

**CITY OF MONROE SCHOOL BOARD  
MONROE, LOUISIANA**

**Financial Report  
As of and for the Year Ended June 30, 2020**



**CRI** CARR  
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## **Independent Auditors' Report**

Board Members  
City of Monroe School Board  
Monroe, Louisiana

## **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Monroe School Board (the "School Board") as of and for the year ended June 30, 2020, and related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

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

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

## **Auditors' Responsibility**

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Monroe School Board, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

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

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

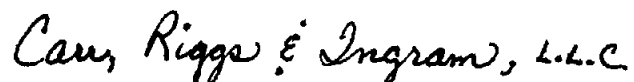
#### ***Other Supplementary Information***

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

The combining and individual nonmajor fund financial statements, the schedule of compensation paid to board members, schedule of compensation, benefits, and other payments to agency head and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2021, on our consideration of the City of Monroe School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Monroe School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Monroe School Board's internal control over financial reporting and compliance.



**CARR, RIGGS & INGRAM, LLC**  
Shreveport, Louisiana

January 4, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**City of Monroe School Board**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2020**

We offer readers of the City of Monroe School Board's (the "School Board") financial statements this narrative overview and analysis of the financial activities of the City of Monroe School Board for the fiscal year ended June 30, 2020. It is designed to assist the reader in focusing on significant financial issues and identifying changes in the School Board's financial position.

**Financial Highlights**

Government-wide financial highlights for the 2019-20 fiscal year include the following:

- Statement of Net Position – The liabilities of the School Board exceeded its assets at the close of the most recent fiscal year by \$233 million (net deficit).
- Capital Assets – Total capital assets (net of depreciation) were \$99.4 million or 61% of the total assets. The School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.
- Long-Term Obligations – The School Board's total obligations increased by approximately \$54.5 million.
- Statement of Activities – The total net deficit of the City of Monroe School Board increased by approximately \$11.1 million for the year ended June 30, 2020.

The School Board ended the 2019-2020 fiscal year with a fund balance in the General Fund of approximately \$19.5 million.

- Governmental Funds Balance Sheet – As of the close of the 2019-2020 fiscal year, the City of Monroe School Board's governmental funds reported combined ending fund balance of \$49.5 million, a decrease of approximately \$5.8 million in comparison with the prior fiscal year. This fund balance is comprised of approximately (1) \$19.5 million in General Fund, (2) \$7.9 million in the debt service funds, and (3) \$22.1 million in the remaining special revenue and capital projects funds.
- Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Total revenues for the year ended June 30, 2020 for the governmental funds of the City of Monroe School Board amounted to \$110.1 million. Approximately 98% of this amount is received from four major revenue sources: (1) \$47.1 million from Minimum Foundation Program, (2) \$14.7 million from local ad valorem taxes, (3) \$27.9 million from local sales and use taxes, and (4) \$18.5 million from federal grant awards.

**City of Monroe School Board**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2020**

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School Board's basic financial statements. The City of Monroe School Board's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

- The Statement of Net Position presents information on all of the School Board's assets, deferred outflows, liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Monroe School Board is improving or deteriorating.
- The Statement of Activities presents information showing how the School Board's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

- *Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the City of Monroe School Board near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City of Monroe School Board's near-term financing decision. Both the governmental funds balance sheet and the

**City of Monroe School Board**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2020**

governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Monroe School Board maintains eighteen governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Title 1, 2001 Sales Tax, and GO Bonds 2016 Capital Projects Fund, all of which are considered to be major funds. Data for the other fourteen governmental fund groups are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Monroe School Board adopts an annual appropriated budget for its General Fund and all Special Revenue Funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the City of Monroe School Board. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Monroe School Board's own programs. The School Board maintains one fiduciary fund named the School Activity Fund.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School Board's compliance with budgets for its major funds. The combining statements for non-major governmental funds are presented immediately following the required supplementary information.

### **Financial Analysis of Government-wide Activities**

The largest portion of the City of Monroe School Board's total assets, totaling approximately \$99.4 million, which is net of accumulated depreciation of \$70.1 million, reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. Debt outstanding related to the investment in capital assets is approximately \$69.3 million. The School Board uses these capital assets to provide educational services to children and adults; consequently, these assets are not available for future spending. Although the City of Monroe School Board's investment in its capital assets net position is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Monroe School Board**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2020**

The following analysis focuses on the net position of the School Board's governmental-wide activities:

<i>June 30,</i>	2020	2019	Dollar Change	Percentage Change
Current and other assets	\$ 63,882,077	\$ 66,438,711	\$ (2,556,634)	(3.8)
Capital assets, net	99,351,670	94,306,832	5,044,838	5.3
<b>Total assets</b>	<b>163,233,747</b>	<b>160,745,543</b>	<b>2,488,204</b>	<b>1.5</b>
Deferred outflows of resources	74,052,623	34,532,385	39,520,238	114.4
Current and other liabilities	20,378,236	11,745,652	8,632,584	73.5
Long-term liabilities	419,297,073	369,622,549	49,674,524	13.4
<b>Total liabilities</b>	<b>439,675,309</b>	<b>381,368,201</b>	<b>58,307,108</b>	<b>15.3</b>
Deferred inflows of resources	30,661,085	35,908,987	(5,247,902)	(14.6)
<b>Net position</b>				
Net invested in capital assets	30,102,456	31,343,344	(1,240,888)	(4.0)
Restricted	27,780,424	34,471,009	(6,690,585)	(19.4)
Unrestricted	(290,932,904)	(287,813,613)	(3,119,291)	(1.1)
<b>Total net position (deficit)</b>	<b>\$ (233,050,024)</b>	<b>\$ (221,999,260)</b>	<b>\$ (11,050,764)</b>	<b>(5.0)</b>

Restricted net position of \$27.8 million is reported separately to show the legal constraints for the payment of outstanding long-term debt obligations and future construction projects and to limit the School Board from using these funds for day-to-day operations. Debt Service Funds account for \$7.9 million of the total, \$6.9 million is restricted for salaries and benefits, \$6.4 million is restricted for instructional and maintenance costs and capital projects accounts for \$5.1 million. The remaining balance is monies restricted for salaries and benefits, and instructional and maintenance costs.

**City of Monroe School Board**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2020**

The following analysis focuses on the change in net position of the School Board's governmental activities:

<i>For the years ended June 30,</i>	2020	2019	Dollar Change	Percentage Change
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 112,965	\$ 84,705	\$ 28,260	33.4
Operating and capital grants and contributions	18,661,912	18,738,638	(76,726)	(0.4)
General revenues				
Ad valorem taxes	14,641,242	14,725,264	(84,022)	(0.6)
Sales taxes	27,898,691	28,512,416	(613,725)	(2.2)
Minimum foundation program	47,115,095	44,054,357	3,060,738	6.9
Interest on investments	537,583	577,168	(39,585)	(6.9)
Other general revenues	1,702,359	1,590,397	111,962	7.0
<b>Total revenues</b>	<b>110,669,847</b>	<b>108,282,945</b>	<b>2,386,902</b>	<b>2.2</b>
<b>Expenses</b>				
Instruction	66,716,834	60,356,553	6,360,281	10.5
Support services				
Pupil support services	7,612,292	6,191,475	1,420,817	22.9
Instructional staff support	6,293,181	5,743,149	550,032	9.6
General administration	2,732,877	2,411,176	321,701	13.3
School administration	6,126,926	5,350,662	776,264	14.5
Business services	1,510,637	1,326,099	184,538	13.9
Plant services	12,406,491	11,257,062	1,149,429	10.2
Student transportation services	4,506,835	4,144,035	362,800	8.8
Central services	4,805,064	4,215,642	589,422	14.0
School food services	7,081,044	6,549,693	531,351	8.1
Facility acquisition and construction	-	-	-	-
Debt service - interest on long-term obligations	1,928,430	2,047,321	(118,891)	(5.8)
<b>Total expenses</b>	<b>121,720,611</b>	<b>109,592,867</b>	<b>12,127,744</b>	<b>11.1</b>
<b>Increase (Decrease) in net position (deficit)</b>	<b>\$ (11,050,764)</b>	<b>\$ (1,309,922)</b>	<b>\$ (9,740,842)</b>	<b>(743.6)</b>

### Governmental Activities

Expenses are classified by functions/programs. Instructional services for fiscal year 2020 totaled \$66,716,834, compared to a total of \$60,356,553 for 2019. The remaining functions are considered support services and relate to those functions that support the instructional services provided, such as pupil support, instructional staff support, administration, transportation, and plant services. Support services for fiscal 2020 totaled \$45,994,303 compared to \$40,639,300 for 2019.

**City of Monroe School Board**  
**Management's Discussion and Analysis (Unaudited)**  
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The remaining expenditures of \$9,009,474 consist of \$7,081,044 for food and service operations and \$1,928,430 for interest expense on long-term obligations.

The related program revenues for fiscal year 2020 directly related to these expenses were operating and capital grants and contributions in the amount of \$18,546,195 and \$112,965 in charges for such services. The balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- **Minimum Foundation Program (MFP)** – MFP is the funding formula for the 69 school districts in the state of Louisiana. The School Board was allocated \$47,227,212 in MFP funds in FY20; with \$112,117 allocated to the district's Local Type 2 Charter for other LEA's as an equivalent to the local representation of the School Board. The net amount received by the School Board was \$47,115,095, which is 42.7% of the total revenues received by the School Board.
- **Sales Tax revenues** – Sales tax revenues are the second largest source of revenue for the School Board, generating \$27,898,691 in revenue, or 25.2% of total revenue.
- **Ad Valorem tax revenues** – Ad valorem, or property tax revenues, the third largest source of revenues, accounts for \$14,641,242 in revenue, or 13.2% of total revenues.

