324	-	-
Interest	-	-	-
Total Revenues	288,887	37,186	39,600
<u>Deductions</u>			
Hasley Cemetery	-	-	-
Claims Paid	415,685	-	-
Restitutions Paid	-	37,186	-
Cash Bonds Disbursed	-	-	44,868
Miscellaneous	100,224	-	-
Total Expenditures	515,909	37,186	44,868
<u>Excess (Deficiency) of Additions Over Deductions</u>	(227,022)	-	(5,268)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In (Out)	278,624	-	-
<u>Change in Net Position</u>	51,602	-	(5,268)
<u>Net Position - Beginning</u>	1,357,676	4,580	147,073
<u>NET POSITION - ENDING</u>	\$ 1,409,278	\$ 4,580	\$ 141,805

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

CITY OF WEST MONROE, LOUISIANA
COMBINING STATEMENT OF NET POSITION
ALL DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2023

	<u>City Court</u>	<u>City Marshal</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 775,652	\$ 40,228	\$ 815,880
Accounts Receivable	-	5,469	5,469
Due From Other Funds	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 775,652</u>	<u>\$ 45,697</u>	<u>\$ 821,349</u>
DEFERRED OUTFLOW OF RESOURCES	33,710	-	33,710
<u>LIABILITIES</u>			
Account Payable	\$ -	\$ 31	\$ 31
Payroll Liabilities	886	-	886
Due to Fiduciary Fund - Component Unit	-	2,800	2,800
Due to City of West Monroe	-	-	-
Non-Current Liabilities			
Net Pension Liability	103,266	-	103,266
<u>TOTAL LIABILITIES</u>	104,152	2,831	106,983
<u>DEFERRED INFLOW OF RESOURCES</u>	-	-	-
<u>NET POSITION</u>			
Restricted for:			
Civil Court Filings	490,260	-	490,260
Garnishments	-	2,256	2,256
Sales and Seizures	-	1,867	1,867
Equipment and Training	-	28,723	28,723
Unrestricted, unreserved	214,950	10,020	224,970
Total Net Position	705,210	42,866	748,076
<u>TOTAL LIABILITIES AND NET POSITION</u>	<u>\$ 809,362</u>	<u>\$ 45,697</u>	<u>\$ 855,059</u>

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

CITY OF WEST MONROE, LA
COMBINING STATEMENT OF ACTIVITIES
ALL DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2023

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Intergovernmental - City of West Monroe</u>	<u>City Court</u>	<u>City Marshal</u>	<u>Total</u>
City Court Judicial	\$ 1,161,321	\$ 514,724	\$ 613,168	\$ (33,429)	\$ -	\$ (33,429)
City Marshal Judicial	<u>1,055,758</u>	<u>493,992</u>	<u>572,842</u>	<u>-</u>	<u>11,076</u>	<u>11,076</u>
Total Governmental Activities	<u>\$ 2,217,079</u>	<u>\$ 1,008,716</u>	<u>\$ 1,186,010</u>	<u>\$ (33,429)</u>	<u>\$ 11,076</u>	<u>\$ (22,353)</u>
General Revenues:						
Interest				<u>257</u>	<u>-</u>	<u>257</u>
Change in Net Position				(33,172)	11,076	(22,096)
<u>Net Position July 1, 2022</u>				<u>738,382</u>	<u>31,790</u>	<u>770,172</u>
<u>Net Position June 30, 2023</u>				<u>\$ 705,210</u>	<u>\$ 42,866</u>	<u>\$ 748,076</u>

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

INTRODUCTION

The City of West Monroe, Louisiana (the City) consists of an executive branch of government headed by a mayor and a legislative branch of government consisting of five aldermen. The City's major operations include police and fire protection, garbage and trash collection, a senior center, street and drainage maintenance, administrative services, and other health and welfare activities. In addition, the City operates a Utility Enterprise Fund to provide water and sewerage services.

Note 1 – Summary of Significant Accounting Policies

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 municipal governing authority, for reporting purposes, the City of West Monroe, Louisiana is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government, the City of West Monroe, Louisiana, (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 City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement 14 established criteria for determining which, if any, component units should be considered part of the City of West Monroe, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City and 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 are part of the reporting entity.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

City Court of West Monroe

The City Court of West Monroe is a legally separate entity. The Judge of the Court is an independently elected official. The City provides office space, court facilities including some furnishings, and compensation for court employees. The Court provides no direct services to the City. However, based on second criteria noted 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.

City Marshal of West Monroe

The City Marshal of West Monroe office is a legally separate entity. The City Marshal is an independently elected official. The City provides office space, furnishings and compensation for Marshal employees. Based on second criteria above, it has been determined that the City Marshal of West Monroe is a component unit of the City and should be included in the City's financial statements through discrete presentation.

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenues rather than as program revenues. The City does not allocate general government (indirect) expenses to other functions.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. However, the fiduciary funds are not included in the government-wide financial statements. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgment, are recorded when payment is due.

Sales taxes, excise taxes, franchise taxes, licenses and investment interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the city.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statement's governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and the change in net position.

In the fund financial statement, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Proprietary Funds and Fiduciary Funds – The financial statements of the proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The City’s enterprise fund has elected to not apply FASBs issued after the applicable date.

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. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Fund Accounting

The financial activities of the City are recorded in individual funds, each of which is deemed to be a separate accounting entity. The City uses fund accounting to report on its financial position and results of 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.

1. Major Governmental Funds

General Fund – This fund accounts for all activities of the City not specifically required to be accounted for in other funds. Included are transactions for services such as general government, health services, public safety, regulatory services and social services.

1986 Sales Tax 75% Capital Fund – These funds account for monthly transfers from sales tax collections 75% of the one cent sales tax passed in 1986. The funds are predominately used for capital expenditures.

ARPA Fund – These funds account for federal grants received to help governments in the aftermath of the COVID outbreak. The funds are being used to pay for the salaries for public safety personnel.

2022 Debt Capital Fund – These funds account for funds received from the issuance of the 2022 bond issuance. The funds are used for capital projects, mostly being the construction of the West Monroe Sports Complex.

2. 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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

- 3. 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.
- 4. Capital Projects Funds** – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

5. Proprietary Funds

Utility Enterprise Fund – This fund is to account for the provision of water and sewerage to residents of the City of West Monroe. This fund is 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.

Internal Service Fund – This fund accounts for the financing of services provided by one fund to other funds of the City. The Self Insurance Fund, which purchases an insurance policy and accounts for third-party administrative costs and claims, is reported as an internal service fund.

6. Fiduciary Funds

Trust Funds – These funds are used to account for assets held by the City in a trustee capacity or as an agent for the individuals, private organizations, other governments and/or other funds. These include Private-purpose trust funds. Private-purpose trust funds are accounted for in essentially the same manner as governmental funds.

E. Cash and Cash Equivalents

Under state law, the City may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statement of cash flows, cash equivalents include all highly liquid investments (including restricted assets) with a maturity date of three months or less when purchased.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

F. Investments

Deposits with original maturity dates exceeding 90 days are classified as investments. Investments are reported at fair value. The Louisiana Asset Management Pool (LAMP) is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. LAMP operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

G. Noncurrent Receivables

Noncurrent portions of long-term receivables due to government funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate that they should not be considered “available spendable resources” since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables.

H. Inventories

Special reporting treatments are applied to governmental fund inventories to indicate that they do not represent “available spendable resources”, even though they are a component of net current assets. Such amounts are presented under the nonspendable fund balance classification.

Inventories are valued at the lower of cost (first-in, first-out) or market. Inventory in the General Fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are used.

I. Bad Debts

Uncollectible amounts for ad valorem taxes and convention center receivables are generally not significant. As a result, the direct write-off method for recognizing bad debts is used. Under this method, the receivable is charged to expense when the account is deemed to be uncollectible. For customers’ utility receivables, the allowance method is used to account for uncollectible amounts. Under this method, an allowance account is set up for what is deemed to be uncollectible.

J. Short-Term Interfund Receivables/Payables

During the course of operation, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the fund financial statements’ balance sheet. In the process of aggregating data for the statement of net assets 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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (which is normally immovable and of value only to the City, such as roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. Purchased or constructed capital assets are valued at historical cost or estimated historical cost. Donated fixed assets are recorded at their fair market value at the date of donation.

Infrastructure constructed prior to July 1, 2000, has been recorded at estimated historical cost. The estimated historical cost for years prior to July 1, 2000, was based on capital outlay expenditures reported by the City’s engineer who performed a road, street and bridge inventory for the City. The costs of normal maintenance and repairs that do not add to the asset’s value or materially extend an asset’s useful life are not capitalized.

Capital assets utilized in the governmental funds are recorded as expenditures in the governmental fund financial statements. Depreciation expense is recorded in the government-wide financial statements, as well as the proprietary funds financial statements.

Capital assets of the City are depreciated on the straight-line method over the assets’ estimated useful life. There is no depreciation recorded for land and construction in progress. Generally, estimated useful lives are as follows:

Vehicles, Machinery and Equipment	5-20 years
Buildings and Other Improvements	30-40 years
Infrastructure	20-40 years

L. Franchise Agreements

On February 15, 2012, the City Council of West Monroe authorized a franchise agreement between the City of West Monroe and Entergy Louisiana for the operation by Entergy Louisiana of the electric system within the corporate limits of West Monroe for a period of twenty-five years. The agreement provides that Entergy Louisiana will pay to the City three percent of gross receipts (as defined) collected from the sale of electric service to residential and commercial customers within the City.

Also, on May 10, 2022, the City Council of West Monroe authorized a franchise agreement between the City of West Monroe and Atmos Energy for the operation of the gas system within the corporate limits of West Monroe for a period of ten years. The agreement provides that Atmos Energy will pay to the City two percent of gross receipts (as defined) collected from the sale of gas service to residential and commercial customers within the City.

On April 10, 2012, the City Council of West Monroe authorized a franchise agreement between the City of West Monroe and any person or entity desiring to provide cable or video services that obtains a state issued certificate of franchise authority. The providers will pay to the City five percent of gross receipts (as defined) collected from the sale of cable or video service to residential and commercial customers within the City and one half of a percent for PEG access support.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

M. Lease Obligations

The City leases various assets for noncancellable leases of equipment and vehicles. In the government-wide financial statements, capital leases and the related lease obligations are reported as liabilities in the applicable governmental activities statement of net assets as well as recording a related right-of-use lease asset. Leases with an initial value of \$5,000 or more and greater than 12 months in length, are recognized. They are evaluated based on the individual value of each asset.

The lease liability is based on the present value of payments expected to be made during the lease term. The liability is reduced as payments are made. The right-of-use asset is amortized over the useful life on a straight-line basis.

N. Long-Term Liabilities

Bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

O. Compensated Absences

Accumulated unpaid vacation, sick pay, and other employee benefit amounts are accrued when incurred in enterprise funds under the accrual basis of accounting. Employees of the City earn vacation pay in varying amounts ranging from 5 to 25 working days per year depending upon length of service. At the end of each year, employees may carry forward earned vacation time. Up to a maximum of 50 days of unused vacation is paid to an employee upon retirement, separation, or death at hourly rates being earned by that employee upon separation.

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 rates ranging up to 12 days per year. Unused sick leave may be carried forward, however, up to a maximum of 36 days of unused sick leave is paid to an employee upon retirement, separation, or death at hourly rates being earned by that employee upon separation.

P. Dedicated Revenues

Two cents of the sales tax revenue assessment is dedicated as follows: one cent is dedicated to capital improvements; seventy-five percent of the remaining cent is dedicated for purchase and improvements of assets having a life of one year or greater, related professional services and programs, and for paying capital improvements, construction, and repairs; the remaining twenty-five percent shall be used for general operations.

An additional one percent sales and occupancy tax was approved for restaurants and hotels within the West Monroe Economic Development District in December 2018. The funds will be used for economic development within the district.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Q. Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the city aldermen – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the city aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the city’s “intent” to be used for specific purposes, but are neither restricted nor committed. The city aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the city’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

R. 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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

S. Pension Plans

The City of West Monroe, Louisiana is a participating employer in multiple pension plans as described in Note 10. 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 Funds, and additions to/deductions from the Fund’s fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the Plans.

