

CITY OF WESTWEGO, LOUISIANA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2009

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

Release Date 7/14/10

CITY OF WESTWEGO, LOUISIANA
 DECEMBER 31, 2009
TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	3-9
 BASIC FINANCIAL STATEMENTS	
Government-Wide Statements:	
Statement of Net Assets.....	10
Statement of Activities.....	11
Fund Financial Statements:	
Governmental Fund	
Balance Sheet.....	12
Reconciliation of the Governmental Fund Balance Sheet to the Government- Wide Statement of Net Assets.....	13
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Government-Wide Statement of Activities.....	15
Proprietary Funds:	
Statement of Net Assets.....	16
Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	17
Statement of Cash Flows.....	18
Notes to Financial Statements.....	19-40
 REQUIRED SUPPLEMENTARY INFORMATION:	
General Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget (GAAP Basis) and Actual.....	41
Schedule of Expenditures Compared to Budget (GAAP Basis).....	42-45
 OTHER SUPPLEMENTARY INFORMATION:	
Schedule of compensation paid to Members of the City Council.....	46

CITY OF WESTWEGO, LOUISIANA
DECEMBER 31, 2009
TABLE OF CONTENTS (Continued)

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.....47-48

INDEPENDENT AUDITORS REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133.....49-50

Schedule of Expenditures of Federal Awards.....51

Notes to Schedule of Expenditures of Federal Awards.....52

Schedule of Findings and Questioned Costs.....53

Camnetar & Co., CPAs

a professional accounting corporation

2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053

504.362.2544

(Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA

E. Faye Harris, CPA, MST

Orfelinda G. Richard, CPA

Members: American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council City of Westwego, Louisiana

We have audited the accompanying basic financial statements of the City of Westwego, Louisiana, as of and for the year ended December 31, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the City of Westwego, Louisiana's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City of Westwego, Louisiana, as of December 31, 2009, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2010 on our consideration of the City of Westwego, Louisiana'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Camnetar & Co., CPAs

a professional accounting corporation

Management's Discussion and Analysis on pages 3 through 9 and the budgetary comparison schedules on pages 41 through 45 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Westwego, Louisiana basic financial statements. The accompanying supplemental information presented on page 46 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

June 25, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF WESTWEGO, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009

Our discussion and analysis of the City of Westwego's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2009. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the activities as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in short term as well as what remains for future spending. Fund financial statements also report the operation in more detail than the government-wide statements by providing information about the most significant funds.

Government-Wide Financial Statements

One of the most important questions asked about finances is, "Is the City of Westwego as a whole better off or worse as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information on the City as a whole and about its activities in a way that helps answer this question. These statements include all 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 statements report the net assets and changes in them. Net assets-the difference between assets and liabilities-are one way to measure the financial health, or financial position of an entity. Over time, increases or decreases in net assets are one indicator of whether the entity's financial health is improving or deteriorating. It is important to consider other nonfinancial factors, however, to assess the overall health of the City of Westwego.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds-not the City of Westwego as a whole. Some funds are required to be established by State laws.

CITY OF WESTWEGO, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2009

Fund Financial Statements - continued

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

Governmental Funds

The City uses the governmental type of fund with the following accounting approach. Most of the basic services including general government, public safety, public works, sanitation, health, and recreation are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general governmental operations and the basic services it provides. Governmental funds information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds are described in reconciliations immediately following the fund financial statements.

Proprietary Funds

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewerage departments. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewerage departments, which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 16-18.

CITY OF WESTWEGO, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2009

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operation:

- As of December 31, 2009 assets exceeded liabilities by \$32,129,730 (net assets) for the fiscal year reported.
- Total net assets are comprised of the following:
 - (1) Invested in capital assets of \$32,289,306 including the cost of land, buildings, office equipment, furniture, and fixtures, and automobiles, net of accumulated depreciation.
 - (2) Unrestricted net assets of \$(2,841,648).
 - (3) Restricted net assets of \$2,682,072 representing the portion restricted for specific purposes.
- The governmental fund reported total ending fund balance of \$3,091,053, which was classified as \$2,573,473 designated and \$517,580 undesignated. This compares to the prior year ending fund balance of \$4,254,426 showing a decrease of \$1,163,373 during the current year.
- Total spending for all governmental activities, not including transfers, was \$10,993,792 for the year, which was \$7,290,423 more than the program revenues for the activities - \$3,703,369.

The Statement of Net Assets and the Statement of Activities reports two types of activities - governmental and business type activities.

FINANCIAL ANALYSIS OF THE CITY OF WESTWEGO AS A WHOLE

The City's net assets decreased by \$1,304,365 as a result of this year's operations. Net assets-unrestricted absorbed most of the decrease this year. The balance in net assets represents the accumulated results of all past years' operations.

The City's total revenues for the year in governmental activities were \$10,558,838 (\$3,703,369 in charges for services and \$6,855,469 in general revenues). The total cost of all governmental activities, not including transfers, was \$10,993,792.

CITY OF WESTWEGO, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2009

The following is the City's government wide financial information for the current and prior years in condensed form. Further details regarding these statements may be found on pages 10 and 11.

CITY OF WESTWEGO, LOUISIANA CONDENSED STATEMENT OF NET ASSETS
DECEMBER 31, 2009 AND 2008

	Governmental Activities <u>2009</u>	Business-Type Activities <u>2009</u>	Total <u>2009</u>	Governmental Activities <u>2008</u>	Business-Type Activities <u>2008</u>	Total <u>2008</u>
Current and other assets	\$ 4,267,818	\$ 799,596	\$ 5,067,414	\$ 5,910,208	\$ 1,129,979	\$ 7,040,187
Capital assets, net	<u>20,933,212</u>	<u>13,378,547</u>	<u>34,311,759</u>	<u>20,788,826</u>	<u>12,089,990</u>	<u>32,878,816</u>
Total assets	<u>25,201,030</u>	<u>14,178,143</u>	<u>39,379,173</u>	<u>26,699,034</u>	<u>13,219,969</u>	<u>39,919,003</u>
Long term liabilities	2,138,075	1,959,205	4,097,280	1,862,998	1,535,343	3,398,341
Other liabilities	<u>1,176,765</u>	<u>1,975,398</u>	<u>3,152,163</u>	<u>1,655,782</u>	<u>1,430,785</u>	<u>3,086,567</u>
Total liabilities	<u>3,314,840</u>	<u>3,934,603</u>	<u>7,249,443</u>	<u>3,518,780</u>	<u>2,966,128</u>	<u>6,484,908</u>
Invested in capital assets	20,933,212	11,356,094	32,289,306	20,788,826	10,565,478	31,354,304
Restricted	2,573,473	108,599	2,682,072	1,287,850	52,557	1,340,407
Unrestricted	<u>(1,620,493)</u>	<u>(1,221,153)</u>	<u>(2,841,648)</u>	<u>1,103,578</u>	<u>(364,194)</u>	<u>739,384</u>
Total net assets	<u>\$21,886,190</u>	<u>\$10,243,540</u>	<u>\$32,129,730</u>	<u>\$23,180,254</u>	<u>\$10,253,841</u>	<u>\$33,434,095</u>

CITY OF WESTWEGO, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2009

CITY OF WESTWEGO, LOUISIANA CONDENSED STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS
DECEMBER 31, 2009 AND 2008