**Financial Analysis of Governmental Funds**

As noted earlier, the City of Monroe School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

- As of the close of the current fiscal year, the City of Monroe School Board's governmental funds reported a combined ending fund balance of \$49,532,152; a decrease of \$5,800,601 in comparison with the prior fiscal year.
- The General Fund is the chief operating fund of the City of Monroe School Board. At the end of the current fiscal year, the fund balance of the General Fund is \$19,494,628.

**City of Monroe School Board**  
**Management's Discussion and Analysis (Unaudited)**  
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- The Special Revenue Funds, including nonmajor special revenue funds, have a total fund balance of \$17,008,040 of which \$142,026 is nonspendable, \$6,941,494 is restricted for salaries and related benefits, \$7,809,446 is restricted for instructional costs and \$2,111,074 is restricted for food services.
- The Debt Service Funds have a total fund balance of \$7,883,962 all of which is restricted for the payment of debt service.
- The two Capital Projects Funds have a fund balance totaling \$5,145,522 all of which is restricted for construction projects.

**General Fund Budgetary Highlights**

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S 39:1301 et seq), the City of Monroe School Board must adopt a budget for the General Fund and all Special Revenue funds prior to September 15th. The original budget for the School Board was adopted on September 12, 2019.

The original General Fund Budget projected an ending fund balance of \$16.1 million, with the amended budget projecting to end the year with a positive balance of \$18.4 million. The actual ending balance for the General Fund came in at \$19.4 million.

**Capital Assets and Debt Administration**

**Capital Assets:** The City of Monroe School Board's investment in capital assets as of June 30, 2020, amounts to \$99,351,670 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress. The table below shows the value at the end of the fiscal year.

<i>June 30,</i>	2020	2019
Land	\$ 1,669,547	\$ 1,669,547
Buildings and improvements	82,770,770	86,941,826
Furniture and equipment	2,791,078	2,830,109
Construction in progress	12,120,275	2,865,350
Total capital assets, net of depreciation	\$ 99,351,670	\$ 94,306,832

**City of Monroe School Board**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2020**

**Long-Term Debt:** At the end of the current fiscal year, the City of Monroe School Board had total debt outstanding of \$65.4 million. Of the amount, \$47.9 million comprises debt backed by the full faith and credit of the government. The following table summarizes bonds outstanding at June 30, 2020 and 2019.

<i>June 30,</i>	2020	2019
General Obligation Bonds		
Series 2014	\$ 15,575,000	\$ 16,390,000
Series 2015	13,625,000	14,305,000
Series 2016	18,655,000	19,505,000
Sales Tax Bonds		
Series 2010	1,870,000	2,760,000
Series 2011	705,000	1,045,000
Revenue Bonds		
Series 2009	10,000,000	10,000,000
Series 2011	5,000,000	5,000,000
Total outstanding debt	\$ 65,430,000	\$ 69,005,000

**Future Operations**

The School Board established a goal of maintaining a fund balance equal to 15% of the General Fund budgeted expenditures. The district continued to maintain a fund balance that exceeded this goal for the current fiscal year, and anticipates exceeding this goal again for 2020-2021. The School Board adopted a General Fund budget for 2020-2021 with an operating planned deficit spending of \$3,000,367. With this planned surplus, the projected ending fund balance still remains significantly above the 15% fund balance goal. For the upcoming fiscal year, listed below are several factors considered for 2020-2021 operations and budget preparations.

- The adopted Minimum Foundation Program ("MFP") Resolution for 2020-21 remained unchanged from 2019-20, which maintains a per pupil amount of \$4,015 in level 1 funding. Certified and support personnel pay raises were included for all full-time employees, in the amount of \$1,000 for certified employees and \$500 for support employees.
- The approved projects for the General Obligation Bonds (2014-2016) are near completion with the exception of approximately \$5,436,000 remaining for Martin Luther King, Jr. Junior High School.
- Sales tax revenue is projected to remain stable with a projected decrease of approximately 2%.

**City of Monroe School Board  
Management's Discussion and Analysis (Unaudited)  
June 30, 2020**

**Contacting the School Board's Financial Management**

If you have questions about this report or need additional financial information, contact DaVona Howard of the City of Monroe School Board, P. O. Box 4180, Monroe, LA 71211-4180, or call at (318) 325-0601.