Note 2- Cash and Cash Equivalents

Custodial Credit Risk – Deposits

The custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the City had no custodial risk related to its deposits at June 30, 2023.

At June 30, 2023, the City has cash and cash equivalents (book balances net of overdrafts) in the amount of \$21,575,233 (petty cash of \$17,305 not included).

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable by both parties. Cash and cash equivalents (bank balances) at June 30, 2023, are secured as follows:

Bank Balances	<u>\$ 22,931,201</u>
Federal Deposits Insurance	\$ 250,000
Pledged Securities (Uncollateralized)	<u>28,257,735</u>
<u>TOTAL</u>	<u>\$ 28,507,735</u>
Governmental Funds Cash	\$ 20,054,958
Enterprise Funds Cash	295,120
Fiduciary Funds Cash	<u>1,242,460</u>
<u>TOTAL BOOK BALANCES BY FUND TYPE</u>	<u>\$ 21,592,538</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 2- Cash and Cash Equivalents (continued)

Discretely Presented Component Units – Deposits

All deposits of the component units are held by area financial institutions. At the respective year ends, all deposits are insured or collateralized with securities held in the component unit’s name by its agent (the trust department of a bank other than the pledging bank).

Note 3 – Investments

Custodial Credit Risk – Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City had no custodial credit risk related to its investments at June 30, 2023.

Under state law, the City may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At June 30, 2023, the City had the following investments stated at cost, which approximates market:

Fixed Income	\$	1,378,641
Louisiana Asset Management Pool		2,243,490
Total		3,622,131

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

The City’s investment policy limits the City’s investment instruments to: 1) certificates of deposit; 2) certain direct obligations of the U.S. Government; 3) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America; and 4) the Louisiana Asset Management Pool.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 3 – Investments (continued)

The City participates in the Louisiana Asset Management Pool (LAMP). The LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. LAMP is rated AAAM by Standard and Poor’s rating.

Note 4 – Fund Deficits

The following funds had deficits at June 30, 2023:

Non-Major Funds:	
2003 Debt Service Funds	24,996
Office of Motor Vehicles	50,218

Any deficits in the special revenue funds and debt service funds are to be financed with future revenues or transfers from other funds. Any deficits in the capital project funds will be funded with future drawdowns from state and federal agencies and/or transfers from the general fund.

Note 5 – Accounts Receivable

Accounts receivable at June 30, 2023, consisted of the following:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Accounts Receivable	\$ 595,604	\$ 1,056,184	\$ 1,651,788

Note 6 – Ad Valorem Taxes

Property taxes are usually mailed out in November through Ouachita Parish and are due as of January 1. Ouachita Parish remits the City’s portion monthly as received from taxpayers. An enforceable lien attaches to the property with unpaid taxes and is sold at a tax sale usually in June of the following year.

The Ouachita Parish Tax Assessor establishes assessed values each year on a uniform basis at the following ratios to fair market value:

10% Land	15% Machinery
10% Residential Improvements	15% Comm. Improvements
15% Industrial Improvements	25% Public Service Properties, Excluding Land

The ad valorem tax millage is as follows:

	<u>Mills</u>
General Ad Valorem Tax	6.90
Street Maintenance	<u>1.63</u>
<u>TOTAL</u>	<u>8.53</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 7 – Due From Other Governments

The amounts due from other governments at June 30, 2023, are as follows:

City of Monroe, LA	\$ 2,545,864
Corporation for National and Community Service	58,271
HUD	12,143
Ouachita Parish Sheriff	-
State of Louisiana	122,210
Various	<u>-</u>
<u>TOTAL</u>	<u>\$ 2,738,488</u>

Note 8 – Capital Assets

Capital asset activity for the year ended June 30, 2023, is as follows:

	June 30, 2022			June 30, 2023
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Government Activities:				
Non-Depreciable Assets:				
Land	\$ 6,911,403	\$ -	\$ -	\$ 6,911,403
Construction In Progress	<u>1,714,386</u>	<u>17,131,338</u>	-	<u>18,845,724</u>
Total	8,625,789	17,131,338	-	25,757,127
Depreciable Assets:				
Buildings	32,506,043	402,389	-	32,908,432
Improvements	4,769,160	177,763	-	4,946,923
Equipment	7,209,012	630,048	-	7,839,060
Vehicles	9,536,790	-	-	9,536,790
Infrastructure	<u>82,296,943</u>	<u>1,206,753</u>	-	<u>83,503,696</u>
Total at Historical Cost	\$136,317,948	\$ 2,416,953	\$ -	\$ 138,734,901
Less Accumulated				
Depreciation for:				
Buildings	\$(19,803,584)	\$(1,132,737)	\$ -	\$(20,936,321)
Improvements	(1,644,476)	(112,905)	-	(1,757,381)
Equipment	(6,615,739)	(200,258)	-	(6,815,997)
Vehicles	(8,761,972)	(253,750)	-	(9,015,722)
Infrastructure	<u>(60,365,624)</u>	<u>(1,547,551)</u>	-	<u>(61,913,175)</u>
Total Accumulated				
Depreciation	<u>(97,191,395)</u>	<u>(3,247,201)</u>	-	<u>(100,438,596)</u>
<u>Government Activities</u>				
<u>Capital Assets, Net</u>	<u>\$ 47,752,342</u>	<u>\$ 16,301,090</u>	<u>\$ -</u>	<u>\$ 64,053,432</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 8 – Capital Assets (continued)

	June 30, 2022			June 30, 2023
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Business-Type Activities:				
Non-Depreciable Assets:				
Land	\$ 74,150	\$ -	\$ -	\$ 74,150
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	74,150	-	-	74,150
Depreciable Assets:				
Buildings	73,436	-	-	73,436
Sparta Reuse Plant	20,701,729	-	-	20,701,729
Water Plant	16,140,143	1,132,252	-	17,272,395
Treatment Plant	15,841,383	909,177	-	16,750,560
Equipment	<u>2,003,006</u>	<u>55,500</u>	<u>-</u>	<u>2,058,506</u>
Totals at Historical Cost	54,759,697	2,096,929	-	56,856,626
Less Accumulated				
Depreciation for:				
Buildings	(73,436)	-	-	(73,436)
Sparta Reuse Plant	(10,198,610)	(1,035,187)	-	(11,233,797)
Water Plant	(8,223,562)	(528,819)	-	(8,752,381)
Treatment Plant	(11,144,207)	(512,934)	-	(11,657,141)
Equipment	<u>(1,840,128)</u>	<u>(41,929)</u>	<u>-</u>	<u>(1,882,057)</u>
Total Accumulated	Depreciation	<u>(31,479,943)</u>	<u>(2,118,869)</u>	<u>(33,598,812)</u>
<u>Business-Type Activities</u>				
Capital Assets, Net	<u>\$23,353,904</u>	<u>\$ (21,940)</u>	<u>\$ -</u>	<u>\$ 23,331,964</u>

Depreciation expense for the year ended June 30, 2023, was charged to functions of the City as follows:

Government Activities:	
General Government	\$ 1,920,717
Public Safety	242,321
Public Works	102,705
Culture and Recreation	109,014
Community Development	366,132
Ike Hamilton Expo Center	489,534
Convention Center	16,778
Health and Welfare	<u>-</u>
Total Depreciation Expense -	
Governmental Activities	<u>\$ 3,247,201</u>
Business-Type Activities:	
Utilities	<u>\$ 2,118,869</u>

Note 9 - Restricted Assets and Related Resources

At June 30, 2023, all restricted assets were in the form of demand deposits. These assets represent amounts held for utility customer deposits and cash for reserve and sinking fund requirements.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 - Pension and Retirement Plans

STATE RETIREMENT SYSTEMS

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

Substantially all city employees, except firemen and policemen are members of the Municipal Employees' Retirement System of Louisiana (MERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The MERS is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Each of these are separated by first employment date of which those before January 1, 2013 are in Plan A and those after in Plan A Tier 2. All members participate in Plan A or Plan A Tier 2 based on those dates.

All permanent employees working at least 35 hours per week and elected city officials are required to participate in the system. Under the MERS Plan A, a member who retires at or after age 60 with at least 10 years of creditable service or at any age with 25 years of creditable service is entitled to a full retirement benefit, payable monthly for life, equal to 3 percent of the member's final compensation multiplied by his years of creditable service. With MERS Plan A Tier 2, a member who retires at or after age 67 with at least 7 years of creditable service, at or after age 62 with at least 10 years of creditable service or at 55 age with 30 years of creditable service are entitled to the same benefits as noted with Plan A.

Final compensation is a member's average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted. A member who withdraws from active service prior to retirement eligibility is entitled to receive benefits beginning on the normal retirement date, assuming completion of the required years of creditable service and no prior refund of contributions. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy – State statute requires covered employees to contribute 9.5 percent of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The current actuarially determined rate is 29.5 percent of annual covered payroll. The City's contributions to the System under Plan A for the years ending June 30, 2023, 2022 and 2021 were \$2,230,104, \$1,988,838 and \$1,876,375, respectively, equal to the required contributions for each year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Blvd., Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

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

At June 30, 2023, the City reported a liability of \$14,637,667 for its proportionate share of the net pension liability for the MERS plan. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the MERS pension plan relative to the

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 - Pension and Retirement Plans (continued)

projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City's proportion was 3.5244%, which was an increase of 0.2420% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized net pension expense of \$2,128,609, net of employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$2,524.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,287	\$ (56,051)
Changes of assumptions	141,805	-
Net difference between projected and actual earnings on pension plan investments	2,435,646	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	563,877	(318,683)
Employer contributions subsequent to the measurement date	2,230,104	-
Total	\$ 5,388,719	\$ (374,734)

The City reported a total of \$2,230,104 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2022, which will be recognized as a reduction in net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year	MERS
2023	\$ 636,229
2024	746,541
2025	233,077
2026	1,168,036
	\$ 2,783,883

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 - Pension and Retirement Plans (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, is as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return/Inflation Rate	6.85%, net of investment expense; 2.50% inflation
Projected salary increases	4.5 to 6.4%
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP 2018 scale
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP 2018 scales

Discount Rate

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate 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 included in the System's target asset allocation as of June 30, 2022, are summarized in the following table:

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 - Pension and Retirement Plans (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	53%	2.31%
Public fixed income	38%	1.65%
Alternative Investments	9%	0.39%
Total	100%	4.35%
Inflation		2.60%
Expected Arithmetic Nominal Return		6.95%

The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2022. 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, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension 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.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2022 is 3 years.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System 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 used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS			
Rates	5.85%	6.85%	7.85%
COWM Share - NPL	\$19,470,955	\$14,637,667	\$10,553,694

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 - Pension and Retirement Plans (continued)

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

All full-time police officers engaged in law enforcement are required to participate in the Municipal Police Employees' Retirement System (MPERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. Members who started prior to January 1, 2013, can retire at or after age 55 with 12 years of creditable service, at or after age 50 with 20 years of creditable service, or at any age with 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of the member's average final compensation multiplied by his years of creditable service, not to exceed 100 percent of his average final compensation.

Average final compensation is the average annual earned compensation of a member for any period of 36 successive or joined months of service that produces the highest average.

Members who started on or after January 1, 2013, retire under one of two plans, Hazardous Duty or Non Hazardous Duty. Under Hazardous Duty, at or after age 55 with 12 years of creditable service, or at any age with 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of the member's average final compensation, not to exceed 100 percent of his average final compensation. Under Non Hazardous Duty, at or after age 60 with 10 years of creditable service, 25 years of credible service at age 55, or at any age with 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 1/2 percent of the member's average final compensation, not to exceed 100 percent of his average final compensation

For these members, average final compensation is the average annual earned compensation of a member for any period of 60 successive or joined months of service that produces the highest average.

The system also provides death and disability benefits. Benefits are established by state statute

Funding Policy - State statute requires covered employees to contribute 9.75 percent of their salaries to the system. The City is required to contribute 31.25 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the System for the years ending June 30, 2023, 2022, and 2021 were \$1,030,999, \$877,070 and \$953,144, respectively, equal to the required contributions for the year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8401 United Plaza Blvd., Baton Rouge, Louisiana 70809-7017, or by calling (225) 929-7411.