	Governmental Activities 2009	Business-Type Activities 2009	Total 2009	Governmental Activities 2008	Business-Type Activities 2008	Total 2008
Revenues:						
Program revenues						
Charges for services	\$ 2,216,371	\$ 1,530,201	\$ 3,746,572	\$ 1,716,268	\$ 1,708,208	\$ 3,424,476
Operating grants, contributions and transfers in	1,450,234	859,110	2,309,344	1,098,584	921,477	2,020,061
Capital grants and contributions	36,764	12,459	49,223	4,587,120	1,656,083	6,243,203
General revenues						
Property taxes	1,247,293	-0-	1,247,293	1,176,014	-0-	1,176,014
Franchise taxes	237,861	-0-	237,861	293,183	-0-	293,183
Sales taxes	1,959,723	-0-	1,959,723	2,153,619	-0-	2,153,619
Alcoholic beverage tax	13,470	-0-	13,470	14,305	-0-	14,305
Boarding fee	2,516,801	-0-	2,516,801	2,836,292	-0-	2,836,292
Occupational licenses	359,949	-0-	359,949	362,138	-0-	362,138
Investment earnings	7,981	2,143	10,124	97,532	12,857	110,389
Gain (loss) on sale of assets	13,955	-0-	13,955	(152,392)	-0-	(152,392)
Miscellaneous	498,436	-0-	498,436	1,260,508	35,429	1,295,937
Total revenues	10,558,838	2,403,913	12,962,751	15,443,171	4,334,054	19,777,225
Expenses and transfers out:						
General government	4,328,831	-0-	4,328,831	4,257,922	-0-	4,257,922
Public safety	5,058,655	-0-	5,058,655	5,224,950	-0-	5,224,950
Public works	471,247	-0-	471,247	509,256	-0-	509,256
Sanitation	622,226	-0-	622,226	559,864	-0-	559,864
Health	284,610	-0-	284,610	293,395	-0-	293,395
Recreation	228,223	-0-	228,223	225,905	-0-	225,905
Transfers out	859,110	-0-	859,110	869,248	-0-	869,248
Water and sewerage	-0-	2,414,214	2,414,214	-0-	2,721,462	2,721,462
Total expenses and transfers out	11,852,902	2,414,214	14,267,116	11,940,540	2,721,462	14,662,002
Changes in net assets	(1,294,064)	(10,301)	(1,304,365)	3,502,631	1,612,592	5,115,223
Net assets - Beginning of Year	23,180,254	10,253,841	33,434,095	19,677,623	8,641,249	28,318,872
Net assets - End of Year	\$21,886,190	\$10,243,540	\$32,129,730	\$23,180,254	\$10,253,841	\$33,434,095

CITY OF WESTWEGO, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2009

FINANCIAL ANALYSIS OF THE CITY OF WESTWEGO'S FUNDS

As we noted earlier, the City uses funds to help it control and manage money for particular purposes. Analysis of funds aids in considering whether the City is being accountable for the resources provided to it, but may also give you more insight into the overall financial health of the City.

As the City completed the year, its governmental fund reported a fund balance of \$3,091,053. This reflects a decrease of \$1,163,373 from last year. This decrease is primarily the result of a decrease in sales tax revenue of approximately \$176,500 and boarding fees of \$319,500.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund's December 31, 2009 fund balance was revised by \$285,691. Major budget amendments were approved as follows:

- (A) Budgeted revenues were decreased by \$76,476. This decrease was due primarily to a decrease in sales tax revenue and boarding fees of \$516,600 and an increase in police fines and EMS fees of \$369,900.
- (B) Budgeted expenditures increased \$188,015 mainly due to an increase in capital expenditures.

CAPITAL ASSETS

Capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2009 was \$20,933,212.

This year there were \$1,299,217 of additions and \$221,953 deletions to governmental activities' capital assets. More detailed information about the capital assets is presented in Note 3 to the financial statements.

DEBT

At year-end, the City of Westwego had \$55,755 of long-term compensated absences, \$1,827,676 in Community Disaster Loan payable, \$266,396 of other post-employment benefits, and \$2,022,453 due to the Municipal Facilities Revolving Loan Fund.

CITY OF WESTWEGO, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2009

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City officials considered many factors when budgeting the fiscal year rates and fees that would be charged. One of those factors is new laws and regulations.

The December 31, 2010 budget assumes there will be no significant changes in the City's operations and is based on the assumption that operating expenditures will be reduced through increased management efficiency.

Salaries are budgeted for the year ending December 31, 2010 at an increase of 2% over the year ending December 31, 2009 in anticipation of raises. The expense categories affected by payroll increases are increased accordingly. Health insurance expense is budgeted at 2009 levels for the year ending December 31, 2010 due to increased premiums being absorbed by employees. General Fund Capital expenditures are budgeted as \$939,891 for the year ending December 31, 2010.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Westwego, Louisiana's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the Honorable John I. Shaddinger, Jr., Mayor, City of Westwego, Louisiana, at phone number (504) 347-5745.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF WESTWEGO, LOUISIANA
STATEMENT OF NET ASSETS
December 31, 2009

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total (Memorandum Only)</u>
ASSETS			
Cash and cash equivalents	\$ 1,062,664	\$ 87,200	\$ 1,149,864
Prepaid insurance	229,821	-0-	229,821
Receivables, net	832,669	279,568	1,112,237
Due from other governments	860,753	-0-	860,753
Internal balances	1,281,911	203,047	1,484,958
Restricted cash and cash equivalents	-0-	229,781	229,781
Capital assets, net	<u>20,933,212</u>	<u>13,378,547</u>	<u>34,311,759</u>
Total Assets	<u>25,201,030</u>	<u>14,178,143</u>	<u>39,379,173</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	811,989	220,694	1,032,683
Accrued liabilities	350,101	73,564	423,665
Deferred revenue	14,675	-0-	14,675
Internal balances	-0-	1,484,958	1,484,958
Utility deposits	-0-	121,182	121,182
Current portion of loan payable	-0-	75,000	75,000
Non-Current Liabilities:			
Long-term accrued liabilities	44,003	11,752	55,755
Other post-employment benefits	266,396	-0-	266,396
Loans payable	<u>1,827,676</u>	<u>1,947,453</u>	<u>3,775,129</u>
Total Liabilities	<u>3,314,840</u>	<u>3,934,603</u>	<u>7,249,443</u>
NET ASSETS			
Invested in capital assets	20,933,212	11,356,094	32,289,306
Restricted	2,573,473	108,599	2,682,072
Unrestricted	<u>(1,620,495)</u>	<u>(1,221,153)</u>	<u>(2,841,648)</u>
Total Net Assets	<u>\$ 21,886,190</u>	<u>\$ 10,243,540</u>	<u>\$ 32,129,730</u>

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA
STATEMENT OF ACTIVITIES
Year Ended December 31, 2009

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total (Memorandum Only)
Governmental Activities:							
General government	\$ 4,328,831	\$ 104,485	\$ 687,899	\$ -0-	\$ (3,536,447)	\$ -0-	\$ (3,536,447)
Public safety	5,058,655	1,702,469	702,001	-0-	(2,654,185)	-0-	(2,654,185)
Public works	471,247	-0-	20,334	29,040	(421,873)	-0-	(421,873)
Sanitation	622,226	409,417	-0-	-0-	(212,809)	-0-	(212,809)
Health	284,610	-0-	40,000	7,724	(236,886)	-0-	(236,886)
Recreation	228,223	-0-	-0-	-0-	(228,223)	-0-	(228,223)
Total governmental activities	10,993,792	2,216,371	1,450,234	36,764	(7,290,423)	-0-	(7,290,423)
Business-Type Activities:							
Water	1,208,760	712,169	-0-	-0-	-0-	(496,591)	(496,591)
Sewerage	1,205,454	818,032	-0-	12,459	-0-	(374,963)	(374,963)
Total business-type activities	2,414,214	1,530,201	-0-	12,459	-0-	(871,554)	(871,554)
Total	13,408,006	3,746,572	1,450,234	49,223	(7,290,423)	(871,554)	(8,161,977)
General Revenues:							
Taxes:							
Property taxes					1,247,293	-0-	1,247,293
Franchise taxes					237,861	-0-	237,861
Sales taxes					1,959,723	-0-	1,959,723
Alcoholic beverage tax					13,470	-0-	13,470
Boarding fee					2,516,801	-0-	2,516,801
Occupational licenses					359,949	-0-	359,949
Investment earnings					7,981	2,143	10,124
Gain (Loss) on sale of assets					13,955	-0-	13,955
Miscellaneous					498,436	-0-	498,436
Transfers					(859,110)	859,110	-0-
Total general revenues and transfers					\$ 5,996,359	\$ 861,253	\$ 6,857,612
Changes in net assets					(1,294,064)	(10,301)	(1,304,365)
Net assets - Beginning of Year					23,180,254	10,253,841	33,434,095
Net assets - End of the Year					\$21,886,190	\$ 10,243,540	\$ 32,129,730