## **BASIC FINANCIAL STATEMENTS**

**City of Monroe School Board**  
**Statement of Net Position**

	<b>Primary Government Governmental Activities</b>
<i>June 30, 2020</i>	
<b>Assets</b>	
Cash and cash equivalents	\$ 43,294,940
Investments	10,212,273
Receivables	
Ad valorem taxes	51,744
Sales and use taxes	4,951,810
Federal grants	4,182,199
State grants	410,320
Other	527,235
Inventory	159,745
Other assets	91,811
Capital assets, net	99,351,670
<b>Total assets</b>	<b>163,233,747</b>
<b>Deferred outflows of resources</b>	
Deferred outflows related to pension	29,997,549
Deferred outflows related to OPEB	43,990,527
Deferred outflows related to escrow agent	64,547
<b>Total deferred outflows of resources</b>	<b>74,052,623</b>
<b>Liabilities</b>	
Accounts payable	1,959,727
Salaries and wages payable	12,990,676
Interest payable - bonds	602,335
Long-term liabilities	
Due within one year	
Compensated absences	1,015,036
Bonds payable	3,810,462
Due in more than one year	
Compensated absences	833,462
Workers compensation	350,441
Other post employment benefits	241,087,496
Net pension liability	113,590,707
Bonds payable	63,434,967
<b>Total liabilities</b>	<b>439,675,309</b>
<b>Deferred inflows of resources</b>	
Deferred inflows related to pension	18,240,232
Deferred inflows related to OPEB	12,420,853
<b>Total deferred outflows of resources</b>	<b>30,661,085</b>
<b>Net position</b>	
Net investment in capital assets	30,102,456
Restricted for	
Instructional costs	1,344,008
Capital projects	5,145,522
Debt service	7,883,962
Salaries and related benefits	6,941,494
Instructional and maintenance costs	6,465,438
Unrestricted	(290,932,904)
<b>Total net position (deficit)</b>	<b>\$ (233,050,024)</b>

The accompanying notes are an integral part of the financial statements.

## City of Monroe School Board Statement of Activities

<i>For the year ended June 30, 2020</i>				Net (Expense) Revenues and Changes in Net Position
				Primary Government
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Primary Government</b>				
<b>Governmental Activities</b>				
Instructional services				
Regular programs	\$ 36,298,513	\$ -	\$ 341,344	\$ (35,957,169)
Special education programs	14,656,207	-	495,955	(14,160,252)
Vocational programs	1,637,223	-	298,908	(1,338,315)
Other instructional programs	8,084,799	42,060	791,664	(7,251,075)
Special programs	6,040,092	-	5,878,830	(161,262)
Support services				
Pupil support services	7,612,292	-	1,812,202	(5,800,090)
Instructional staff support services	6,293,181	-	3,157,889	(3,135,292)
General administration	2,732,877	-	6,058	(2,726,819)
School administration	6,126,926	-	172,029	(5,954,897)
Business services	1,510,637	-	53,991	(1,456,646)
Plant services	12,406,491	-	99,746	(12,306,745)
Student transportation services	4,506,835	-	85,271	(4,421,564)
Central services	4,805,064	-	311,882	(4,493,182)
Noninstructional services				
Food service operations	7,081,044	70,905	5,156,143	(1,853,996)
Debt service				
Interest on long-term obligations	1,928,430	-	-	(1,928,430)
<b>Total Primary Government</b>	<b>\$ 121,720,611</b>	<b>\$ 112,965</b>	<b>\$ 18,661,912</b>	<b>\$ (102,945,734)</b>
<b>General revenues</b>				
Taxes				
Ad valorem taxes levied for				
General purposes				11,460,295
Debt service purposes				3,180,947
Sales taxes levied for				
General purposes				10,880,489
Salaries and related benefits				17,018,202
Grants and contributions not restricted to specific programs				
Minimum foundation program				47,115,095
State revenue sharing				944,316
Interest and investment earnings				537,583
Other				758,043
<b>Total general revenues</b>				<b>91,894,970</b>
Changes in net position				(11,050,764)
Net position (deficit), beginning of year				(221,999,260)
Net position (deficit), end of year				<b>\$ (233,050,024)</b>

The accompanying notes are an integral part of the financial statements.