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

At June 30, 2023, the City reported a liability of \$9,771,486 for its proportionate share of the net pension liability for the MPERS plan. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 - Pension and Retirement Plans (continued)

actuarial valuation as of that date. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the MPERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City’s proportion was 0.9559%, which was an increase of .0317% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of \$1,348,087 net of employer’s amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$324,193.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,193	\$ (79,641)
Changes of assumptions	337,062	(72,680)
Net difference between projected and actual earnings on pension plan investments	1,744,518	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	244,443	(799,121)
Employer contributions subsequent to the measurement date	1,030,999	-
Total	\$ 3,405,215	\$ (951,442)

The City reported a total of \$1,030,999 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2022, which will be recognized as a reduction in net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year	MPERS
2023	\$ 199,037
2024	137,351
2025	171,317
2026	915,069
	\$1,422,774

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, is as follows:

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 - Pension and Retirement Plans (continued)

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return/Inflation Rate	6.75%, net of investment expense, 2.50% inflation
Projected salary increases	4.70 to 12.30% based on years of service
Mortality	<p>For employees, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used</p> <p>For disabled lives, the Pub-2010 Public Retirement Plan Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used</p> <p>For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used</p>

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2014, through June 30, 2019, and the review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table which appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combines with a standard table to produce current levels of mortality.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the system's target allocation as of June 30, 2022, are summarized in the following table:

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 - Pension and Retirement Plans (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	55.50%	3.60%
Fixed Income	30.50%	0.85%
Alternative Investments	14.00%	0.95%
Other	0.00%	0.00%
Total	100%	5.40%
Inflation		2.66%
Expected Arithmetic Nominal Return		8.06%

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. 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 PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the pension 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 Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System 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 used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MPERS			
Rates	5.75%	6.75%	7.75%
COWM Share- NPL	\$ 13,678,209	\$ 9,771,486	\$ 6,508,079

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 - Pension and Retirement Plans (continued)

FIREFIGHTERS' RETIREMENT SYSTEM

All full-time firefighters for the City who are engaged in fire protection are eligible to participate in the Firefighters' Retirement System (FRS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

A member who has completed 20 years of creditable service and has reached the age of 50, with at least 12 years of service who has reached the age of 55, as well as anyone with 25 years of service at any age are eligible for retirement. Upon retirement, the benefit amount is 3-1/3 percent of average final compensation multiplied by years of creditable service, not to exceed his average final compensation. Average final compensation is the member's average annual earned compensation for any period of 36 successive or joined months of service that produce the highest average. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The City is required to contribute 33.25 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contribution to the System for the years ending June 30, 2023, 2022 and 2021 were \$712,620, \$642,674, and \$613,184, respectively, equal to the required contributions for the year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809-1752, or by calling (225) 925-4060.

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

At June 30, 2023, the City reported a liability of \$5,236,487 for its proportionate share of the net pension liability for the FRS plan. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the FRS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City's proportion was .7426%, which was a decrease of .0172% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of \$791,354 net of employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$43,953.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 - Pension and Retirement Plans (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 31,298	\$(246,820)
Changes of assumptions	431,786	-
Net difference between projected and actual earnings on pension plan investments	1,186,202	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	197,621	(270,365)
Employer contributions subsequent to the measurement date	712,620	-
Total	\$ 2,559,527	\$ (517,185)

The City reported a total of \$712,620 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2022, which will be recognized as a reduction in net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year	FRS
2023	\$ 275,037
2024	213,728
2025	157,909
2026	685,510
2027 and thereafter	(2,462)
	\$ 1,329,722

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, is as follows:

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 - Pension and Retirement Plans (continued)

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	6.9%, net of investment expense
Inflation Rate	2.50 per annum
Projected salary increases	5.2-14.1% per year based on years of service
Mortality	For active members, mortality was set equal to the PUB-2010 Public retirement Plans Mortality Table for Safety Below_Median Employees For annuitants and beneficiaries, mortality was set equal to the PUB-2010 Public retirement Plans Mortality Table for Safety Below_Median Healthy Retirees For disabled retirees, mortality was set equal to the PUB-2010 Public retirement Plans Mortality Table for Safety Disabled Retirees In all cases, the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.
Cost of Living Adjustments	Only those previously granted.

The estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns and the correlation of the returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined.

<u>Asset Class</u>	<u>Target Asset Allocation</u>
Equity	56.00%
Fixed Income	26.00%
Alternative Investments	18.00%
Multi-Asset Strategies	0.00%
Total	100.00%

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 - Pension and Retirement Plans (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumes 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 PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the pension 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 Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System 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 used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
FRS			
Rates	5.9%	6.9%	7.9%
COWM Share- NPL	\$ 7,746,801	\$ 5,236,487	\$ 3,142,707

LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM

The City Judge is eligible to participate in the Louisiana State Employees' Retirement System (LASERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. LASERS provides benefits for certain elected officials and officials appointed by the governor. Eligibility for full retirement is based on years of credible service and date of which you were first hired. Upon retirement, the benefit amount is 2-1/2 percent of average compensation multiplied by the number of years of creditable service. Average compensation is defined as the member's average annual earned compensation for the highest thirty-six to sixty consecutive months of employment based on date of hire.

Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy - State statute requires covered employees to contribute 11.50 percent of their salaries to the system. The City is required to contribute 44.8 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contribution to the plan for the years ending June 30, 2023, 2022 and 2021 were \$23,718, \$22,184 and \$21,039, respectively, equal to the required contributions for the year.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 - Pension and Retirement Plans (continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System, 3401 United Plaza Blvd., Baton Rouge, Louisiana 70809, or by calling (225) 922-0600.

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

At June 30, 2023, the City reported a liability of \$185,440 for its proportionate share of the net pension liability for the LASERS plan. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the LASERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City's proportion was .0025%, which was a decrease of .0001% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of \$24,562 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 506	\$ -
Changes of assumptions	3,372	-
Net difference between projected and actual earnings on pension plan investments	14,937	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	23,718	-
Total	\$ 42,533	\$ -

The City reported a total of \$23,718 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2022, which will be recognized as a reduction in net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 - Pension and Retirement Plans (continued)

Year	LASERS
2023	\$ 9,265
2024	3,086
2025	(3,777)
2026	10,240
	<u>\$ 18,814</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, is as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.25%, net of investment expense
Salary Increases	Various between 2.6 and 3.6%
Projected inflation increases	2.3% per annum
Mortality	RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018
Termination, Disability and Retirement	RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members for 2019
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 10 - Pension and Retirement Plans (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate 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 of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term nominal rate of return is 8.34% for 2022. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Long-Term Expected Portfolio Real Rate of Return
Cash	0.39%
Domestic Equity	4.57%
International Equity	5.76%
Domestic Fixed Income	1.48%
International Fixed Income	5.04%
Alternative Investments	8.30%
Risk Parity	0.00%
Total Fund	5.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the pension 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 Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System 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 used by each of the Retirement Systems:

	1.0% Decrease	Current Discount Rate	1.0% Increase
LASERS			
Rates	6.25%	7.25%	8.25%
COWM Share-NPL	\$ 233,338	\$ 185,440	\$ 141,765

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 11 - Postemployment Health Care and Life Insurance Benefits

General Information about the OPEB Plan

Plan description – The City of West Monroe (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City of West Monroe’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Medical insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. The employees are covered by one of three retirement systems: first, MERS of Louisiana, whose retirement eligibility (D.R.O.P entry) provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service; second, the Firefighters’ Retirement System of Louisiana, and third, the Municipal Police Retirement System of Louisiana. Both the Fire and Police systems have retirement eligibility (D.R.O.P entry) provision as follows: 25 years of service at any age, age 50 and 20 years of service; or, age 55 and 12 years of service. Employees hired on and after January 1, 2013, must meet the following retirement (D.R.O.P entry) requirements: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. Furthermore, there is a minimum requirement of 15 years to receive medical benefits.

Employees covered by benefit terms – At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	19
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	237
	256

Total OPEB Liability

The City’s total OPEB liability of \$4,762,324 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, including inflation
Prior Discount rate	3.54%
Discount rate	3.65%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually until 2030, then 4.5%
Mortality	SOA RP-2014 Table

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 11 - Postemployment Health Care and Life Insurance Benefits (continued)

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2023, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2023.

Changes in the Total OPEB Liability

Balance at June 30, 2022	\$ 4,661,733
Changes for the year:	
Service cost	43,261
Interest	165,791
Differences between expected and actual experience	88,819
Changes of assumptions	(49,084)
Benefit payments and net transfers	(148,196)
Net changes	100,591
Balance at June 30, 2023	\$ 4,762,324

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.65%) or 1-percentage-point higher (3.65%) than the current discount rate:

	1.0% Decrease (1.65%)	Current Discount Rate (2.65%)	1.0% Increase (3.65%)
Total OPEB liability	\$ 5,256,668	\$ 4,762,324	\$ 4,333,761

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 4,329,555	\$ 4,762,324	\$ 5,261,491

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense of \$(239,996). At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 11 - Postemployment Health Care and Life Insurance Benefits (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 217,019	\$ (3,210,768)
Changes in assumptions	1,119,144	(2,213,228)
Total	\$ 1,336,163	\$ (5,423,996)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years ending June 30:</u>	
2023	(449,048)
2024	(449,048)
2025	(449,048)
2026	(449,048)
2027	(449,048)
Thereafter	(1,842,593)

Note 12 - Long-Term Debt

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds and Notes Payable:					
Certificates of Indebtedness,					
Series 2022	-	17,000,000	180,000	16,820,000	495,000
Series 2015	18,460,000	-	1,145,000	17,315,000	1,185,000
Series 2018	10,075,000	-	420,000	9,655,000	440,000
Block Grant for Economic Development	<u>103,681</u>	<u>-</u>	<u>24,996</u>	<u>78,685</u>	<u>25,000</u>
Total Governmental Bonds And Notes Payable	28,638,681	17,000,000	1,769,996	43,868,685	2,145,000
Other Liabilities:					
Accrued Heart and Lung Disability	148,098	-	10,204	137,894	18,633
Accrued Vacation, Sick And Compensatory Time	<u>914,671</u>	<u>-</u>	<u>50,789</u>	<u>863,882</u>	<u>863,882</u>
Total Other Liabilities	<u>1,062,769</u>	<u>-</u>	<u>60,993</u>	<u>1,001,776</u>	<u>882,515</u>
Total Governmental Activities Long-Term Debt	<u>\$29,701,450</u>	<u>\$ 17,000,000</u>	<u>\$ 1,830,989</u>	<u>\$44,870,461</u>	<u>\$3,027,515</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 12 - Long-Term Debt (continued)

Business-Type Activities:

Bonds and Notes Payable:

Certificates of Indebtedness,

Sewer Bonds 2010	\$ 654,000	\$ -	\$ 63,000	\$ 591,000	\$ 63,000
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Other Liabilities:

Accrued Vacation, Sick
And Compensatory Time

Business-Type Activities	193,254	16,664	-	209,918	209,918
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Total Business-Type Activities

<u>Long-Term Debt</u>	<u>\$847,254</u>	<u>\$ 16,664</u>	<u>\$ 63,000</u>	<u>\$ 800,918</u>	<u>\$ 272,918</u>
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Payments on the bonds and notes payable that pertain to the City's governmental activities are made by the debt service funds. Funding for these payments are from an irrevocable pledge and dedication of the net avails of the City's one percent (1%) sales and use tax approved in 1991 and the forty-nine hundredths of one percent (.49%) sales and use tax approved in 2014.

The accrued heart and lung disability and accrued vacation, sick and compensatory time will be liquidated primarily by the General Fund. Payment of compensated absences is dependent upon many factors; therefore, the timing of future payments is not readily determinable.