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CITY OF WESTWEGO, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUND
December 31, 2009

ASSETS

	General Fund
Cash and cash equivalents	\$ <u>1,062,664</u>
Prepaid insurance	<u>229,821</u>
Receivables, net:	
Property taxes	501,249
Other accounts	<u>331,420</u>
	<u>832,669</u>
Due from other governments:	
Parish of Jefferson	467,807
State of Louisiana	390,902
U. S. Government	<u>2,044</u>
	<u>860,753</u>
Due from/to other funds, net	<u>1,281,911</u>
Total assets	\$ <u>4,267,818</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 811,989
Accrued liabilities	350,101
Deferred revenue	<u>14,675</u>
Total liabilities	<u>1,176,765</u>
Fund balance:	
Designated	2,573,473
Undesignated	<u>517,580</u>
Total fund balance	<u>3,091,053</u>
Total liabilities and fund balance	\$ <u>4,267,818</u>

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
December 31, 2009

Total fund balance of the governmental fund
at December 31, 2009 \$ 3,091,053

Amounts reported for governmental activities
in the Statement of Net Assets are
different because:

Capital assets used in governmental
activities are not financial resources
and, therefore, are not reported in the
governmental fund. Those assets consist of:

Land and building	19,018,915	
Machinery and equipment	8,587,515	
	<u>27,606,430</u>	
Less accumulated depreciation	<u>(6,673,218)</u>	

Capital assets, net 20,933,212

Long-term liabilities are not due and
payable in the current period and therefore
are not reported in the governmental funds:

Compensated absences payable	(44,003)	
Other post-employment benefits	(266,396)	
Disaster loan payable	<u>(1,827,676)</u>	<u>(2,138,075)</u>

Net assets of governmental activities at
December 31, 2009 \$21,886,190

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-GOVERNMENTAL FUND
Year Ended December 31, 2009

	<u>General Fund</u>
Revenues:	
Taxes	\$ 3,395,757
Licenses and permits	675,486
Intergovernmental	4,064,632
Charges for services	367,735
Fines	1,495,115
Miscellaneous	<u>573,686</u>
Total revenues	<u>10,572,411</u>
Expenditures:	
Current:	
General government	3,763,189
Public safety	4,385,327
Public works	300,772
Sanitation	622,226
Health	260,739
Recreation	196,222
Capital outlay	<u>1,299,217</u>
Total expenditures	<u>10,827,692</u>
Other financing uses:	
Transfer to Proprietary Funds	859,110
Debt service interest	<u>48,982</u>
Total other financing uses	<u>908,092</u>
Total expenditures and other financing uses	<u>11,735,784</u>
Deficiency of revenues over expenditures and other financing uses	<u>(1,163,373)</u>
Fund balance - beginning of year	<u>4,254,426</u>
Fund balance - end of year	<u>\$ 3,091,053</u>

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE-GOVERNMENTAL FUND
 TO THE STATEMENT OF ACTIVITIES
 Year Ended December 31, 2009

Total net change in fund balance at December 31, 2009 per Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund	\$(1,163,373)
--	---------------

Amounts reported in governmental activities
in the government-wide Statement of
Activities are different because:

Governmental funds report capital
outlays as expenditures. However, in
the government-wide Statement of
Activities, the cost of those assets
is allocated over their estimated
useful lives and reported as depreciation
expense.

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures, and Change in Fund Balance	\$ 1,299,217	
Depreciation expense for the year ended December 31, 2009	(1,141,258)	
Disposition of assets, net	<u>(13,573)</u>	144,386
Excess of long-term compensated absences earned over compensated absences used	(8,681)	
Increase in other post-employment benefits	<u>(266,396)</u>	<u>(275,077)</u>

Total change in net assets of governmental activities	\$ <u>(1,294,064)</u>
--	-----------------------

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 December 31, 2009

	Business-Type Activities Enterprise Funds		Total (Memorandum Only)
	Water	Sewerage	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 55,062	\$ 32,138	\$ 87,200
Accounts receivable - customers	117,057	162,511	279,568
Due from other funds	-0-	203,047	203,047
Total Current Assets	172,119	397,696	569,815
Restricted assets:			
Customers' deposits fund:			
Cash and cash equivalents	121,182	-0-	121,182
Sewer revenue bond fund:			
Cash and cash equivalents	-0-	108,599	108,599
Total Restricted Assets	121,182	108,599	229,781
Capital assets:			
Property, plant, and equipment, at cost less accumulated depreciation	3,711,645	9,666,902	13,378,547
Total Assets	4,004,946	10,173,197	14,178,143
LIABILITIES AND NET ASSETS			
Current liabilities (payable from current assets):			
Accounts payable	113,509	107,185	220,694
Accrued liabilities	40,940	32,624	73,564
Due to other funds	1,484,958	-0-	1,484,958
Current portion of loan payable	-0-	75,000	75,000
Current liabilities (payable from restricted assets):			
Customers' deposits	121,182	-0-	121,182
Total Current Liabilities	1,760,589	214,809	1,975,398
Non-Current liabilities:			
Accrued liabilities	6,652	5,100	11,752
Loan payable	-0-	1,947,453	1,947,453
Total Non-Current Liabilities	6,652	1,952,553	1,959,205
Total Liabilities	1,767,241	2,167,362	3,934,603
Net assets:			
Invested in capital assets	3,711,645	7,644,449	11,356,094
Restricted capital projects	-0-	108,599	108,599
Unrestricted (deficit)	(1,473,940)	252,787	(1,221,153)
Total Net Assets	\$ 2,237,705	\$ 8,005,835	\$10,243,540

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 Year Ended December 31, 2009

	Business-Type Activities		Total (Memorandum Only)
	Enterprise Funds		
	Water	Sewerage	
Operating Revenues:			
Charges for services	\$ 712,169	\$ 818,032	\$ 1,530,201
Operating Expenses:			
Salaries and wages	324,963	205,762	530,725
Security	-0-	43,790	43,790
Water purchased	45,368	-0-	45,368
Maintenance	182,074	131,419	313,493
Power	90,809	114,369	205,178
Chemicals	105,358	48,475	153,833
Medical insurance	38,484	26,187	64,671
General insurance	211,473	224,900	436,373
Truck expense	35	2,630	2,665
Office supplies and postage	9,065	3,802	12,867
Pension plan	36,388	18,835	55,223
Bad debts	1,073	3,900	4,973
Telephone	2,238	2,342	4,580
Tenure awards	2,750	1,600	4,350
Professional fees	52,975	52,975	105,950
Depreciation	92,864	254,578	347,442
Other	12,843	14,346	27,189
Total operating expenses	<u>1,208,760</u>	<u>1,149,910</u>	<u>2,358,670</u>
Net operating loss	<u>(496,591)</u>	<u>(331,878)</u>	<u>(828,469)</u>
Non-Operating Revenues:			
Interest income	1,771	372	2,143
Grant revenue	-0-	12,459	12,459
Interfund transfer	480,284	378,826	859,110
Interest and administrative expense	-0-	(55,544)	(55,544)
Total non-operating revenues	<u>482,055</u>	<u>336,113</u>	<u>818,168</u>
Change in Net Assets	(14,536)	4,235	(10,301)
Net Assets-Beginning of Year	<u>2,252,241</u>	<u>8,001,600</u>	<u>10,253,841</u>
Net Assets-End of Year	<u>\$ 2,237,705</u>	<u>\$ 8,005,835</u>	<u>\$10,243,540</u>

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 Year Ended December 31, 2009