## City of Monroe School Board Balance Sheet - Governmental Funds

<i>June 30, 2020</i>	General Fund	Title I	2001 Sales Tax	GO Bonds 2016 Capital Projects	Non-Major Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 21,840,836	\$ -	\$ 754,870	\$ 5,667,922	\$ 15,031,312	\$ 43,294,940
Investments	250,000	-	9,962,273	-	-	10,212,273
Due from other governments	848,673	2,299,759	2,777,715	-	4,197,161	10,123,308
Due from other funds	3,814,010	-	-	-	-	3,814,010
Inventory	54,753	-	-	-	104,992	159,745
Other assets	55,394	-	37,034	-	-	92,428
<b>Total assets</b>	<b>\$ 26,863,666</b>	<b>\$ 2,299,759</b>	<b>\$ 13,531,892</b>	<b>\$ 5,667,922</b>	<b>\$ 19,333,465</b>	<b>\$ 67,696,704</b>
<b>Liabilities and fund balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 312,043	\$ 73,040	\$ 201,883	\$ 565,715	\$ 207,184	\$ 1,359,865
Salaries and wages payable	7,056,995	611,544	1,537,633	-	3,784,505	12,990,677
Due to other funds	-	1,615,175	-	-	2,198,835	3,814,010
<b>Total liabilities</b>	<b>7,369,038</b>	<b>2,299,759</b>	<b>1,739,516</b>	<b>565,715</b>	<b>6,190,524</b>	<b>18,164,552</b>
<b>Fund balances</b>						
<b>Nonspendable</b>						
Inventory and other assets	110,147	-	37,034	-	104,992	252,173
<b>Restricted for</b>						
Salaries and related benefits	-	-	5,289,904	-	1,651,590	6,941,494
Instructional costs	-	-	-	-	1,344,008	1,344,008
Instructional and maintenance costs	-	-	6,465,438	-	-	6,465,438
Food services	-	-	-	-	2,115,074	2,115,074
Debt service	-	-	-	-	7,883,962	7,883,962
Capital projects	-	-	-	5,102,207	43,315	5,145,522
Unassigned	19,384,481	-	-	-	-	19,384,481
<b>Total fund balances</b>	<b>19,494,628</b>	<b>-</b>	<b>11,792,376</b>	<b>5,102,207</b>	<b>13,142,941</b>	<b>49,532,152</b>
<b>Total liabilities and fund balances</b>	<b>\$ 26,863,666</b>	<b>\$ 2,299,759</b>	<b>\$ 13,531,892</b>	<b>\$ 5,667,922</b>	<b>\$ 19,333,465</b>	<b>\$ 67,696,704</b>

The accompanying notes are an integral part of the financial statements.

# City of Monroe School Board

## Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

Total fund balances - governmental funds		\$ 49,532,152
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	169,450,123	
Less accumulated depreciation	<u>(70,098,453)</u>	99,351,670
Deferred outflows of resources related to pension earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		29,997,549
Deferred inflows of resources related to pension earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		(18,240,232)
Deferred outflows of resources related to OPEB earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		43,990,527
Deferred inflows of resources related to OPEB earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		(12,420,853)
Deferred outflows of resources related to payments to escrow agents to refund bonded debt are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		64,547
Retainage payable not due in one year		(600,478)
Long-term liabilities, including OPEB liability, net pension liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences payable	(1,848,498)	
General obligation bonds payable	(47,855,000)	
Sales tax bonds payable	(2,575,000)	
Revenue bonds payable	(15,000,000)	
Interest payable	(602,335)	
Worker's Compensation IBNR	(350,441)	
Other post employment benefits	(241,087,496)	
Net pension obligations	(113,590,707)	
Bond premium	(1,815,429)	(424,724,906)
Change in net position of governmental activities		<u>\$ (233,050,024)</u>

The accompanying notes are an integral part of the financial statements.

**City of Monroe School Board**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances – Governmental Funds**

For the year ended June 30, 2020	General Fund	Title I	2001 Sales Tax	GO Bonds 2016 Capital Projects	Non Major Funds	Total Governmental Funds
<b>Revenues</b>						
Local sources						
Ad valorem taxes	\$ 11,460,295	\$ -	\$ -	\$ -	\$ 3,180,947	\$ 14,641,242
Sales and use taxes	-	-	15,454,786	-	12,443,905	27,898,691
Earnings on investments	42,915	-	307,050	155,040	30,242	535,247
Cash payments for meals	-	-	-	-	70,905	70,905
Other local revenue	814,889	-	-	-	50,595	865,484
State sources						
State equalization	46,972,254	-	-	-	-	46,972,254
Revenue sharing	258,060	-	-	-	595,427.00	853,487
Other unrestricted revenue	4,000	-	-	-	883,453	887,453
Other restricted revenue	58,966	-	68,335	-	-	127,301
Federal sources						
Federal restricted grants-in-aid	223,693	6,585,887	-	-	10,412,479	17,222,059
<b>Total revenues</b>	<b>59,835,072</b>	<b>6,585,887</b>	<b>15,830,171</b>	<b>155,040</b>	<b>27,667,953</b>	<b>110,074,123</b>
<b>Expenditures</b>						
Current						
Instructional services						
Regular programs	22,841,771	66,171	3,316,987	-	5,030,930	31,255,859
Special education programs	8,977,375	-	1,242,936	-	2,100,286	12,320,597
Vocational programs	874,525	110,284	94,769	-	370,174	1,449,752
Other instructional programs	4,332,464	194,668	624,132	-	1,755,821	6,907,085
Special programs	482,809	3,487,380	60,819	-	1,093,332	5,124,340
Support services						
Pupil support services	3,538,029	771,570	503,508	-	1,831,856	6,644,963
Instructional staff support	1,970,747	1,281,443	204,843	-	2,190,959	5,647,992
General administration	1,089,442	-	1,390,196	-	197,639	2,677,277
School administration	3,885,280	-	404,720	-	1,075,331	5,365,331
Business services	812,536	875	335,196	-	185,871	1,334,478
Plant services	5,357,970	9,874	1,852,169	171,892	451,827	7,843,732
Student transportation services	2,822,702	13,099	434,497	-	298,602	3,568,900
Central services	1,130,931	-	1,960,804	-	1,233,513	4,325,248
Noninstructional services						
Food service operations	225,292	-	378,739	-	5,928,167	6,532,198
Debt service						
Principal	-	-	-	-	3,575,000	3,575,000
Interest	70,000	-	-	-	1,948,914	2,018,914
Capital outlay	840,703	-	463,231	8,052,332	100,159	9,456,425
<b>Total expenditures</b>	<b>59,252,576</b>	<b>5,935,364</b>	<b>13,267,546</b>	<b>8,224,224</b>	<b>29,368,381</b>	<b>116,048,091</b>
Excess (deficiency) of revenues over expenditures	582,496	650,523	2,562,625	(8,069,184)	(1,700,428)	(5,973,968)
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	173,367	-	-	-	-	173,367
Transfers in	1,279,706	-	852,158	-	1,408,019	3,539,883
Transfers out	(931,963)	(650,523)	(1,328,213)	-	(629,184)	(3,539,883)
<b>Net other financing sources (uses)</b>	<b>521,110</b>	<b>(650,523)</b>	<b>(476,055)</b>	<b>-</b>	<b>778,835</b>	<b>173,367</b>
Net change in fund balances	1,103,606	-	2,086,570	(8,069,184)	(921,593)	(5,800,601)
Fund balances, beginning of year	18,391,022	-	9,705,806	13,171,391	14,064,534	55,332,753
<b>Fund balances, end of year</b>	<b>\$ 19,494,628</b>	<b>\$ -</b>	<b>\$ 11,792,376</b>	<b>\$ 5,102,207</b>	<b>\$ 13,142,941</b>	<b>\$ 49,532,152</b>