Principal and interest requirements to retire the City's bonds and notes payable obligations are as follows:

Year Ended <u>June 30,</u>	Certificates of Indebtedness	
	Series 2015	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,185,000	\$ 628,081
2025	1,225,000	567,831
2026	1,270,000	505,456
2027	1,315,000	440,831
2028	1,360,000	380,756
2029-2033	7,555,000	1,138,919
2034-2038	3,405,000	119,091
2039-2041	-	-
<u>Total</u>	<u>\$ 17,315,000</u>	<u>\$ 3,780,965</u>

Year Ended <u>June 30,</u>	Certificates of Indebtedness			
	Series 2018		Series 2022	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 440,000	\$ 420,288	\$ 495,000	\$ 801,095
2025	455,000	397,913	515,000	784,163
2026	480,000	374,538	530,000	765,213
2027	500,000	350,038	550,000	744,688
2028	520,000	324,538	570,000	721,050
2029-2033	2,920,000	1,207,088	3,305,000	3,142,375
2034-2038	3,540,000	520,594	4,220,000	2,207,000
2039-2044	800,000	16,000	6,635,000	1,042,375
<u>Total</u>	<u>\$ 9,655,000</u>	<u>\$ 3,610,997</u>	<u>\$16,820,000</u>	<u>\$10,207,959</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 12 - Long-Term Debt (continued)

Year Ended <u>June 30,</u>	CDBG Division of Adm. Economic Development		Sewer Revenue Bonds Series 2010	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 25,000	\$ -	\$ 63,000	\$ 2,518
2025	25,000	-	64,000	2,232
2026	25,000	-	64,000	1,944
2027	3,685	-	65,000	1,654
2028	-	-	66,000	1,359
2029-2033	-	-	269,000	2,437
2034-2038	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 78,685</u>	<u>\$ -</u>	<u>\$ 591,000</u>	<u>\$ 12,144</u>

Note 13 - Long-Term Firemen's Disability Payments

The City of West Monroe is self-insured with respect to workers' compensation claims up to \$250,000 per occurrence. Consequently, the City is responsible for providing Louisiana State Workers Compensation benefits under the Heart and Lung Act. Under this act, special treatment has been accorded firemen who develop any disease or infirmity of the heart and lungs. Louisiana Revised Statute 33.2581 provides a presumption in favor of firemen that the disease is related to employment even if they are not on duty when stricken with the disease, if the disease manifests itself after the first five years of employment. At June 30, 2023, the City is responsible for payment of lifetime benefits to two firemen or their spouses. The actuarial estimate of the liability is \$137,894.

The annual payment requirements outstanding at June 30, 2023, are as follows:

2024	\$ 18,633
2025	18,633
2026	18,633
2027	18,633
2028	18,633
2029-2033	44,729
2034-2036	<u>-</u>
TOTAL	<u>\$ 137,894</u>

Note 14 - Municipal Facilities Revolving Loan Fund

On November 1, 2009, the City entered into a commitment agreement with the Louisiana Department of Environmental Quality for two capitalization grants totaling \$6,000,000 to be used for the purpose of establishing a water pollution control revolving fund for providing assistance to upgrade the City's existing treatment plant by installing additional components that would allow the plant effluent to be used by Graphic Packaging as process water. These components are not required for the City to meet its permits but are needed solely to allow for the beneficial use of the plant effluent. The existing lagoons are retained to provide secondary treatment before entering the new units. Effluent from the plant is being pumped to Graphic Packaging through a pipeline that has been constructed for that purpose.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 14 - Municipal Facilities Revolving Loan Fund (continued)

Sewer Revenue Bonds

Sewer revenue bonds were issued in the amount of \$1,250,000 to help fund the above project. This amount will be paid back over a twenty year amortization period at .45% and is also recognized as bonds payable. Sewer Revenue Bonds of \$4,750,000 were also issued but were forgiven during the year ending June 30, 2013. See note 12 for the principal and interest requirements.

Note 15 - Leased Assets

During the year ending June 30, 2022, the City entered into a lease agreement with Enterprise to provide the City’s fleet of vehicles. Over the next several years, Enterprise will be replacing all of the City’s vehicles. The vehicles will then be rotated out every few years along the same time frame. Lease terms vary from 4 to 5 years with varying interest rates per vehicle between 4.48 and 8.51 percent as of June 30, 2023. As of June 30, 2023, the City has received 61 vehicles. The following is a schedule by years of future minimum lease payments:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 380,807	85,617
2025	380,807	85,617
2026	312,806	75,198
2027	204,004	47,612
2028	81,602	27,288

As of June 30, 2023, the leased assets were valued at \$1,690,121 with accumulated amortization of \$263,156.

Note 16 - Cooperative Endeavor – Sports Complex

The City and the Monroe-West Monroe Convention and Visitor’s Bureau of Ouachita Parish entered into a Cooperative Agreement in regards to the construction of the West Monroe Sports and Events Complex. The Bureau is contributing to the construction of the facility, and in return, the City and the Bureau will work together to allow the Bureau to schedule events at the Complex through 2039.

Note 17 - Litigation

There are several pending lawsuits in which the City is involved. The City Attorney is unaware of any pending litigation from which he would reasonably expect the City to incur a liability in excess of its applicable deductible on any insurance policy and is further unaware of any litigation where the City may not be insured as to any claim where he would reasonably expect the City to incur a liability in excess of \$100,000.

Note 18 - Self-Insurance Program

During 1998, the City began a self-insurance program for hospitalization and medical coverage for its active employees and retirees. The City limits its losses through the use of reinsurers up to \$75,000 per employee. The City’s aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees. At June 30, 2023, the City’s annual cost, excluding reinsurance premiums, is limited to approximately \$3,000,000, which was for active employees. Approximately 32 retirees receive benefits under this plan. These retirees reimbursed the City for \$243,278 during the year ended June 30, 2023, for their cost of the health care benefits.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 19 - Deferred Compensation Plan

Employees of the City may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The deferred compensation plan is available to all full time employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency.

Since the assets of the plans are held in a custodial account with a third party administrator, the assets and liabilities are not presented in the City's financial statements in accordance with GASB 32. Assets with a fair market value of \$1,598,602 are held by Nationwide Retirement Solutions, Inc. and VALIC Financial Advisors.

Note 20 - Interfund Operating Transfers In and Out

Interfund operating transfers in and out during the year ended June 30, 2023, were as follows:

<u>Fund</u>	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
Major Funds:		
General Fund	\$ 2,262,933	\$ 5,957,883
'86 Sales Tax Capital	4,541,298	858,191
ARPA	-	2,262,934
Enterprise Fund	461,954	-
Non-Major Funds:		
Special Revenue Funds	555,277	978,011
Capital Project Funds	-	-
Internal Service Fund	120,731	-
Fiduciary Funds	278,624	-
Debt Service Funds	<u>1,836,202</u>	-
TOTAL	<u>\$ 10,057,019</u>	<u>\$ 10,057,019</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 21 - Interfund Receivables and Payables

Interfund balances at June 30, 2023, were as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General Fund	\$ 820,266	\$ 135,541
'86 Sales Tax	165,541	645,765
2022 Debt Capital	1,506	-
Enterprise Fund	-	157,340
Non-Major Funds:		
Special Revenue Funds	465,962	589,386
Debt Service Funds	-	39,645
Capital Project Fund	-	30,000
Fiduciary Funds	148,627	2,000
Internal Service Fund	<u>-</u>	<u>2,225</u>
<u>TOTAL</u>	<u>\$ 1,601,902</u>	<u>\$ 1,601,902</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

Note 22 - On-Behalf Payments

Certain City employees in the City Marshal's office, the West Monroe Police and Fire departments 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 \$682,153 and the related expenditures are as follows:

Marshal's Office	\$ 21,715
Police Department	376,362
Code Enforcement	7,238
Fire Department	<u>257,284</u>
Total	<u>\$ 662,599</u>

Note 23 - Minimum Lease Payments Receivable – Direct Financing Lease

On September 29, 2006, the City purchased a building for \$1,250,000 and renovated it for an additional \$165,000 with the intent of leasing it as a commercial building with an option to purchase. The company that leased the building created 50 new jobs at the facility. In addition to this arrangement, the City was awarded a community development block grant for \$500,000 (\$10,000 for each job created). This \$500,000 was added to the \$915,000 in bond issuances that were secured during fiscal year 2006 to pay for the building for a total \$1,415,000.

The following lists the components of the minimum lease payments to be received under the direct financing lease as of June 30, 2023:

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 23 - Minimum Lease Payments Receivable – Direct Financing Lease (continued)

Total minimum lease payments to be received	\$ 81,315
Less: Amounts representing estimated executory costs (such as taxes, maintenance, and insurance), including profit thereon, included in total minimum lease payments	-
Minimum lease payments receivable	81,315
Estimated residual values of leased property (unguaranteed)	-
Less: Unearned Income	(-)
<u>NET MINIMUM LEASE PAYMENTS RECEIVABLE – DIRECT FINANCING LEASE</u>	<u>\$ 81,315</u>

Future minimum lease payments are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2024	\$ 25,020
2025	25,020
2026	25,020
2027	6,255
2028	-
2029-2032	-
Total	<u>\$ 81,315</u>

Note 24 - Component Units

For the year ending June 30, 2023, the City has chosen to include its legally separate components units discretely in the City's financial statement in accordance with accounting principles generally accepted in the United States.

Note 25 - Subsequent Events

Subsequent events have been evaluated through December 8, 2023, the date that the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately disclosed or recorded.

Note 26 - Fund Changes and Fund Balances

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2023, are as follows:

<u>Classification/Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable:		
General Fund	Inventory	\$ 23,529
	Minimum Lease Payment Receivable	81,315

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 26 - Fund Changes and Fund Balances (continued)

Restricted:		
ARPA		2,300,618
2022 Debt Capital	Capital Expenditures	7,098,053
Section 8	Public Housing	190,515
Metro LCLE	LCLE Multi-Jurisdictional Taskforce	2,614
Emergency Shelter	FEMA Emergency Shelter Recipients	6,889
Americorps		62,958
Economic Dev. District		770,135
Officer Witness Court		34,616
Various Cap. Projects	Various Cap. Projects	262,093
Committed:		
General Fund	Fund Balance for Next Year's Operations	-
Assigned:		
General-Project Contingency		3,500,000
Misc. Grants		13,619
Capital Campaign		395,188
Ouachita Outreach		8,349
86 Sales Tax Capital		1,536,098
2011 Debt Service		5,278
2015 Debt Service		857,850
2018 Debt Service		355,884
2022 Debt Service		94,019
Unassigned:		
General Fund		8,412,407
Office of Motor Vehicles	DMV Operations	(50,218)
2003 Debt Service		(24,996)
Total Fund Balances		<u>\$25,936,813</u>

REQUIRED SUPPLEMENTARY INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

DRAFT

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Taxes	\$ 18,492,650	\$ 20,996,957	\$ 20,996,957	\$ -
Intergovernmental	463,215	393,347	393,347	-
Licenses and Permits	1,063,650	1,108,390	1,108,390	-
Charges for Services	2,345,500	2,848,320	2,848,320	-
Fines and Forfeitures	214,300	277,763	277,763	-
Interest Earned	35,000	108,075	108,075	-
Franchise Revenue	812,000	1,092,697	1,092,697	-
Sale of Assets	500,000	505,070	505,070	-
Other	45,250	357,182	357,182	-
Total Revenues	23,971,565	27,687,801	27,687,801	-
<u>Expenditures</u>				
General Government:				
Elected Council	85,776	86,832	86,832	-
City Court	608,230	613,168	613,168	-
Marshal	552,523	572,842	572,842	-
Mayor's Office	335,530	499,505	499,505	-
City Clerk's Office	1,050,394	954,717	954,717	-
Information Technology	424,225	309,627	309,627	-
City Hall Maintenance	818,043	751,559	751,559	-
General and Administrative	2,353,187	2,609,549	2,609,549	-
Public Safety:				
Legal	652,704	540,279	540,279	-
Fire	3,256,100	3,397,501	3,397,501	-
Police	6,020,880	6,117,281	6,117,281	-
Prison	-	-	-	-
Police Shop	-	-	-	-
Public Works:				
Garbage	766,464	890,736	890,736	-
Trash	874,880	729,411	729,411	-
Streets	930,525	1,069,680	1,069,680	-
Cemetery	3,000	2,894	2,894	-
Planning and Zoning	83,807	83,481	83,481	-
Inspection	287,582	277,471	277,471	-
City Maintenance Shop	449,036	441,328	441,328	-