	Business-Type Activities		Total (Memorandum Only)
	Enterprise Funds		
	Water	Sewerage	
Cash flows from Operating Activities:			
Receipts from customers	\$ 710,959	\$ 807,558	\$ 1,518,517
Payments to suppliers	(744,734)	(909,722)	(1,654,456)
Payment to employees	(322,410)	(205,780)	(528,190)
Other receipts (payments)	<u>1,852</u>	<u>-0-</u>	<u>1,852</u>
Net cash used by operating activities	<u>(354,333)</u>	<u>(307,944)</u>	<u>(662,277)</u>
Cash Flows from Noncapital			
Financing Activities:			
Transfers from other funds	480,284	378,826	859,110
Increase (decrease)			
in due to other funds	839,800	(190,940)	648,860
Increase in due from other funds	<u>-0-</u>	<u>(150,819)</u>	<u>(150,819)</u>
Net cash provided by Noncapital financing activities	<u>1,320,084</u>	<u>37,067</u>	<u>1,357,151</u>
Cash Flows from Capital and			
Related Financing Activities:			
Acquisition of property, plant, and equipment	(1,137,967)	(502,869)	(1,640,836)
Grant revenue	-0-	75,169	75,169
Proceeds from capital debt	-0-	497,941	497,941
Interest and administrative expense paid on capital debt	<u>-0-</u>	<u>(54,492)</u>	<u>(54,492)</u>
Net cash provided (used) by capital and related financing activities	<u>(1,137,967)</u>	<u>15,749</u>	<u>(1,122,218)</u>
Cash Flows from Investing Activities:			
Redemption of investments	513,818	-0-	513,818
Purchase of investments	(358,071)	-0-	(358,071)
Interest on investments	<u>3,531</u>	<u>372</u>	<u>3,903</u>
Net cash provided by investing activities	<u>159,278</u>	<u>372</u>	<u>159,650</u>
Net decrease in cash	(12,938)	(254,756)	(267,694)
Cash and Cash Equivalents:			
Beginning of year	<u>189,182</u>	<u>395,493</u>	<u>584,675</u>
End of year	<u>\$ 176,244</u>	<u>\$ 140,737</u>	<u>\$ 316,981</u>
Classification of Cash at End of Year:			
Current assets	\$ 55,062	\$ 32,138	\$ 87,200
Restricted assets	<u>121,182</u>	<u>108,599</u>	<u>229,781</u>
	<u>\$ 176,244</u>	<u>\$ 140,737</u>	<u>\$ 316,981</u>
Reconciliation of Operating Loss to Net Cash used by Operating Activities:			
Operating loss	\$ (496,591)	\$ (331,878)	\$ (828,469)
Adjustments to reconcile net operating loss to net cash used by operating activities:			
Depreciation	92,864	254,578	347,442
Increase in accounts receivable customers	(137)	(6,573)	(6,710)
Increase (decrease) in accounts payable	42,376	(225,653)	(183,277)
Increase in accrued liabilities	5,303	1,582	6,885
Increase in customer deposits	<u>1,852</u>	<u>-0-</u>	<u>1,852</u>
Net cash used by operating activities	<u>\$ (354,333)</u>	<u>\$ (307,944)</u>	<u>\$ (662,277)</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

CITY OF WESTWEGO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

INTRODUCTION

The City of Westwego was incorporated January 18, 1919, under the provisions of Louisiana Revised Statutes 33:321 et. seq., which provisions are commonly known as the Lawrason Act. The City operates under a Mayor and City Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, drainage, sanitation, health, social services, recreation, public improvements, planning and zoning, and general administrative services.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The accompanying financial statements include all funds of the City of Westwego. There are no component units which are controlled by or fiscally dependent on the City which should be included to form the reporting entity. Control by or fiscal dependence on the City was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and financial accountability.

The following organizations conduct an activity entirely within the City for the benefit of the City's residents but are not considered a part of the reporting entity because the City does not exercise control over them and they are fiscally independent of the city:

Westwego Housing Authority
Westwego Volunteer Fire Company #1
Westwego Council on Aging

B. Basis of Presentation

The accompanying basic financial statements of the City of Westwego have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

CITY OF WESTWEGO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2009

B. Basis of Presentation - continued

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. These statements include all the financial activities of the City. Information contained in these statements reflects the economic resources measurement focus on the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function, and therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the City, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The City uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the City are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund might be considered major if it is the primary operating fund of the City or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. At December 31, 2009, the City had only one governmental fund, its General Fund, and two proprietary funds, its Waterworks and Sewerage Enterprise Funds. The City's funds are described as follows:

CITY OF WESTWEGO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2009

B. Basis of Presentation - continued

Governmental Fund

General Fund - This fund is the primary operating fund of the City and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to City policy.

Proprietary Funds - Proprietary Funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business-type activities are accounted for through proprietary funds. The measurement focus is on the determination of net income, financial position, and cash flows. Operating expenses include costs of services as well as materials, contracts, personnel, and dedication. In accordance with GASB Statement No. 20, the City has elected to follow GASB statements issued after November 30, 1989, rather than the Financial Accounting Standards Board, in accounting for proprietary funds.

Enterprise Funds - These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

CITY OF WESTWEGO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2009

C. Measurement Focus/Basis of Accounting - continued

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available. Taxpayer-assessed revenues, such as sales taxes, are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue of the period in which collected by merchants. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Property taxes are recognized as revenue of the year for which budgeted. The primary revenue sources that have been treated as "susceptible to accrual" under the modified accrual basis are sales taxes, grants, and various fees. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Materials and supplies are recorded as expenditures at the time of purchase. Inventory of such items on hand at year-end are not material to the financial statements.

Proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled Water and Sewerage Fund utility service receivables are recorded at year-end.

D. Budgets and Budgetary Accounting

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

1. A general summary of the proposed budget is published 10 days prior to a public hearing.
2. A public hearing is conducted at City Hall to obtain taxpayer comments.

CITY OF WESTWEGO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2009

D. Budgets and Budgetary Accounting - continued

3. Prior to December 31, the budget is legally enacted through passage of an ordinance. In the event the budget is not adopted by December 31, the temporary budget for the ensuing year is based on 50% of the expenditures of the prior year. The budget for the year ended December 31, 2009 is as adopted on December 15, 2008 or as amended on December 14, 2009.
4. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. The adopted operating budget of expenditures operates as an appropriation and amounts are available for expenditure only to the extent included within the budget. At the end of the fiscal year, the unexpended balance of each appropriation reverts to the respective fund from which it was appropriated and is subject to future appropriation. Outstanding encumbrances which are not canceled are included as part of the next year's budget.
6. The adopted operating budget may be amended in an open meeting of the Mayor and City Council. The budget amendment cannot be adopted proposing expenditures which exceed the total of estimated funds available for the fiscal year.

E. Allowance for Uncollectible Receivables

An allowance for estimated uncollectible receivables was established in prior years based on historical collection experience and other relevant circumstances. At December 31, 2009, all receivables are considered collectible and therefore an allowance was not required.

F. Capital Assets

Capital outlays are recorded as expenditures in the General Fund and as capital assets in the government-wide financial statements to the extent of the City's capitalization threshold of \$500. Depreciation is recorded on such assets on a straight-line basis over their estimated useful lives. Capital outlays of the Proprietary Funds are recorded as fixed assets and depreciated over their estimated useful lives on a straight-line basis for both the fund financial statements and government-wide financial statements. All fixed assets are stated at their historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are stated at their estimated fair market value on the date donated.

CITY OF WESTWEGO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2009

G. On-Behalf Payments

Supplemental pay which is paid directly to employees of the City of Westwego by the State of Louisiana, Department of Public Safety, are recognized as intergovernmental revenue and salaries expenditure in the year in which paid. For the year ended December 31, 2009, the amount recognized as revenue and expenditure was \$250,242.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

(2) CASH AND CASH EQUIVALENTS

For financial reporting purposes, cash and cash equivalents includes petty cash and demand deposits.

These deposits are stated at cost, which approximates market. Under state law, these deposits 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 to both parties.

The following is a summary of cash at December 31, 2009.

Petty cash and demand deposits:	
Unrestricted	\$ 1,149,864
Restricted	<u>229,781</u>
	\$ <u>1,379,645</u>

The bank balances at December 31, 2009 were \$1,445,192 of which \$378,397 was covered by federal depository insurance, and \$1,066,795 was covered by collateral held by the Federal Reserve Bank in the City's name.