The accompanying notes are an integral part of the financial statements.

## City of Monroe School Board

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Net change in fund balance - total governmental funds	\$ (5,800,601)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceed depreciation in the current period.	4,444,362
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	3,575,000
Amortization of bond premium is an expenditure on the statement of activities	114,741
Accrued interest does not require the use of current financial resources; therefore, is not reported	37,358
Change in deferred inflows of resources - pension plans	2,388,501
Change in deferred outflows of resources - pension plans	1,556,902
Change in deferred inflows of resources - other post employment benefits	2,859,401
Change in deferred outflows of resources - other post employment benefits	38,027,515
Amortization of deferred outflows relating to debt defeasance	(64,179)
Other postemployment benefit obligation reported in the statement of activities does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.	(57,404,589)
Pension benefit obligation reported in the statement of activities does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.	(642,946)
Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year.	(27,647)
Workers compensation obligation reported in the statement of activities does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.	(114,581)
<b>Change in net position of governmental activities</b>	<b>\$ (11,050,763)</b>

**City of Monroe School Board**  
**Statement of Assets and Liabilities**  
**Fiduciary Fund Type – Agency Funds**

**Assets**

Cash and cash equivalents	\$ 1,149,067
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**Liabilities**

Amounts held for other organizations	\$ 1,149,067
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The accompanying notes are an integral part of the financial statements.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Monroe School Board (the School Board) is governed by a seven-member board, each of whom is elected from a single member district. It operates under the authority of the City of Monroe Charter of 1900, as amended by the Mayor-Council Home Rule Charter for the City of Monroe, adopted in August 1979. The School Board is authorized to establish and operate public schools within the City of Monroe.

The School Board is composed of a central office, 19 schools and 2 support facilities. The School Board serves approximately 8,300 students and employs approximately 1,400 persons, of which over 800 are directly involved in the instructional process. The remainder provides ancillary support such as general administration, repair and maintenance, bus transportation and food service. The regular school term normally begins during the latter half of August and runs until the end of May.

***Reporting Entity***

The School Board is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board's financial statements do not include any component units. Additionally, the School Board is a legally separate elected governing body and does not meet the definition of a component unit of any other entity.

***Government Wide and Fund Financial Statements***

The financial transactions of the School Board are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that includes its assets, liabilities, fund equity, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The School Board uses the following fund categories and fund types:

***Governmental Funds***

Governmental funds account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental funds are divided into major and nonmajor funds. Major funds are funds that meet certain dollar tests of their assets, liabilities, revenues and expenditures. Major funds are larger, more significant funds. Nonmajor funds are the governmental funds that do not meet the dollar tests for major funds.

***Fiduciary Funds***

*Agency Funds* – The Agency Funds account for assets held by the School Board in a trustee capacity or as an agent for individuals, private or school organizations, other governmental units and/or other funds. The School Activity Fund accounts for all individual school activity funds. While these funds are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the School Board.