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Culture and Recreation:				
Recreation and Parks	462,670	473,161	473,161	-
Kiroli Park	687,500	720,676	720,676	-
Lazarre Park	5,500	5,021	5,021	-
Restoration Park	7,000	7,378	7,378	-
Farmer's Market	50,779	49,508	49,508	-
Ike Hamilton Expo Center	1,239,792	1,574,349	1,574,349	-
Convention Center	459,921	482,315	482,315	-
Community Development & Center	292,994	333,733	333,733	-
Tanner Building & Business Center	17,560	19,562	19,562	-
Section 8 Housing	230,685	-	-	-
Code Enforcement	277,120	258,788	258,788	-
Total Expenditures	<u>23,284,407</u>	<u>23,872,352</u>	<u>23,872,352</u>	<u>-</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	687,158	3,815,449	3,815,449	-
<u>Other Financing Sources and (Uses)</u>				
Transfers In	250,000	2,262,933	2,262,933	-
Transfers Out	(589,875)	(5,957,883)	(5,957,883)	-
Total Other Financing Sources and Uses	<u>(339,875)</u>	<u>(3,694,950)</u>	<u>(3,694,950)</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	347,283	120,499	120,499	-
<u>Fund Balance at Beginning of Year</u>	<u>11,896,752</u>	<u>11,896,752</u>	<u>11,896,752</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 12,244,035</u>	<u>\$ 12,017,251</u>	<u>\$ 12,017,251</u>	<u>\$ -</u>

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

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - '86 SALES TAX 75% CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Sales Tax	\$ 6,500,000	\$ 7,030,513	\$ 7,030,513	\$ -
Intergovernmental	6,955,039	4,299,583	4,299,583	-
Charges for Services	-	-	-	-
Sales of Asset	-	-	-	-
Other	-	17,750	17,750	-
Interest Income	500	611	611	-
Total Revenues	<u>13,455,539</u>	<u>11,348,457</u>	<u>11,348,457</u>	<u>-</u>
<u>Expenditures</u>				
Salaries, Wages and Benefits	305,935	305,990	305,990	-
Professional Services	630,000	850,865	850,865	-
Repairs and Maintenance	940,000	1,894,104	1,894,104	-
Capital Purchases	10,394,800	10,628,138	10,628,138	-
Miscellaneous	2,190	750	750	-
Total Expenditures	<u>12,272,925</u>	<u>13,679,847</u>	<u>13,679,847</u>	<u>-</u>
<u>Excess of Revenues Over Expenditures</u>	1,182,614	(2,331,390)	(2,331,390)	-
<u>Other Financing Sources and (Uses)</u>				
Transfers In	-	4,541,298	4,541,298	-
Transfers Out	(858,190)	(858,191)	(858,191)	-
Total Other Financing Sources and Uses	<u>(858,190)</u>	<u>3,683,107</u>	<u>3,683,107</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	324,424	1,351,717	1,351,717	-
<u>Fund Balance at Beginning of Year</u>	<u>552,462</u>	<u>184,381</u>	<u>184,381</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 876,886</u>	<u>\$ 1,536,098</u>	<u>\$ 1,536,098</u>	<u>\$ -</u>

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

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - APRA FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ -	\$ 2,261,092	\$ 2,261,092	\$ -
Other	-	-	-	-
Interest Income	-	37,684	37,684	-
Total Revenues	<u>-</u>	<u>2,298,776</u>	<u>2,298,776</u>	<u>-</u>
<u>Expenditures</u>				
Public Safety	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Excess of Revenues Over</u>				
<u>Expenditures</u>	-	2,298,776	2,298,776	-
<u>Other Financing Sources and (Uses)</u>				
Transfers In	-	-	-	-
Transfers Out	-	(2,262,934)	(2,262,934)	-
Total Other Financing Sources and Uses	<u>-</u>	<u>(2,262,934)</u>	<u>(2,262,934)</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	-	35,842	35,842	-
<u>Fund Balance at Beginning of Year</u>	<u>-</u>	<u>2,264,776</u>	<u>2,264,776</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ -</u>	<u>\$ 2,300,618</u>	<u>\$ 2,300,618</u>	<u>\$ -</u>

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

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - 2022 DEBT CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Sales Tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Sales of Asset	-	-	-	-
Other	-	3,605,421	3,605,421	-
Interest Income	-	19,998	19,998	-
Total Revenues	-	3,625,419	3,625,419	-
<u>Expenditures</u>				
Salaries, Wages and Benefits	-	-	-	-
Professional Services	-	-	-	-
Repairs and Maintenance	-	-	-	-
Capital Purchases	-	14,620,294	14,620,294	-
Miscellaneous	-	-	-	-
Total Expenditures	-	14,620,294	14,620,294	-
<u>Excess of Revenues Over Expenditures</u>	-	(10,994,875)	(10,994,875)	-
<u>Other Financing Sources and (Uses)</u>				
General Obligation Bonds	-	18,092,904	18,092,904	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	-	18,092,904	18,092,904	-
<u>Net Change in Fund Balance</u>	-	7,098,029	7,098,029	-
<u>Fund Balance at Beginning of Year</u>	-	24	24	-
<u>FUND BALANCE AT END OF YEAR</u>	\$ -	\$ 7,098,053	\$ 7,098,053	\$ -

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2023

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

1. In May of each year, the Mayor submits to the Board of Aldermen an operating and capital budget for the succeeding year.
2. A public hearing is scheduled by the Mayor and the Board of Aldermen after allowing for at least ten days notice to the public at the time the budget is initially submitted to the Board of Aldermen.
3. Final adoption of the budget by the Board of Aldermen is on the second Tuesday in June.
4. The Mayor may authorize transfers of budgetary amounts within departments. However, any revision requiring alteration of levels of expenditures or transfers between departments must be approved by the Board of Aldermen.
5. Operating appropriations and nonmajor capital appropriations, to the extent not expended, lapse at year-end. Major capital appropriations continue in force until the project is completed.

All legally adopted budgets of the City are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgets are adopted for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, and Expendable Trust Funds.

Budget comparison schedules included in the accompanying financial statements include the original adopted budgets and all subsequent adopted amendments.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB Liability						
Service Cost	\$ 297,127	\$ 345,716	\$ 545,637	\$ 423,381	\$ 427,786	\$ 43,261
Interest	283,557	289,776	295,308	208,764	220,269	165,791
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	167,657	24,227	(840,440)	167,086	(3,362,419)	88,819
Changes in Assumptions	(254,289)	410,517	1,192,909	79,957	(2,467,157)	(49,084)
Benefit Payments	(209,073)	(220,572)	(123,327)	(130,110)	(140,470)	(148,196)
Net Change in Total OPEB Liability	<u>284,979</u>	<u>849,664</u>	<u>1,070,087</u>	<u>749,078</u>	<u>(5,321,991)</u>	<u>100,591</u>
Total OPEB liability - beginning	<u>7,029,915</u>	<u>7,314,894</u>	<u>8,164,558</u>	<u>9,234,646</u>	<u>9,983,724</u>	<u>4,661,733</u>
Total OPEB liability - ending (a)	<u>\$ 7,314,894</u>	<u>\$ 8,164,558</u>	<u>\$ 9,234,645</u>	<u>\$ 9,983,724</u>	<u>\$ 4,661,733</u>	<u>\$ 4,762,324</u>
Covered Employee Payroll	\$ 9,088,183	\$ 9,360,828	\$ 9,435,788	\$ 9,718,862	\$ 8,617,953	\$ 8,876,492
Net OPEB liability as a percentage of covered employee payroll	80.49%	87.22%	97.87%	102.73%	54.09%	53.65%

Notes to Schedule:

<i>Benefit Changes:</i>	None	None	None	None	None	None
<i>Changes in Assumption :</i>						
<i>Discount Rate:</i>	3.87%	3.50%	2.21%	2.16%	3.54	3.65
<i>Mortality:</i>		RP-2000	RP-2000	RP-2014	RP-2014	RP-2014
<i>Trend:</i>		5.50%	5.50%	Variable	Variable	Variable

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF WEST MONROE, LOUISIANA
WEST MONROE, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

MERS

Year Ending June 30,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	3.2940%	8,453,863	5,667,088	149.17%	73.99%
2016	3.3204%	11,860,921	6,066,150	195.53%	66.18%
2017	3.4255%	14,039,990	6,183,127	227.07%	62.11%
2018	3.5568%	14,879,694	4,542,072	327.60%	63.49%
2019	3.6270%	15,018,184	6,004,446	250.12%	65.60%
2020	3.5039%	14,641,645	6,141,697	238.40%	64.68%
2021	3.5312%	15,266,856	6,360,592	240.02%	64.52%
2022	3.2824%	9,129,868	6,741,824	135.42%	79.14%
2023	3.5244%	14,637,667	7,559,676	193.63%	67.87%

MPERS

Year Ending June 30,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	1.1694%	7,315,950	3,115,534	234.82%	75.10%
2016	1.0739%	8,413,119	3,140,207	267.92%	70.73%
2017	1.1255%	10,549,125	3,224,985	327.11%	66.04%
2018	1.0824%	9,430,861	3,247,734	290.38%	70.08%
2019	1.1057%	9,347,250	3,286,777	284.39%	71.89%
2020	1.0870%	9,814,357	3,434,923	285.72%	71.01%
2021	1.1121%	10,278,257	2,824,130	363.94%	70.94%
2022	0.9242%	4,926,438	2,948,134	167.10%	84.09%
2023	0.9559%	9,771,486	3,299,196	296.18%	70.80%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

* The amounts presented have a measurement date of the previous fiscal year end.

CITY OF WEST MONROE, LOUISIANA
WEST MONROE, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (cont.)
FOR THE YEAR ENDED JUNE 30, 2023

FRS

Year Ending June 30,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.7515%	3,344,235	1,709,438	195.63%	76.02%
2016	0.8044%	4,341,275	1,875,777	231.44%	72.45%
2017	0.8332%	5,499,705	1,871,321	293.89%	68.16%
2018	0.8019%	4,596,186	1,740,887	264.01%	73.55%
2019	0.7318%	4,209,123	1,705,324	246.82%	74.76%
2020	0.7041%	4,409,092	1,851,380	238.15%	73.96%
2021	0.7439%	5,156,595	1,901,345	271.21%	72.61%
2022	0.7598%	2,692,661	1,910,800	140.92%	86.78%
2023	0.7427%	5,236,487	2,143,218	244.33%	74.68%

LASERS

Year Ending June 30,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0024%	141,003	44,812	314.65%	65.02%
2016	0.0022%	151,878	45,720	332.19%	62.70%
2017	0.0024%	187,126	46,614	401.44%	57.70%
2018	0.0024%	171,959	47,516	361.90%	62.50%
2019	0.0024%	163,746	48,526	337.44%	64.30%
2020	0.0024%	172,067	51,541	333.84%	62.90%
2021	0.0023%	189,481	49,504	382.76%	58.00%
2022	0.0026%	142,608	50,924	280.04%	72.80%
2023	0.0025%	185,440	52,942	350.27%	63.70%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

* The amounts presented have a measurement date of the previous fiscal year end.