CITY OF WESTWEGO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2009

(2) CASH AND CASH EQUIVALENTS - continued

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposit or collateral securities that are in the possession of an outside party. The City's bank balance of \$1,445,192 at December 31, 2009 is secured by pledged collateral held in joint custody. The City has no formal policy regarding custodial credit risk.

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 of Westwego that the fiscal agent has failed to pay deposited funds upon demand.

(3) CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2009.

	Balance <u>1/1/09</u>	Additions	Deletions	Balance <u>12/31/09</u>
Governmental Activities:				
Land, improvements and buildings	\$18,356,691	\$ 662,224	\$ -0-	\$19,018,915
Machinery and equipment	<u>8,172,475</u>	<u>636,993</u>	<u>221,953</u>	<u>8,587,515</u>
Totals	<u>26,529,166</u>	<u>1,299,217</u>	<u>221,953</u>	<u>27,606,430</u>
Less accumulated depreciation:				
Land, improvements, and buildings	919,087	268,545	-0-	1,187,632
Machinery and equipment	<u>4,821,253</u>	<u>872,713</u>	<u>208,380</u>	<u>5,485,586</u>
Total accumulated depreciation	<u>5,740,340</u>	<u>1,141,258</u>	<u>208,380</u>	<u>6,673,218</u>
Capital assets, net	<u>\$20,788,826</u>	<u>\$ 157,959</u>	<u>\$ 13,573</u>	<u>\$20,933,212</u>
Business-Type Activities:				
Land	91,433	-0-	-0-	91,433
Building	76,714	-0-	-0-	76,714
Water purification plant	2,905,498	1,113,499	-0-	4,018,997
Sewerage treatment plant	8,552,207	132,986	-0-	8,685,193
Water and sewerage lines	6,741,243	369,883	-0-	7,111,126
Equipment	<u>1,575,522</u>	<u>24,469</u>	<u>5,092</u>	<u>1,594,899</u>
Totals	<u>19,942,617</u>	<u>1,640,837</u>	<u>5,092</u>	<u>21,578,362</u>
Less accumulated depreciation	<u>7,852,627</u>	<u>347,442</u>	<u>254</u>	<u>8,199,815</u>
Capital assets, net	<u>\$12,089,990</u>	<u>\$ 1,293,395</u>	<u>\$ 4,838</u>	<u>\$13,378,547</u>

CITY OF WESTWEGO, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2009

(3) CAPITAL ASSETS - continued

Depreciation was charged to governmental functions as follows:

General government	\$ 249,276
Public safety	664,497
Public works	171,693
Sanitation	-0-
Health	23,880
Recreation	<u>31,912</u>
	<u>\$1,141,258</u>

Estimated lives used for depreciation purposes are as follows:

Buildings	50 years
Land improvements	50 years
Water plant	50-100 years
Sewerage plant	50-100 years
Machinery and equipment	5-10 years

(4) RETIREMENT PLANS

Prior to 1975, Louisiana Revised Statutes 33:2220 provided for the establishment of a police pension and relief fund for the Police Department of municipalities having more than 7,500 inhabitants. Since the City met that level of inhabitants, it adopted Ordinance 734 on December 13, 1971, establishing "The City of Westwego Police Pension and Relief Fund".

In 1975, the Louisiana legislature set up a statewide municipal police retirement system giving police employees the option of that plan or the City's. On September 15, 1983 the City's plan was merged with the state pension plan which is currently known as the Municipal Police Employees' Retirement System of Louisiana. Since then, the City of Westwego Police Pension and Relief Fund has been used to account for the accumulation of resources for the payment of (1) the actuarially determined liability at the time of the merger, and (2) any liability arising due to differences between the two plans. At the time of the merger, the actuarially determined liability was \$348,317 and this amount was being paid to the Municipal Police Employees' Retirement System in quarterly installments of \$7,827, including interest at 7% per annum. During 1988 a lump-sum payment was made to the State Retirement System in full payment of the balance due. Additional liability for pensions to be paid from The City of Westwego Police Pension and Relief Fund would arise if any of the 4 employees who were merged into the state system on September 15, 1983 qualified for and elected to retire at an age younger than the minimum set by the state plan (50 years old). As of December 31, 2002, all liabilities had been paid and the fiduciary fund was eliminated.

CITY OF WESTWEGO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2009

(4) RETIREMENT PLANS - continued

All other full-time City employees participate in the Municipal Employees' Retirement System, State of Louisiana, or beginning July 1, 2006, the Firefighters' Retirement System, State of Louisiana.

The Municipal Police Employees' Retirement System of Louisiana, the Municipal Employees' Retirement System, State of Louisiana and the Firefighters' Retirement System of Louisiana are cost-sharing multiple employer public employees retirement systems. In addition to normal retirement benefits, the plans also provide for death and disability benefits. Benefits are established by State statutes.

Any member of the Municipal Police Employees' Retirement System is eligible for normal retirement after he has been a member of the System for one year, if he has 25 years of creditable service at any age, or has 20 years of creditable service and is age 50, or has 12 years of creditable service and is age 55. Benefit rates are 3 1/3 percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100%. Membership in the Municipal Police Employees' Retirement System is mandatory for all full-time police officers employed by the City.

Participants in the Municipal Employees' Retirement System who attain 25 or more years of creditable service can retire at any age, or at age 60 with ten years of service. Generally, the monthly retirement benefit is equal to 3 percent of the participants' final compensation multiplied by his/her years of creditable service not to exceed 100%. Final compensation is the average monthly earnings during the highest 36 months or joined months if service was interrupted. Membership in the Municipal Employees' Retirement System is mandatory for permanent employees who work at least 35 hours per week and do not participate in another public funded retirement system.

Any member of the Firefighters' Retirement System is eligible for normal retirement if he has 25 years of creditable service at any age, or has 20 years of creditable service and is age 50, or has 12 years of creditable service and is age 55. Benefit rates are 3 1/3 percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100%. Membership in the Firefighters' Retirement System is mandatory for fulltime firefighters who are employed by the City and who earn more than \$375 a month.

CITY OF WESTWEGO, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2009

(4) RETIREMENT PLANS - continued

The City's total payroll for all employees for the year ended December 31, 2009 was \$4,739,714. The payrolls of employees covered by the pension plans, number of employees covered, contribution rates, and the actuarially determined contributions required for the three plans for the year ended December 31, 2009 were as follows:

	<u>Municipal Police Employees' Retirement System</u>	<u>Municipal Employees' Retirement System</u>	<u>Firefighters' Retirement System</u>
Payroll of employees covered by the plan	\$1,809,573	\$1,562,965	\$ 431,332
Number of employees covered by the plan	41	47	11
Contribution rates:			
Employee	7.50%	9.25%	8.00%
Employer (City)	9.5%-11.00%	13.50%	12.50-14.00%
Contributions required:			
Employee	\$ 135,718	\$ 142,212	\$ 34,507
Employer (City)	\$ 185,617	\$ 210,999	\$ 57,062

The City's total pension contribution of \$453,678 for the year ended December 31, 2009 is recorded as an expenditure or expense in the following funds: General Fund, \$398,455, Enterprise Funds, \$55,223. The City has no further liability for pension contributions after it has made the required contributions which are based upon a percent of salaries paid to covered employees. The City's 2009 contribution represented approximately .7%, 1.0%, and .3% respectively, of total contributions required of all employers participating in the Municipal Police Employees' Retirement System, the Municipal Employees' Retirement System, and the Firefighters' Retirement System.

CITY OF WESTWEGO, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2009

(4) RETIREMENT PLANS - continued

The Municipal Police Employees' Retirement System, the Municipal Employees' Retirement System and the Firefighters' Retirement System do not make separate measurement of assets and pension benefit obligations for individual employers. The pension benefit obligation and net assets available for benefits, valued at cost or amortized cost, for each of the three Systems as a whole, determined through actuarial valuation as of June 30, 2009, follows:

	<u>Municipal Police Employees' Retirement System</u>	<u>Municipal Employees' Retirement System</u>	<u>Firefighters' Retirement System</u>
Pension benefit obligation	<u>\$1,988,394,358</u>	<u>\$745,526,637</u>	<u>\$1,410,559,615</u>
Net assets available for benefits	<u>\$1,297,128,398</u>	<u>\$568,167,813</u>	<u>\$ 865,547,030</u>

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employees' retirement systems and employers.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 2009 annual financial reports.