The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Government-Wide Financial Statements***

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions are recognized when the School Board has an enforceable legal claim to the revenues, expenses, gains, losses, assets and liabilities.

***Program Revenues***

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the School Board's taxpayers or citizenry as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

***General Revenues***

General revenues included in the Statement of Activities derive directly from local property and sales taxes and from unrestricted state grants. General revenues finance the remaining balance of a function not covered by program revenues.

***Allocation of Indirect Expenses***

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses (long-term debt interest) of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

***Fund Financial Statements***

The fund financial statements provide information about the School Board's funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The School Board reports the following major governmental funds:

*General Fund* - The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in another fund. The General Fund is always a major fund.

*Special Revenue Funds* – Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following Special Revenue Funds are major funds:

Title I of the Elementary and Secondary Education Act (ESEA) is a federally financed program, which provides for the needs of children who are at risk of not meeting challenging academic standards and who reside in areas of high concentrations of children from low-income families.

2001 Sales Tax Fund accounts for the collection and distribution of the sales tax levies to provide additional support to the school system to include funding of capital improvements and employee salaries.

*Capital Projects Funds* – Capital Projects Funds account for financial resources used for the acquisition or construction of major capital facilities and improvements. The following Capital Projects Funds is a major fund:

The GO Bonds 2016 Capital Projects Fund (issued June 21, 2016) accounts from the issuance of \$21,800,000 of General Obligation Bonds for the purpose of acquiring and/or improving lands for building sites and playgrounds, including construction of necessary sidewalks and streets adjacent thereto; purchasing, erecting and/or improving school buildings and other school related facilities.

The School Board reports the following nonmajor governmental funds:

The School Board has seven nonmajor Special Revenue Funds, three nonmajor Debt Service Funds and one nonmajor Capital Projects Funds. For a description of these funds, see the Nonmajor Funds section of this report starting on page 78.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds reported in the fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental funds reported in the fund financial statements are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual – that is when they become both measurable and available to pay current period liabilities. Such revenue items are ad valorem, sales and use taxes and federal and state entitlements. Ad valorem taxes are considered measurable in the calendar year of the tax levy. Ad valorem taxes are considered available because they are substantially collected within 60 days subsequent to year end. Sales taxes are considered measurable and available when collected by the vendors. Revenue from state and Federal grants are recorded when the reimbursable expenditure have been incurred.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Funds for payments to be made early in the following year.

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position***

***Cash and Cash Equivalents***

Cash and cash equivalents include amounts in interest-bearing demand deposits as well as short-term investments with a maturity date within three months of the date acquired. Short-term investments are stated at cost, which approximates fair value.

Interest earned on balances maintained in the pooled bank account was distributed to the individual funds based on the cash balance maintained by the unrestricted participating fund during the year.

The School Board maintains separate “book” cash accounts for each fund that is pooled within the master bank account. Negative book cash balances appear in the financial statements as a liability, “Due to Other Funds.” The balance of these amounts will be paid primarily through collections of grants receivable reimbursements from the Federal and State Departments of Education.

***Investments***

Investments, consisting of certificates of deposit and fixed income securities, are stated at market value in accordance with the provisions of GASB Statement No. 31.

***Interfund Activities and Transactions***

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the fund financial statements balance sheet.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the Government-Wide Financial Statements.

***Inventory***

Inventory of the School Food Service Fund consists of food and supplies. Inventory is recorded as an expenditure as it is consumed. Inventory is valued at cost on the first-in, first-out (FIFO) method. Commodities provided to the School Board by the United States Department of Agriculture (USDA) through the State Department of Education are reflected as revenue when received and as an expenditure when consumed. Commodities are valued at amounts assigned by the USDA.

***Restricted Assets***

Certain assets of the School Board are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

*Capital projects* are restricted because the proceeds from issuance of bonded debt are dedicated to acquiring and improving school property.

*Debt service* is considered restricted because an ad valorem tax has been levied specifically to meet the principal and interest payments of various bond issues.

*Salaries and related benefits* are considered restricted as it represents undistributed salaries and related benefits from sales taxes restricted exclusively for this purpose.

Sometimes the School Board will make expenditures for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as *restricted* – net position and *unrestricted* – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School Board's practice to consider *restricted* – net position to have been depleted before *unrestricted* – net position is applied.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Capital Assets***

Capital Assets, which include land, buildings, and equipment, are reported in the governmental-wide financial statements. The School Board considers assets with an initial individual cost of \$5,000 or more and an estimated life of one year or more as a capital asset.

Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial.