CITY OF WEST MONROE, LOUISIANA
WEST MONROE, LOUISIANA
SCHEDULE OF THE EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2023

MERS					
Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution		Employer's Covered Employee Payroll	Contributions as % of Covered Employee Payroll
		Contribution	Contribution Deficiency(Excess)		
2015	1,119,250	1,119,250	-	5,667,088	19.75%
2016	1,201,843	1,201,843	-	6,066,150	19.81%
2017	1,406,663	1,406,663	-	6,183,127	22.75%
2018	1,593,641	1,593,641	-	6,473,855	24.62%
2019	1,561,156	1,561,156	-	6,004,446	26.00%
2020	1,704,321	1,704,321	-	6,141,697	27.75%
2021	1,876,375	1,876,375	-	6,360,592	29.50%
2022	1,988,838	1,988,838	-	6,741,824	29.50%
2023	2,230,104	2,230,104	-	7,559,676	29.50%

MPERS					
Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution		Employer's Covered Employee Payroll	Contributions as % of Covered Employee Payroll
		Contribution	Contribution Deficiency(Excess)		
2015	981,393	981,393	-	3,115,534	31.50%
2016	930,067	930,067	-	3,140,207	29.62%
2017	1,027,768	1,027,768	-	3,224,985	31.87%
2018	1,000,363	1,000,363	-	3,247,734	30.80%
2019	1,088,725	1,088,725	-	3,286,777	33.12%
2020	1,116,350	1,116,350	-	3,434,923	32.50%
2021	953,144	953,144	-	2,824,130	33.75%
2022	877,070	877,070	-	2,948,134	29.75%
2023	1,030,999	1,030,999	-	3,299,196	31.25%

This schedule is to be build prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

For reference only:

¹ Employer contribution rate multiplied by employer's covered employee payroll

² Actual employer contributions remitted to the respective pension funds

³ Employer's covered employee payroll amount for the fiscal year ended.

CITY OF WEST MONROE, LOUISIANA
WEST MONROE, LOUISIANA
SCHEDULE OF THE EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2023

FRS					
Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency(Excess)	Employer's Covered Employee Payroll	Contributions as % of Covered Employee Payroll
2015	500,011	500,011	-	1,709,438	29.25%
2016	510,063	510,063	-	1,875,777	27.19%
2017	472,509	472,509	-	1,871,321	25.25%
2018	461,682	461,682	-	1,740,887	26.52%
2019	451,911	451,911	-	1,705,324	26.50%
2020	513,758	513,758	-	1,851,380	27.75%
2021	613,184	613,184	-	1,901,345	32.25%
2022	642,674	642,674	-	1,910,800	33.63%
2023	712,620	712,620	-	2,143,218	33.25%

LASERS					
Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency(Excess)	Employer's Covered Employee Payroll	Contributions as % of Covered Employee Payroll
2015	18,597	18,597	-	44,812	40.70%
2016	17,419	17,419	-	45,720	38.10%
2017	17,713	17,713	-	46,614	40.10%
2018	19,054	19,054	-	47,516	40.10%
2019	19,459	19,459	-	48,526	40.10%
2020	20,977	20,977	-	51,541	40.70%
2021	21,039	21,039	-	49,504	42.50%
2022	22,184	22,184	-	50,924	43.56%
2023	23,718	23,718	-	52,942	44.80%

This schedule is to be build prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

For reference only:

¹ Employer contribution rate multiplied by employer's covered employee payroll

² Actual employer contributions remitted to the respective pension funds

³ Employer's covered employee payroll amount for the fiscal year ended.

PRIMARY GOVERNMENT SUPPLEMENTARY
INFORMATION SCHEDULES

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CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	<u>Street Maintenance Fund</u>	<u>West Ouachita Senior Center Fund</u>	<u>Emergency Shelter Program Fund</u>	<u>Officer Witness Court Fund</u>
<u>ASSETS</u>				
Cash in Bank	\$ -	\$ 30,654	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due From Other Governments	-	14,958	-	-
Due From Other Funds	-	-	6,889	34,616
	<u>-</u>	<u>-</u>	<u>6,889</u>	<u>34,616</u>
<u>TOTAL ASSETS</u>	<u>\$ -</u>	<u>\$ 45,612</u>	<u>\$ 6,889</u>	<u>\$ 34,616</u>
 <u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	-	45,612	-	-
Total Liabilities	-	45,612	-	-
 <u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Revenue - CARES Act	-	-	-	-
 <u>FUND BALANCES</u>				
Restricted	-	-	6,889	34,616
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	-	6,889	34,616
	<u>-</u>	<u>-</u>	<u>6,889</u>	<u>34,616</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ -</u>	<u>\$ 45,612</u>	<u>\$ 6,889</u>	<u>\$ 34,616</u>

<u>Section 8 Housing Fund</u>	<u>Miscellaneous Projects & Grant Funds</u>	<u>Capital Campaign</u>	<u>Metro LCLE Grant Fund</u>	<u>Office of Motor Vehicles</u>	
\$ 671,928	\$ -	\$ -	\$ -	\$ -	
-	-	-	22,597	-	
12,143	-	-	-	-	C
<u>-</u>	<u>13,619</u>	<u>395,188</u>	<u>2,614</u>	<u>-</u>	O
<u>\$ 684,071</u>	<u>\$ 13,619</u>	<u>\$ 395,188</u>	<u>\$ 25,211</u>	<u>\$ -</u>	N
					T
\$ -	\$ -	\$ -	\$ 22,597	\$ -	I
493,556	-	-	-	50,218	
<u>493,556</u>	<u>-</u>	<u>-</u>	<u>22,597</u>	<u>50,218</u>	N
					U
-	-	-	-	-	E
					D
190,515	-	-	2,614	-	
-	13,619	395,188	-	-	
-	-	-	-	(50,218)	
<u>190,515</u>	<u>13,619</u>	<u>395,188</u>	<u>2,614</u>	<u>(50,218)</u>	
<u>\$ 684,071</u>	<u>\$ 13,619</u>	<u>\$ 395,188</u>	<u>\$ 25,211</u>	<u>\$ -</u>	

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CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Keep West Monroe Beautiful Grant Program	Americorps Grant Fund	Ouachita Outreach	Economic Development District	Total Special Revenue Funds
<u>ASSETS</u>					
Cash in Bank	\$ -	\$ -	\$ -	\$ 922,207	\$ 1,624,789
Accounts Receivable	-	-	-	-	22,597
Due From Other Governments	-	58,271	-	58,768	144,140
Due From Other Funds	-	4,687	8,349	-	465,962
	<u>-</u>	<u>62,958</u>	<u>8,349</u>	<u>980,975</u>	<u>2,257,488</u>
<u>TOTAL ASSETS</u>	<u>\$ -</u>	<u>\$ 62,958</u>	<u>\$ 8,349</u>	<u>\$ 980,975</u>	<u>\$ 2,257,488</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 210,840	233,437
Due To Other Funds	-	-	-	-	589,386
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,840</u>	<u>822,823</u>
	-	-	-	-	-
<u>FUND BALANCES</u>					
Restricted	-	62,958	-	770,135	1,067,727
Assigned	-	-	8,349	-	417,156
Unassigned	-	-	-	-	(50,218)
Total Fund Balances	<u>-</u>	<u>62,958</u>	<u>8,349</u>	<u>770,135</u>	<u>1,434,665</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ -</u>	<u>\$ 62,958</u>	<u>\$ 8,349</u>	<u>\$ 980,975</u>	<u>\$ 2,257,488</u>

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CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2023

	Street Maintenance Fund	West Ouachita Senior Center Fund	Emergency Shelter Program Fund	Officer Witness Court Fund	Metro LCLE Grant Fund
<u>Revenues</u>					
Taxes	\$ 281,918	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	492,644	15,321	-	90,385
Interest	-	-	-	-	-
Other	-	103,429	-	19,595	-
Total Revenues	281,918	596,073	15,321	19,595	90,385
<u>Expenditures</u>					
Public Safety	-	-	-	6,679	90,385
Public Works	402,345	-	-	-	-
Health and Welfare	-	1,004,382	3,652	-	-
Culture and Recreation	-	-	-	-	-
Capital Expenditures & Major Repairs	-	-	-	-	-
Total Expenditures	402,345	1,004,382	3,652	6,679	90,385
<u>Excess (Deficiency) of</u>					
Revenues Over Expenditures	(120,427)	(408,309)	11,669	12,916	-
<u>Other Financing Sources</u>					
Operating Transfers - In (Out)	120,427	408,309	-	-	-
Total Other Financing Sources	120,427	408,309	-	-	-
<u>Net Change in Fund Balance</u>	-	-	11,669	12,916	-
<u>Fund Balances - Beginning</u>	-	-	(4,780)	21,700	2,614
<u>FUND BALANCES - ENDING</u>	\$ -	\$ -	\$ 6,889	\$ 34,616	\$ 2,614

Americorps Grant Fund	Ouachita Outreach	Office of Motor Vehicles	Section 8 Housing Fund
\$ -	\$ -	\$ -	\$ -
213,293	-	53,522	1,938,791
-	-	-	1,201
-	59,518	-	334,263
<u>213,293</u>	<u>59,518</u>	<u>53,522</u>	<u>2,274,255</u>
-	-	85,291	-
-	-	-	-
-	-	-	2,289,007
155,531	51,169	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>155,531</u>	<u>51,169</u>	<u>85,291</u>	<u>2,289,007</u>
57,762	8,349	(31,769)	(14,752)
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
57,762	8,349	(31,769)	(14,752)
5,196	-	(18,449)	205,267
<u>\$ 62,958</u>	<u>\$ 8,349</u>	<u>\$ (50,218)</u>	<u>\$ 190,515</u>

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CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Capital Campaign</u>	<u>Misc. Projects and Grant Funds</u>	<u>Keep West Monroe Beautiful Grant Program</u>	<u>Economic Development District</u>	<u>Total Nonmajor Special Revenue Funds</u>
Taxes	\$ -	\$ -	\$ -	\$ 1,725,289	\$ 2,007,207
Intergovernmental	-	-	500	-	2,804,456
Interest	-	-	-	-	1,201
Other	188,806	6,000	9,545	-	721,156
Total Revenues	<u>188,806</u>	<u>6,000</u>	<u>10,045</u>	<u>1,725,289</u>	<u>5,534,020</u>
Public Safety	-	-	-	-	182,355
Public Works	-	-	-	-	402,345
Health and Welfare	-	-	-	-	3,297,041
Culture and Recreation	13,768	4,037	36,586	-	261,091
Capital Expenditures & Major Repairs	-	-	-	1,301,905	1,301,905
Total Expenditures	<u>13,768</u>	<u>4,037</u>	<u>36,586</u>	<u>1,301,905</u>	<u>5,444,737</u>
<u>Revenues Over Expenditures</u>	175,038	1,963	(26,541)	423,384	89,283
Operating Transfers - In (Out)	-	-	26,541	(978,011)	(422,734)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>26,541</u>	<u>(978,011)</u>	<u>(422,734)</u>
	175,038	1,963	-	(554,627)	(333,451)
	<u>220,150</u>	<u>11,656</u>	<u>-</u>	<u>1,324,762</u>	<u>1,768,116</u>
	<u>\$ 395,188</u>	<u>\$ 13,619</u>	<u>\$ -</u>	<u>\$ 770,135</u>	<u>\$ 1,434,665</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUND
WEST OUACHITA SENIOR CENTER
BALANCE SHEETS

	June 30,	
	2023	2022
<u>Assets</u>		
Cash	\$ 30,654	\$ -
Due From Other Governments:		
City of Monroe	-	-
Department of Transportation	14,958	39,074
<u>Total Assets</u>	\$ 45,612	\$ 39,074
<u>Liabilities and Fund Balance</u>		
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<u>Liabilities</u>		
Accounts Payable	\$ -	\$ 898
Due To Other Funds	45,612	38,176
Total Liabilities	45,612	39,074
<u>Fund Balance</u>		
Unassigned	-	-
<u>Total Liabilities and Fund Balance</u>	\$ 45,612	\$ 39,074

CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUND
WEST OUACHITA SENIOR CENTER
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