CITY OF WESTWEGO, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2009

(5) PROPERTY TAXES

The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Jefferson Parish.

The tax bills are mailed to the taxpayers in November and become an enforceable lien on the property at that time. Billed taxes become delinquent on December 31. Interest at the rate of 12% per annum is added to the uncollected balance from January 1 to the date of collection.

The number of mills levied in 2009 and the purposes for which levied are shown below:

	<u>Number of mills</u> <u>2009</u>	<u>Collection</u> <u>year in</u> <u>which</u> <u>dedicated</u> <u>tax expires</u>
General corporate purposes	3.55	
Dedicated to:		
Street lighting	2.56	2011
Park maintenance and lighting	2.56	2011
Fire protection and maintenance	4.28	2011
Police Department maintenance and operations	4.28	2011
Emergency medical service maintenance and operations	7.00	2019
Total	<u>24.23</u>	

For the year 2009, all property tax revenues were accounted for in the General Fund.

(6) LITIGATION AND CLAIMS

The City is a defendant in several lawsuits claiming damages of various amounts. In the estimation of the legal advisor of the City, the ultimate resolution of these suits would not materially affect the financial statements.

Claims and litigation costs of \$148,746, determined in accordance with FASB Statement 5, were incurred during the current year, all of which have been recorded as a current expenditure in the General Fund.

CITY OF WESTWEGO, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2009

(7) SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains two Enterprise Funds which provide water and sewerage services. Segment information for the year ended December 31, 2009 follows:

	Waterworks Fund	Sewerage Fund	Total Enterprise Funds
Operating revenues	\$ 712,169	\$ 818,032	\$ 1,530,201
Operating expenses			
Depreciation	92,864	254,578	347,442
Other expenses	<u>1,115,896</u>	<u>895,332</u>	<u>2,011,228</u>
Total operating expenses	1,208,760	1,149,910	2,358,670
Operating loss	(496,591)	(331,878)	(828,469)
Nonoperating revenues			
(expense)	1,771	(42,713)	(40,942)
Net loss	(494,820)	(374,591)	(869,411)
Transfers	480,284	378,826	859,110
Change in net assets	(14,536)	4,235	(10,301)
Beginning net assets	2,252,241	8,001,600	10,253,841
Ending net assets	2,237,705	8,005,835	10,243,540

(8) DESIGNATED FUND BALANCE

As of December 31, 2009, the General fund balance was designated for the following:

Receivable from the	
Waterworks Enterprise Fund	\$ 1,474,826
Other Projects	<u>1,098,647</u>
	\$ <u>2,573,473</u>

(9) INTERFUND RECEIVABLE AND PAYABLE BALANCES

The individual fund interfund receivable and payable balances as of December 31, 2009 are as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 1,281,911	\$ -0-
Enterprise Funds:		
Waterworks	-0-	1,484,958
Sewerage	<u>203,047</u>	<u>-0-</u>
	\$ <u>1,484,958</u>	\$ <u>1,484,958</u>

These balances were created for purposes of cash flows. Balances not expected to be repaid within one year are designated as outlined in Note (8).

CITY OF WESTWEGO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2009

(10) RELATED PARTY TRANSACTIONS

The land on which one of the fire stations of the Westwego Volunteer Fire Company is located is leased by the City to the Volunteer Fire Company for a period of ninety-nine years beginning September 13, 1954 at a rental of \$1.00 per year. The City also provides the Volunteer Fire Company the free use of several fire trucks and other vehicles and pays for certain expenditures of the Volunteer Fire Company. During 2009, the City incurred approximately \$1,075,000 of expenditures for salaries and related benefits, insurance, auto and truck expense, capital expenditures, and maintenance and operation of the Volunteer Fire Company.

(11) COMPENSATED ABSENCES

Employees of the City of Westwego earn vacation leave at the rate of 5 to 15 days per year depending upon the length of service. An employee may accumulate up to twenty days vacation leave which can be carried over to successive years.

Employees of the City of Westwego earn sick leave at the rate of 5 to 20 days per year depending on the length of service. An employee may accumulate up to twenty-five days sick leave and may carry over sick leave into succeeding service years.

Sick leave benefits available to Police and Fire Department employees are in accordance with governing state statutes.

(12) NON-CURRENT LIABILITIES - LOANS PAYABLE

During 2005, the City entered into a long-term agreement with the Federal Emergency Management Agency under the Community Disaster Loan Act of 2005 as a result of the major disaster declaration of August 29, 2005 for Hurricane Katrina. The City received \$1,827,676 during the year ended December 31, 2006. The loan is for a term of five years, which may be extended, at an interest rate of 2.68%. Simple interest accrues from the date of each disbursement. Payments of principal and interest are deferred until the end of the five year period. The liability is reflected on the Statement of Net Assets as Non-Current Liabilities: Loans payable.

CITY OF WESTWEGO
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2009

(12) NON-CURRENT LIABILITIES - LOANS PAYABLE continued

In December 2007, the City entered into a loan agreement with the Louisiana Department of Environmental Quality "DEQ" for a loan from the Municipal Facilities Revolving Loan Fund ("State Revolving Fund"). The purpose of this loan is to finance a portion of the cost of construction, acquisition, and improvements to the wastewater collection, treatment, and disposal system for the City. The City was authorized to incur debt by the issuance of Sewer Revenue Bonds, series 2007 in an amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) which are issued under the authority of Sections 2078 through 2088, inclusive of Title 30 of the LRS of 1950 and other constitutional and statutory authority. These bonds are to be purchased by "DEQ" using available moneys in the State Revolving Fund. Payment began in 2008 and the last payment will be December 1, 2029. The bonds bear interest at a rate of 2.45% per annum, plus a 0.50% annual administration fee.

As of December 31, 2009, the City has drawn down \$2,022,453 and that liability is reflected on the Statement of Net Assets as current portion of loan payable - \$75,000 and Non-Current Liabilities: - loans payable \$1,947,453.

(13) LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations transactions for the year ended December 31, 2009:

	Balance 1-01-09	Additions (Reductions)	Balance 12/31/09	Due within one year
Community Disaster Loan	\$1,827,676	\$ -0-	\$1,827,676	\$ -0-
State Revolving Fund	1,524,512	497,941	2,022,453	75,000
Compensated absences	46,153	9,602	55,755	-0-
Other post-employment Benefits	-0-	266,396	266,396	-0-
Total	<u>\$3,398,341</u>	<u>\$ 773,939</u>	<u>\$4,172,280</u>	<u>\$ 75,000</u>

CITY OF WESTWEGO
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2009

(13) LONG-TERM OBLIGATIONS - continued

The annual requirements to maturity for the State Revolving Loan as of December 31, 2009 are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest & Fees</u>
2010	\$ 75,000	\$ 59,662
2011	80,000	57,450
2012	80,000	55,090
2013	85,000	52,730
2014	85,000	50,222
2015-2029	1,617,453	404,203
	<u>\$2,022,453</u>	<u>\$ 679,357</u>

(14) HEALTH CARE AND LIFE INSURANCE BENEFITS

In accordance with the Employee Handbook, the City of Westwego provides certain health care and life insurance benefits for its active and retired employees. The City recognizes the cost of providing these benefits (the City's portion of premiums) as an expenditure when the monthly premiums are due. Retirees are eligible for these benefits if they retire from the City of Westwego with at least ten years of service. The City pays more than 50% of the retiree's premium for these benefits.

(15) CONTINGENT LIABILITY

During the year 2008, The City of Westwego acquired land for the purpose of developing a park for the physically challenged. The cost of the land was \$2,505,597 and this amount was reflected on the Statement of Net Assets as "Capital Assets, Net" and on The Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Fund as "Capital Outlay". The funding for this expenditure was provided by a Federal Grant in the amount of \$1,250,000 (reflected in the Statement of Activity as "Capital Grants and Contribution - Recreation") and a contribution in the amount of \$1,225,597 (reflected in the Statement of Activities as "Governmental Activities - Miscellaneous"). In order to receive the contribution, the City of Westwego agreed to allow the contributor the option of reacquiring the land if the contribution is not repaid by October 31, 2010. If the contributor elects to reacquire the land, the contributor will be responsible for releasing the City from any obligations related to the land including any obligations related to the Federal Grant.