	For the Years Ended	
	June 30,	
	<u>2023</u>	<u>2022</u>
<u>Revenues</u>		
Department of Transportation	\$ 367,958	\$ 457,553
Ouachita Council on Aging		
Senior Center Funds	100,159	74,814
Supplemental Senior Center Funds	10,527	10,527
Louisiana Office of Elderly Affairs	-	-
United Way	73,540	79,002
Transportation Fees	14,000	11,040
Miscellaneous Revenues (Ceramics, Greenhouse, etc.)	29,889	39,451
Total Revenues	<u>596,073</u>	<u>672,387</u>
<u>Expenditures</u>		
Salaries and Related Expenditures	687,541	698,837
Professional Services	69,289	59,540
Repairs and Maintenance	20,443	18,262
Communications	2,886	2,910
Postage	224	240
Newsletter	-	-
Advertising	890	300
Travel	6,977	9,828
Supplies	73,846	68,777
Utilities	69,094	60,007
Fuel	51,829	41,620
Miscellaneous	21,363	18,150
Total Expenditures	<u>1,004,382</u>	<u>978,471</u>
<u>Deficiency of Revenues Over Expenditures</u>	(408,309)	(306,084)
<u>Other Financing Sources</u>		
City of West Monroe Support	<u>408,309</u>	<u>306,084</u>
<u>Net Change in Fund Balance</u>	-	-
<u>Fund Balance - Beginning</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	<u>2003</u> Debt Service Fund	<u>2011</u> Debt Service Fund	<u>2015</u> Debt Service Fund	<u>2018</u> Debt Service Fund	<u>2022</u> Debt Service Fund	Total Nonmajor Debt Service Funds
<u>ASSETS</u>						
Cash in Bank	\$ -	\$ 5,278	\$ 709,437	\$ 284,368	\$ -	\$ 999,083
Accounts Receivable	-	-	-	-	-	-
Due from Other Governments	-	-	148,413	71,516	108,668	328,597
Due From Other Funds	-	-	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ -</u>	<u>\$ 5,278</u>	<u>\$ 857,850</u>	<u>\$ 355,884</u>	<u>\$ 108,668</u>	<u>\$ 1,327,680</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	24,996	-	-	-	14,649	39,645
Total Liabilities	24,996	-	-	-	14,649	39,645
<u>FUND BALANCES</u>						
Assigned	-	5,278	857,850	355,884	94,019	1,313,031
Unassigned	(24,996)	-	-	-	-	(24,996)
Total Fund Balances	(24,996)	5,278	857,850	355,884	94,019	1,288,035
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ -</u>	<u>\$ 5,278</u>	<u>\$ 857,850</u>	<u>\$ 355,884</u>	<u>\$ 108,668</u>	<u>\$ 1,327,680</u>

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CITY OF WEST MONROE, LOUISIANA
NONMAJOR DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	2003 Debt Service Fund	2011 Debt Service Fund	2015 Debt Service Fund	2018 Debt Service Fund	2022 Debt Service Fund	Total Nonmajor Debt Service Funds
<u>Revenues</u>						
Taxes	\$ -	\$ -	\$ 1,780,954	\$ -	\$ -	\$ 1,780,954
Rent Income	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>1,780,954</u>	<u>-</u>	<u>-</u>	<u>1,780,954</u>
<u>Expenditures</u>						
Principal Retirement	24,996	-	1,145,000	420,000	180,000	1,769,996
Other Debt Service Costs	-	-	400	400	800	1,600
Interest	-	-	669,156	441,787	703,192	1,814,135
Total Expenditures	<u>24,996</u>	<u>-</u>	<u>1,814,556</u>	<u>862,187</u>	<u>883,992</u>	<u>3,585,731</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	(24,996)	-	(33,602)	(862,187)	(883,992)	(1,804,777)
<u>Other Financing Sources</u>						
Operating Transfers - In	-	-	-	858,191	978,011	1,836,202
Operating Transfers - Out	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>858,191</u>	<u>978,011</u>	<u>1,836,202</u>
<u>Net Change in Fund Balance</u>	(24,996)	-	(33,602)	(3,996)	94,019	31,425
<u>Fund Balance - Beginning</u>	-	5,278	891,452	359,880	-	1,256,610
<u>FUND BALANCE - ENDING</u>	<u>\$ (24,996)</u>	<u>\$ 5,278</u>	<u>\$ 857,850</u>	<u>\$ 355,884</u>	<u>\$ 94,019</u>	<u>\$ 1,288,035</u>

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CITY OF WEST MONROE, LOUISIANA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	2018 Debt Capital Fund	2011 Debt Capital Fund	2015 Debt Capital Fund	CDBG- Project III	Total Nonmajor Capital Project Funds
<u>ASSETS</u>					
Cash in Bank	\$ -	\$ 8	\$ 5	\$ 292,080	\$ 292,093
Due From Other Governments	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 5</u>	<u>\$ 292,080</u>	<u>\$ 292,093</u>
 <u>LIABILITIES</u>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	-	-	-	30,000	30,000
Total Liabilities	-	-	-	30,000	30,000
 <u>FUND BALANCES (DEFICITS)</u>					
Restricted	-	8	5	262,080	262,093
Unassigned	-	-	-	-	-
Total Fund Balances	-	8	5	262,080	262,093
<u>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 5</u>	<u>\$ 292,080</u>	<u>\$ 292,093</u>

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CITY OF WEST MONROE, LOUISIANA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2023

	2018 Debt Capital Fund	2011 Debt Capital Fund	2015 Debt Capital Fund	CDBG- Project III	Total Nonmajor Capital Project Funds
<u>Revenues</u>					
Intergovernmental	\$ -	\$ -	\$ -	\$ 200,689	\$ 200,689
Other Income	-	-	-	155	155
Total Revenues	-	-	-	200,844	200,844
<u>Expenditures</u>					
Capital Projects	-	-	-	-	-
<u>Excess (Deficiency) of</u>					
Revenues Over Expenditures	-	-	-	200,844	200,844
<u>Other Financing Sources (Uses)</u>					
Operating Transfers - In	-	-	-	-	-
Operating Transfers - Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
<u>Net Change in Fund Balance</u>	-	-	-	200,844	200,844
<u>Fund Balances - Beginning</u>	-	8	5	61,236	61,249
<u>FUND BALANCES - ENDING</u>	\$ -	\$ 8	\$ 5	\$ 262,080	\$ 262,093

OTHER SUPPLEMENTARY INFORMATION

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CITY OF WEST MONROE, LOUISIANA
ALL FUNDS
SCHEDULE OF ASSESSED VALUATION AND AD VALOREM
PROPERTY TAX LEVY FOR 2022

<u>Assessed Valuation</u>		\$ 174,205,337
<u>Tax Rate Per Thousand Dollars (Mills)</u>		8.53
<u>Gross Tax Levy</u>		<u>\$ 1,485,977</u>
<u>Tax Collected</u>		
2022 Assessments		<u>\$ 1,453,937</u>
	<u>2022 Tax Rate Mills</u>	
<u>Allocation of Tax Collected</u>		
General Fund	6.90	\$ 1,172,019
Street Maintenance	1.63	<u>281,918</u>
Total	<u>8.53</u>	<u>\$ 1,453,937</u>

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CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF REVENUES AND EXPENDITURES - CONVENTION CENTER
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Events</u>	<u>Concession</u>	<u>Catering</u>	<u>Total</u>
<u>Revenues</u>	\$ 1,616	\$ 10,222	\$ 197,874	\$ 209,712
<u>Cost of Operations</u>				
Operating Expenditures	-	-	63,862	63,862
Personnel	-	-	140,631	140,631
Total	<u>-</u>	<u>-</u>	<u>204,493</u>	<u>204,493</u>
<u>Gross Profit</u>	<u>\$ 1,616</u>	<u>\$ 10,222</u>	<u>\$ (6,619)</u>	5,219
<u>Administrative Expenditures</u>				
Director's Salary				-
Operations Salaries				150,186
Employee Benefits				70,196
Vehicle Maintenance				4,205
Materials, Repairs & Supplies				22
Operating Supplies				13,860
Travel, Car & Meetings				3,380
Cell Phones and Pagers				-
Fuel				1,271
Miscellaneous				492
Office Supplies				245
Utilities				33,965
Total Administrative Expenditures				<u>277,822</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (272,603)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
194,900	14,812
63,968	106
<u>141,727</u>	<u>1,096</u>
<u>205,695</u>	<u>1,202</u>
\$ (10,795)	\$ 16,014

-	-
149,908	(278)
72,140	1,944
5,200	995
-	(22)
14,000	140
3,380	-
-	-
1,650	379
835	343
300	55
<u>36,750</u>	<u>2,785</u>
<u>284,163</u>	<u>6,341</u>
<u><u>\$ (294,958)</u></u>	<u><u>\$ 22,355</u></u>

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF REVENUES AND EXPENDITURES - IKE HAMILTON EXPO CENTER
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Equine Events</u>	<u>Concession</u>	<u>Stall Rentals & Shavings</u>	<u>Total</u>
<u>Revenues</u>	\$ 471,763	\$ 148,613	\$ 404,114	\$ 1,024,490
<u>Cost of Operations</u>				
Operating Expenditures	194,447	61,254	166,563	422,264
Personnel	252,764	79,625	216,518	548,907
Total	<u>447,211</u>	<u>140,879</u>	<u>383,081</u>	<u>971,171</u>
<u>Gross Profit</u>	<u>\$ 24,552</u>	<u>\$ 7,734</u>	<u>\$ 21,033</u>	53,319
<u>Administrative Expenditures</u>				
Director's Salary				-
Operations Salaries				50,690
Employee Benefits				27,807
Vehicle Maintenance				21,648
Materials, Repairs & Supplies				6,361
Fuel				7,967
Office				818
Cell Phones and Pagers				-
Other Miscellaneous Purchases				9,467
Operating Supplies				28,060
Utilities				450,360
Total Administrative Expenditures				<u>603,178</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (549,859)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
988,825	35,665
429,400	7,136
<u>534,614</u>	<u>(14,293)</u>
<u>964,014</u>	<u>(7,157)</u>
\$ 24,811	\$ 28,508

-	-
55,850	5,160
29,354	1,547
27,152	5,504
-	(6,361)
9,800	1,833
780	(38)
-	-
1,850	(7,617)
28,000	(60)
<u>433,105</u>	<u>(17,255)</u>
<u>585,891</u>	<u>(17,287)</u>
<u>\$ (561,080)</u>	<u>\$ 11,221</u>

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO COUNCIL MEMBERS
FOR THE YEAR ENDED JUNE 30, 2023

James Brian	\$	12,000
Trevor Land		12,000
Morgan Buxton		12,000
Thom Hamilton		12,000
Ben Westerburg		12,000
	<u>\$</u>	<u>60,000</u>

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REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
AND UNIFORM GUIDANCE

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

Honorable Mayor and Board of Aldermen of
West 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 West Monroe, Louisiana (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 8, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

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 financial statements. 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-001.

City of West Monroe, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on the response.

Purpose of the Report

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

West Monroe, Louisiana
December 8, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

Honorable Mayor and Board of Aldermen of
West Monroe, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of West Monroe, Louisiana's (the City) compliance with the types of compliance identified as subject to audit 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 June 30, 2023. The City's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

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 June 30, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance sections of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

Honorable Mayor and Board of Aldermen of
West Monroe, Louisiana
Page 3

Our consideration of the internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified..

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

West Monroe, Louisiana
December 8, 2023

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CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the basic government financial statements of the City of West Monroe, Louisiana.
2. One significant deficiency was disclosed during the audit of the financial statements as reported in the Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards* and the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
3. No instances of noncompliance material to the financial statements of the City of West Monroe, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award programs in the Report On Compliance With Requirements That Could Have A Direct and Material Effect on Each Major Program And On Internal Control Over Compliance In Accordance With Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Uniform Guidelines Requirements for Federal Awards.
5. The auditors' report on compliance for the major federal award programs for the City of West Monroe, Louisiana expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for the City of West Monroe, Louisiana.
7. The program tested as major programs included the Department of the Treasury COVID-19 Coronavirus State and Local Fiscal Recovery Funds, AL No. 21.027.
8. The threshold for distinguishing between Types A and B programs was \$750,000.
9. The City of West Monroe, Louisiana does qualify to be a low-risk auditee.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023 (continued)

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT
Section III – Findings or questioned costs for Federal awards, including those specified by
Uniform Guidance:

No findings were noted.

FINDINGS – FINANCIAL STATEMENT AUDIT

2023-001 Theft of Assets

Condition:

During January of 2023, it was discovered that a vendor disbursement check in the amount of \$49,571.56 for the purchase of equipment was intercepted after being mailed and altered by a person affiliated with neither the vendor nor the City. The vendor inquired about payment after approximately a month and a half, and, upon review of the City’s bank statement, it was realized that the check had already cleared the bank. Further investigation by the City’s police department and federal law enforcement determined what occurred. The City received full reimbursement in July of 2023 from the bank that cashed the fraudulent check.

Management of the City also notified the Louisiana Legislative Auditor as well as the District Attorney.

Criteria:

The Louisiana Legislative Auditor requires the reporting of any instance of fraud or misappropriation that exceeds \$1,000.

Cause:

An unintended recipient was able to obtain one of the City’s checks that was written to a vendor, copy and alter the check, and cash it with their name in place of the vendor.

Effect:

The City could have lost public funds in the amount of \$49,571.56.

Recommendation:

Inquire of bank officials if there are additional security measures that can be implemented to safeguard checks once they have been disbursed.

Management’s Response:

The City has implemented a new pay confirmation process with the bank to try and mitigate the risk of this occurring in the future.

CITY OF WEST MONROE LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>AL Number</u>	<u>Agency or Pass Through Number</u>	<u>Expenditures</u>
Department of Housing & Urban Development			
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	LA 186	\$ 2,287,724
Total Housing Voucher Cluster			<u>2,287,724</u>
Department of Justice			
Bulletproof Vest Partnership Program	16.607		9,456
Public Safety Partnership & Community Policing Grants	16.710	2020UMWX0372	2,691
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-01-6173	90,385
Department of Transportation & Development			
Through Louisiana Department of Transportation and Development			
Highway Planning & Construction	20.205		
1. Natchitoches St Rehab: Trenton - N 7th	20.205	H.013400	450,466
2. Otis Street Rehabilitation	20.205	H.013518	699,112
			<u>1,149,578</u>
FHWA Recreational Trails Program	20.219		
1. Riverbend Elementary Sidewalks	20.219	H.007532/H.007532.6	29,887
Formula Grants for Rural Areas (5311)	20.509		367,958
Through Louisiana Highway Safety Commission			
Highway Safety Cluster:			
State and Community Highway Safety	20.600		128,030
Total Highway Safety Cluster			<u>128,030</u>
Executive Office of the President			
Delta Regional Authority	90.200		
1. Highland Park Improvements, Phase 1	90.200	LA-54267	413,004
2. Cypress/Slack Sanitary Sewer Improvements	90.200	LA-54509	228,636
			<u>641,640</u>
Department of Commerce			
Economic Development Cluster:			
Economic Adjustment Assistance	11.307		
1. Downing Pines Industrial Park Drainage Improvements	11.307	08-79-05168	458,043
Total Economic Development Cluster			<u>458,043</u>
Corporation for National and Community Service			
Through Volunteer Louisiana Commission in the Office of the Lieutenant Governor			
AmeriCorps State and National	94.006	15AFHLA0010004	155,031
Department of Homeland Security			
Emergency Food and Shelter National Board Program	97.024		3,651
Hazard Mitigation Grant Program	97.039		231,925

(continued)

CITY OF WEST MONROE LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>AL Number</u>	<u>Agency or Pass Through Number</u>	<u>Expenditures</u>
Department of the Treasury			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		2,262,934
Through the Ouachita Parish Police Jury			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>638,220</u> <u>2,901,154</u> *
Total Federal Expenditures			<u>\$ 8,457,153</u>

* Indicated Major Federal Program

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CITY OF WEST MONROE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City of West Monroe, Louisiana. The City of West Monroe, Louisiana reporting entity is defined in Note 1 to the City's financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the City's financial statements. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. Federal Indirect Cost Rate

The City of West Monroe, Louisiana did not elect to use the 10% de minimis federal indirect cost rate for the year ended June 30, 2023.

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CITY OF WEST MONROE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

Section I- Internal Control and Compliance Material to the Financial Statements – N/A

Section II- Internal Control and Compliance Material to Federal Awards

2022-001 Section 8 Housing Choice Vouchers - Compliance First reported in 2021

Federal Program

14.871 Section 8 Housing Choice Vouchers

Criteria or Specific Requirement

Compliance with Housing and Urban Development (HUD) Requirements on the Utility Allowance Schedule

If the cost of utilities is not included in the rent to the owner, HUD requirement 24 CFR section 982.517 requires the City to use a schedule of utility allowances to determine the amount an assisted family needs to receive to cover the cost of utilities. This utility allowance schedule is developed based on utility consumption and rate data for various unit sizes, structure types, and fuel types. The City is required to review its utility allowance schedules annually and to adjust them if there has been an increase of more than 10% from the current schedule.

Condition Found

We inquired of management and noted the utility allowance schedules had not been reviewed in the 2020-21 fiscal year.

Recommendations to Prevent Future Occurrences

The City should take steps to make sure there are employees to help review the utility allowance schedule. Another option would be to use an outside company to review the utility allowance schedule.

Current Status

This finding has been cleared.

**2022-002 Section 8 Housing Choice Vouchers – Internal Control over Compliance
First reported in 2021**

Federal Program

14.871 Section 8 Housing Choice Vouchers

Criteria or Specific Requirement

Compliance with Housing and Urban Development (HUD) Requirements on the Utility Allowance Schedule

If the cost of utilities is not included in the rent to the owner, HUD requirement 24 CFR section 982.517 requires the City to use a schedule of utility allowances to determine the amount an assisted family needs to receive to cover the cost of utilities. This utility allowance schedule is developed based on utility consumption and rate data for various unit sizes, structure types, and fuel types. The City is required to review its utility allowance schedules annually and to adjust them if there has been an increase of more than 10% from the current schedule.

CITY OF WEST MONROE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023 (continued)

Condition Found

We inquired of management and noted the internal controls of the City did not operate properly and did not allow the City to update the utility allowance for the Section 8 program.

Recommendations to Prevent Future Occurrences

The City should improve its internal controls to make sure there are employees to help review the utility allowance schedule. Another option would be to use an outside company to review the utility allowance schedule.

Current Status

This finding has been cleared.

2022-003 Section 8 Housing Choice Vouchers – Compliance

First reported in 2022

Federal Program

14,871 Section 8 Housing Choice Vouchers

Criteria or Specific Requirement

Compliance with Housing and Urban Development (HUD) Requirements on Depository Agreements

HUD Requirement 24 CFR section 982.156 requires the City to enter into depository agreements with their financial institutions in a form required by HUD. The agreement serves as a safeguard for federal funds and provides third party rights to HUD.

Condition Found

We noted that the City did not have a depository agreement with its current financial institution that it uses for the Section 8 Housing Choice Voucher program.

Recommendations to Prevent Future Occurrences

The City should work with their current financial institution to complete a depository agreement to have on file.

Current Status

This finding has been cleared.

Section III- Management Letter

No management letter was issued.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2023

Agency Head
Mayor Staci Albritton Mitchell

Salary \$ 98,500

Benefits

Pension - Municipal	29,058	
Medical Insurance	1,429	
Life and Disability Insurance	484	
Gym Membership	240	
Car Allowance	<u>10,800</u>	
Total Benefits		<u>42,011</u>

Total \$ 140,511

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CITY OF WEST MONROE, LOUISIANA
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2023

	<u>First Six</u> <u>Month Period</u> <u>Ended</u> <u>12/31/2022</u>	<u>Second Six</u> <u>Month Period</u> <u>Ended</u> <u>6/30/2023</u>
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ -
Add: Collections		
Bond Fees	2,260	2,842
Criminal Court Costs/Fees	130,298	120,347
Criminal Fines - Other	122,328	125,838
Subtotal Collections	254,886	249,027
Less: Disbursements to Governments & Nonprofits		
West Monroe City Marshal	Criminal Court Costs/Fees 20,058	17,444
West Monroe City Court	Criminal Court Costs/Fees 580	320
Fourth Judicial District Public Defender Board	Criminal Court Costs/Fees 32,650	30,552
North Louisiana Criminalistic Lab	Criminal Court Costs/Fees 33,434	33,270
Drug Crime Lab Education Fund	Criminal Court Costs/Fees 1,750	1,876
Crime Victim Fund	Criminal Court Costs/Fees 1,930	1,785
Louisiana Commission on Law Enforcement	Criminal Court Costs/Fees 1,226	1,329
Public Safety Training Fund	Criminal Court Costs/Fees 1,725	1,375
Trial Court Case Management Fund	Criminal Court Costs/Fees 1,877	2,037
Injury Trust Fund	Criminal Court Costs/Fees 1,027	1,080
Crime Stoppers	Criminal Court Costs/Fees 1,252	1,358
Louisiana Supreme Court	Criminal Court Costs/Fees 312	337
Less: Amounts Retained by Collecting Agency		
Bond Fees	2,260	2,842
Criminal Court Costs/Fees	14,351	14,479
Criminal Fines - Other	140,454	138,943
Subtotal Disbursements/Retainage	254,886	249,027
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ -	\$ -

CITY OF WEST MONROE, LOUISIANA

*Independent Accountants' Report on
Applying Agreed-Upon Procedures*

For the Year Ended June 30, 2023

DRAFT



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and Board of Aldermen of the City of West Monroe, Louisiana (the City)
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022, through June 30, 2023. The City's management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022, through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:¹
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***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.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***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.,

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase 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).
- ix. **Ethics**², including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: Eight exceptions noted where the required topics were not addressed in the City's policies and procedures.

2) Board or Finance Committee³

- A. 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

² The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

- i. 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.
- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds⁴, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.⁶

Findings: No exceptions noted.

3) *Bank Reconciliations*

- A. Obtain a listing of entity 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 accounts⁷ (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 each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a 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
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

⁴Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

⁵ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁶ No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

⁷ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

Findings: Three exceptions noted where the reconciliation was not reviewed by a member of management or board member who did not handle cash, post ledgers, or issue checks. Three exceptions noted where management did not have documentation reflecting it had researched reconciling items that had been outstanding for more than twelve months from the closing date.

4) Collections (excluding electronic funds transfers)⁸

- A. Obtain a listing of deposit sites⁹ 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).
- B. For each deposit site selected, obtain a listing of collection locations¹⁰ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:
 - i. Observe that receipts are sequentially pre-numbered.¹¹

⁸ The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

⁹ A deposit site is a physical location where a deposit is prepared and reconciled.

¹⁰ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

¹¹ The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt¹² 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 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

Findings: One exception noted where the deposit was not made within one business day or receipt.

5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

- A. 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).
 - B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. 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;
 - iv. 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; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- [Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]*
- C. For each location selected under procedure #5A 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

¹² As required by Louisiana Revised Statute 39:1212.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Findings: No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards¹³. Obtain management's representation that the listing is complete.
- B. 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
 - i. Observe whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection)¹⁴. 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

¹³ Including cards used by school staff for either school operations or student activity fund operations.

¹⁴ For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Findings: Two exceptions noted where the transaction was not supported by an original itemized receipt identifying what was purchased.

7) Travel and Travel-Related Expense Reimbursements¹⁵ (excluding card transactions)

- A. 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 and 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
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. 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 Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: No exceptions noted.

8) Contracts

- A. 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. *Alternatively, 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
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹⁶ (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

¹⁵ Non-travel reimbursements are not required to be inspected under this category.

¹⁶ If the entity has adopted the state Procurement Code, replace “Louisiana Public Bid Law” with “Louisiana Procurement Code.”

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. 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.

Findings: No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials¹⁷ employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials¹⁸ documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity’s cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management’s representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management’s termination payment calculations and the entity’s policy on termination payments. Agree the hours to the employee’s or official’s cumulative leave records, agree the pay rates to the employee’s or official’s authorized pay rates in the employee’s or official’s personnel files, and agree the termination payment to entity policy.
- D. Obtain management’s representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers’ compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

¹⁷ “Officials” would include those elected, as well as board members who are appointed.

¹⁸ Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

Findings: No exceptions noted.

10) Ethics¹⁹

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Findings: No exceptions noted.

11) Debt Service²⁰

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: No exceptions noted.

12) Fraud Notice²¹

- A. 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

¹⁹ The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

²⁰ This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

²¹ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs and the notice is available for download at www.la.gov/hotline

misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

- B. 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.

Findings: No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Findings: We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment²²

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

²² While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Findings: No exceptions noted.

Management’s Response

We concur with the results of the procedures and are working diligently to improve controls.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas 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.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas 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 LLA as a public document.

West Monroe, Louisiana
December 11, 2023