CITY OF WESTWEGO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2009

(16) OTHER POST-EMPLOYMENT BENEFITS

Plan Description. The City of Westwego's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement providing they have at least ten years of service with the City of Westwego at retirement.

The employees are covered by one of three retirement systems: first, the Municipal Employees' Retirement System 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 Municipal Police Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service; and, third, the Firefighters' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service. Complete plan provisions are included in the official plan documents.

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

Fund Policy. Until 2009, the City of Westwego recognized the cost of providing post-employment medical benefits (the City of Westwego's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and, thus, financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2009, the City of Westwego's portion of health care funding cost for retired employees totaled \$170,954.

Effective with the Fiscal Year beginning January 1, 2009, the City of Westwego implemented Governmental Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45).

CITY OF WESTWEGO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2009

(16) OTHER POST-EMPLOYMENT BENEFITS-continued

Annual Required Contribution. The City of Westwego's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning January 1, 2009 is \$437,350, as set forth below:

	<u>Medical</u>
Normal Cost	\$151,681
30-year UAL amortization amount	<u>285,669</u>
Annual required contribution (ARC)	<u>\$437,350</u>

Net Post-employment Benefit Obligation (Asset). The table below shows the City of Westwego's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending December 31, 2009:

	<u>Medical</u>
Beginning Net OPEB Obligation (Asset) 1/1/2009	\$ 0
Annual required contribution	437,350
Interest on Net OPEB Obligation (Asset)	0
ARC Adjustment	<u>0</u>
OPEB Cost Contribution	437,350
Current year retiree premium	<u>(170,954)</u>
Change in Net OPEB Obligation	<u>266,396</u>
Ending Net OPEB Obligation (Asset) 12/31/2009	<u>\$266,396</u>

CITY OF WESTWEGO
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2009

(16) OTHER POST-EMPLOYMENT BENEFITS-continued

The following table shows the City of Westwego's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical	December 31, 2009	\$437,350	39.09%	\$266,396

Funded Status and Funding Progress. In the fiscal year ending December 31, 2009, the City of Westwego made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of January 1, 2009, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$4,939,687, which is defined as that portion, as determined by a particular actuarial cost method (the City of Westwego uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2009, the entire actuarial accrued liability of \$4,939,687 was unfunded.

	<u>Medical</u>
Actuarial Accrued Liability (AAL)	\$ 4,939,687
Actuarial Value of Plan Assets	0
Unfunded Act. Accrued Liability (UAAL)	<u>4,939,687</u>
Funded Ratio (Act. Val. Assets/AAL)	0%
Covered Payroll (active plan members)	\$ 4,714,327
UAAL as a percentage of covered payroll	104.78%

CITY OF WESTWEGO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2009

(16) OTHER POST-EMPLOYMENT BENEFITS-continued

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

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

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

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

CITY OF WESTWEGO
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2009

(16) OTHER POST-EMPLOYMENT BENEFITS-continued

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 12%. The rates for each age are below:

Age	Percent Turnover
18 - 25	20.0%
26 - 40	15.0%
41 - 54	10.0%
55+	8.0%

Post-employment Benefit Plan Eligibility Requirements. Based on past experience and retirement patterns, it has been assumed that entitlement to employer-paid retiree medical benefits will commence five years after D.R.O.P. entry, three years in D.R.O.P., and two additional years. Medical benefits are provided to employees upon actual retirement. The employees are covered by one of three retirement systems: first, the Municipal Employees' Retirement System 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 Municipal Police Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service; and, third, the Firefighters' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service. Entitlement to benefits continue through Medicare to death.

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

CITY OF WESTWEGO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2009

(16) OTHER POST-EMPLOYMENT BENEFITS-continued

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Care Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2009 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

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

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the retiree portion of the coverage (not dependents) for employees retiring with at least 10 years of service with the City of Westwego. The rates provided for coverage prior to age 65 are blended. Since unblended rates are required by GASB 45, we have estimated the unblended pre-age 65 rates to be 130% of the blended rates.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WESTWEGO, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$ 3,619,345	\$ 3,415,185	\$ 3,395,757	\$ (19,428)
Licenses and permits	703,287	668,747	675,486	6,739
Intergovernmental	4,381,350	4,133,500	4,064,632	(68,868)
Charges for services	373,049	367,891	367,735	(156)
Fines	1,251,760	1,464,017	1,495,115	31,098
Miscellaneous	370,444	573,419	573,686	267
Total revenues	10,699,235	10,622,759	10,572,411	(50,348)
Expenditures:				
General government	4,101,705	3,829,475	3,763,189	66,286
Public safety	4,257,832	4,369,510	4,385,327	(15,817)
Public works	312,049	312,463	300,772	11,691
Sanitation	559,897	625,501	622,226	3,275
Health	274,987	260,732	260,739	(7)
Recreation	187,249	196,451	196,222	229
Capital outlay	1,125,000	1,412,602	1,299,217	113,385
Total expenditures	10,818,719	11,006,734	10,827,692	179,042
Other financing uses:				
Transfers to				
Proprietary Funds	971,663	859,110	859,110	-0-
Debt service interest	48,848	48,983	48,982	1
Total other financing uses	1,020,511	908,093	908,092	1
Total expenditures and other financing uses	11,839,230	11,914,827	11,735,784	179,043
Deficiency of revenues over expenditures and other financing uses	(1,139,995)	(1,292,068)	(1,163,373)	128,695
Fund balance at beginning of year	3,816,662	4,254,426	4,254,426	-0-
Fund balance at end of year	\$ 2,676,667	\$ 2,962,358	\$ 3,091,053	\$ 128,695

CITY OF WESTWEGO, LOUISIANA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
Year Ended December 31, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<u>General Government</u>				
Personal services:				
City Council	\$ 75,702	\$ 76,457	\$ 76,801	\$ (344)
Accounting and auditing	97,343	94,902	105,957	(11,055)
City administrator	62,000	62,619	62,901	(282)
City superintendent	89,485	95,338	97,618	(2,280)
Legal	85,517	50,000	45,775	4,225
Magistrate	9,000	9,000	9,035	(35)
Field Supervisor	43,009	50,813	53,221	(2,408)
Office	338,606	357,763	361,639	(3,876)
Tourism	14,295	12,778	12,788	(10)
Museum	22,951	27,626	27,769	(143)
	<hr/>			
Total	837,908	837,296	853,504	(16,208)
<hr/>				
Other:				
Advertising	13,849	3,534	3,410	124
Automobile expense	84,305	71,957	71,066	891
Bad debts	21,810	25,200	28,181	(2,981)
Casualty insurance	1,116,462	1,027,235	994,762	32,473
Contribution to employees' pension plan	149,291	155,611	155,777	(166)
Hospitalization insurance for employees	659,093	617,196	627,802	(10,606)
Office supplies, expense and postage	124,738	108,379	113,772	(5,393)
Other	301,395	209,546	209,648	(102)
Tenure awards	17,375	14,875	14,750	125
Lawsuit - settlement and legal fees	50,000	83,131	102,971	(19,840)
Farmers and fisheries market	-0-	103,001	110,645	(7,644)
Sala Avenue project	101,379	40,016	28,711	11,305
Performing Arts Center operations	624,100	532,498	448,190	84,308
	<hr/>			
Total	3,263,797	2,992,179	2,909,685	82,494
<hr/>				
Total general government	4,101,705	3,829,475	3,763,189	66,286

CITY OF WESTWEGO, LOUISIANA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) - CONTINUED
Year Ended December 31, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<u>Public Safety</u>				
Personal services:				
Air condition and heating inspector	\$ 4,800	\$ 6,600	\$ 6,600	\$ -0-
Arson investigator	4,800	4,800	4,800	-0-
Building inspector	16,800	14,600	14,600	-0-
Electrical inspector	4,800	4,800	4,800	-0-
Fire chief	9,600	9,600	9,600	-0-
Firemen	474,027	500,795	528,277	(27,482)
Fire Dept. training officer	1,800	1,800	1,800	-0-
Plumbing inspector	9,600	9,600	9,600	-0-
Police chief's salary and expense	62,750	65,636	66,480	(844)
Policemen	2,014,186	2,027,473	2,050,353	(22,880)
Emergency medical technicians	360,484	405,515	409,150	(3,635)
Code enforcer	38,967	58,027	62,969	(4,942)
Civil service secretary	6,670	6,600	6,625	(25)
	<u>3,009,284</u>	<u>3,115,846</u>	<u>3,175,654</u>	<u>(59,808)</u>
Other:				
Auto and truck expenses, Fire Department	87,635	86,585	64,061	22,524
Auto expenses, Police Department	226,697	168,162	176,703	(8,541)
Fire Department maintenance and operation	142,123	163,247	152,098	11,149
Police Department maintenance and operation	295,188	352,918	343,380	9,538
Firefighters pension contributions	54,183	56,886	57,061	(175)
Police pension contributions	172,980	185,197	185,617	(420)
Police witness fees	2,460	1,440	1,350	90
Signs	13,228	2,777	2,881	(104)
Street and flood light electricity	126,348	103,404	97,658	5,746
Emergency medical service expense	67,452	71,353	68,208	3,145
Fire insurance rebate	46,832	47,870	47,870	-0-
Code enforcement	13,422	13,825	12,786	1,039
	<u>1,248,548</u>	<u>1,253,664</u>	<u>1,209,673</u>	<u>43,991</u>
Total public safety	<u>4,257,832</u>	<u>4,369,510</u>	<u>4,385,327</u>	<u>(15,817)</u>

CITY OF WESTWEGO, LOUISIANA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) - CONTINUED
Year Ended December 31, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive(Negative)
<u>Public Works</u>				
Personal Services:				
Maintenance shop	\$ 35,574	\$ 8,429	\$ 8,197	\$ 232
Labor crews	183,709	211,216	199,894	11,322
Total	219,283	219,645	208,091	11,554
Other:				
Auto, truck, and equipment expenses	14,614	29,204	31,284	(2,080)
Materials, supplies, and pipe	18,359	7,342	6,024	1,318
Miscellaneous maintenance	59,793	56,272	55,373	899
Total	92,766	92,818	92,681	137
Total public works	312,049	312,463	300,772	11,691
<u>Sanitation</u>				
Personal Services:				
Garbage and trash crews	12,000	-0-	-0-	-0-
Other:				
Solid waste disposal expenses	547,897	625,501	622,226	3,275
Total sanitation	559,897	625,501	622,226	3,275
<u>Health</u>				
Personal Services:				
Social services	73,893	83,361	84,412	(1,051)
Other:				
Social services	139,851	103,376	103,732	(356)
Other	61,243	73,995	72,595	1,400
Total	201,094	177,371	176,327	1,044
Total health	274,987	260,732	260,739	(7)

CITY OF WESTWEGO, LOUISIANA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) - CONTINUED
Year Ended December 31, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Recreation</u>				
Personal Services:				
Playground director	\$ 27,841	\$ 23,958	\$ 23,967	\$ (9)
Playground assistant directors	12,660	12,000	12,000	-0-
Playground upkeep	39,259	35,075	35,735	(660)
Total	79,760	71,033	71,702	(669)
Other:				
Park maintenance and lighting	83,355	80,922	81,701	(779)
Playground sports equipment	24,134	44,496	42,819	1,677
Total	107,489	125,418	124,520	898
Total recreation	187,249	196,451	196,222	229
Capital outlays	1,125,000	1,412,602	1,299,217	113,385
Total expenditures	10,818,719	11,006,734	10,827,692	179,042
<u>Other financing uses</u>				
Transfers to				
Proprietary Funds	971,663	859,110	859,110	-0-
Debt service interest	48,848	48,983	48,982	1
Total other financing uses	1,020,511	908,093	908,092	1
Total expenditures and other financing uses	\$11,839,230	\$11,914,827	\$11,735,784	\$ 179,043

OTHER SUPPLEMENTARY INFORMATION

CITY OF WESTWEGO, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO MEMBERS
OF THE CITY COUNCIL
Year Ended December 31, 2009

<u>Councilmember</u>	<u>Salary</u>
Mildred G. Adams	\$ 7,020
Glenn Green	8,158
Ted J. Munch	15,634
Lisa H. Valence	7,020
Ivy Rogers	8,158
Melvin J. Guidry	15,178
Larry J. Warino, Sr.	<u>15,633</u>
	\$ <u>76,801</u>

Camnetar & Co., CPAs

a professional accounting corporation

2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053

504.362.2544 (Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA

E. Faye Harris, CPA, MST

Orfelinda G. Richard, CPA

Members: American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants

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 Members of the City Council
City of Westwego, Louisiana

We have audited the basic financial statements of the City of Westwego, Louisiana (the City) as of and for the year ended December 31, 2009, and have issued our report thereon dated June 25, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Camnetar & Co., CPAs

a professional accounting corporation

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the Council, City Management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under the Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

June 25, 2010

Camnetar & Co., CPAs

a professional accounting corporation

2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053

504.362.2544 (Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA
E. Faye Harris, CPA, MST
Orfelinda G. Richard, CPA

Members: American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

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

Honorable Mayor and Members of the City Council
City of Westwego, Louisiana

Compliance

We have audited the compliance of the City of Westwego, Louisiana (the City) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Westwego, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Camnetar & Co., CPAs

a professional accounting corporation

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control.

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

This report is intended solely for the information and use of the Council, City Management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under the Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana
June 25, 2010

CITY OF WESTWEGO, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended December 31, 2009

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
Passed through Louisiana Commission on Law Enforcement:			
Victim Assistance Program	16.320	C07-7-022	\$ 3,649
Victim Assistance Program	16.575	C08-7-022	1,150
Criminal Patrols	16.579	B07-7-005	10,499
Criminal Patrols	16.738	B08-7-005	6,444
Criminal Patrols	16.803	B82-8-065	25,847
Multi Jurisdictional Task Force	16.738	B08-7-001	5,689
Multi Jurisdictional Task Force	16.738	B09-7-005	6,875
			<u>60,153</u>
Passed through Louisiana Highway Safety Commission:			
Police Traffic Services	20.607	T/AL2010-27-00	<u>1,105</u>
Environmental Protection Agency Passed through Louisiana Department of Environmental Quality "DEQ": Municipal Facilities Revolving Loan Fund ("State Revolving Fund")			
	66.458	CS 221070-01	<u>497,941</u>
Total expenditures of federal awards			<u>\$ 559,199</u>

CITY OF WESTWEGO, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2009

NOTE A - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended December 31, 2009. Federal financial assistance received during the year did meet the criteria set forth in the Single Audit Act and OMB Circular A-133. Grant terms are indicated in the Schedule of Expenditures of Federal Awards.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City has met the qualifications for the respective grants. Costs incurred in programs partially funded by federal grants are applied against federal grant funds to the extent of revenue available when they properly apply to the grant.

**CITY OF WESTWEGO, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

We have audited the general purpose financial statements of the City of Westwego, Louisiana as of and for the year ended December 31, 2009, and have issued our report thereon dated June 25, 2010. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of OMB Circular A133. Our audit of the financial statements as of December 31, 2009 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements.

Internal Control
 Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance
 Compliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control
 Material Weaknesses Yes No Significant Deficiencies Yes No

Type of Opinion On Compliance Unqualified Qualified
 For Major Programs Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?
 Yes No

c. Identification of Major Programs: LA "DEQ" Municipal Facilities Revolving Loan Fund

Dollar threshold used to distinguish between Type A and Type B Programs: \$300,000

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? Yes No

Section II Financial Statement Findings

A – Issues of Noncompliance
 NONE

B – Significant Deficiencies
 NONE

Section III Federal Award Findings and Questioned Costs
 NONE