Land and construction in progress are not depreciated. The other property, plant and equipment, and infrastructure of the primary government are depreciated using straight line method over the following useful lives:

<u>Capital asset classes</u>	<u>Lives</u>
Buildings	40 years
Furniture and equipment	3-15 years

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The School Board has three (3) items that qualify for reporting as deferred outflows of resources, the *deferred amount on refunding*, the *deferred outflows related to pensions*, and the *deferred outflows related to other post-employment benefits*, all reported in the government-wide funds statements of net position. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions and other post-employment benefits are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria* and other post-employment benefits as calculated in accordance with GASB Codification Section P52: *Postemployment Benefits Other than Pensions – Reporting for Benefits Not Provided through Trusts That Meet Specified Criteria – Defined Benefit*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School Board has two (2) items that qualify for reporting as deferred inflows of resources. The *deferred inflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria* and other postemployment benefits in accordance with GASB Codification Section P52: *Postemployment Benefits Other than Pensions – Reporting for Benefits Not Provided through Trusts That Meet Specified Criteria – Defined Benefit*. The deferred inflows related to pensions and other postemployment benefits will be recognized as a reduction to pension expense in future reporting years.

***Compensated Absences***

All employees receive ten sick days each year, with any unused portion being carried forward. Upon retirement, employees with twenty years of service or more are paid for up to 25 days of accumulated sick leave. Only employees who work 12 calendar months per year earn vacation days. The School Board's policy regarding payment of accumulated vacation days is to allow for a maximum accumulation and payment of no more than 30 days with persons credited with days in excess of 30 as of the effective date (July 1, 1994) being grandfathered in at their then-current accumulation.

***Long-Term Obligations***

Bond premiums and discounts, as well as issuance costs, are recognized in the fund financial statements in the period the bonds are issued. Bond proceeds are reported as an Other Financing Source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Costs associated with issuing bonds (bond rating fees, attorney fees, printing, etc.) are expensed as incurred and are reported as expenditures in the fund financial statements. Bond premium from bond sales is reported in the governmental funds as Other Financing Sources when received. Bond premium is reported in the Government-wide Financial Statements as a liability and amortized over the life of the bonds.

***Pensions***

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

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Other Post-Employment Benefits (OPEB) Liability***

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

***Categories and Classification of Fund Balance***

GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

Nonspendable fund balance represents resources that cannot be physically used to settle obligations of the school system, such as food inventory.

Restricted fund balances represent resources restricted by tax ordinances or by local, state or Federal grant regulations for future use and are, therefore, not available for future appropriation or expenditure.

Committed fund balances indicate the School Board's tentative plans for the use of financial resources in a future period. Fund balance commitments are made by Board approved resolutions.

Assigned fund balances are those determined by the Superintendent and Chief Financial Officer, under authority given under a resolution of the Board, as needed for the payment of future commitment.

The School Board had no committed or assigned fund balances at June 30, 2020.

Sometimes the School Board will make expenditures for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as *restricted*, *committed*, *assigned*, and *unassigned* fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Categories and Classification of Fund Balance (Continued)***

It is the School Board's practice to consider *restricted* fund balance to have been depleted before using any of the components of *unrestricted* fund balance. Further, when the components of *unrestricted* fund balance can be used for the same purpose, *committed* fund balance is depleted first, followed by *assigned* fund balance. *Unassigned* fund balance is applied last.

***Revenues and Expenditures/Expenses***

***Sales and Use Taxes***

In May 1968, the voters of Ouachita Parish authorized the City of Monroe School Board and the Ouachita Parish School Board to jointly levy and collect a 0.5% sales and use tax.

The net proceeds of the tax are to be allocated and prorated between the two school boards annually on the basis of average daily membership for the preceding school year. Eighty-eight percent of the sales and use tax revenues received by the School Board are to be used for the payment of the salaries of teachers, as defined by the Louisiana State Department of Education. The remaining twelve percent is to be used for the payment of salaries to designated personnel other than teachers.

In March 1994, the voters of the City of Monroe approved the levy of an additional 0.5% sales and use tax. The net proceeds of the tax are to supplement salaries and benefits of certified teachers and other personnel and to provide additional funds for instructional activities. This sales tax went into effect in July 1994.

In July 2001, the citizens of the City of Monroe approved an additional 1% sales tax for additional support of the School Board. This sales tax went into effect in October 2001.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

***Elimination and Reclassifications***

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

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 4, 2021. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

***Adoption of New Financial Standards***

The School Board adopted Governmental Accounting Standards Board (GASB) Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance for the fiscal year 2020 reporting. Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This Statement extends the effective dates of certain accounting and financing reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018, and later.

***Future Accounting Pronouncements***

- GASB Statement No. 84, *Fiduciary Activities*, establishes improved guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and establishes criteria for identifying fiduciary activities of all state and local governments. The effective date is for reporting periods beginning after December 15, 2019.
- GASB Statement No. 87, *Leases*, establishes improved guidance to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.
- GASB Statement No. 90, *Majority equity interests - An Amendment of GASB Statements No. 14 and No. 61*, the primary objective of this statement is to improve the consistency of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The effective date is for reporting periods beginning after December 15, 2019.

The School Board is evaluating the requirements of the above statements and the impact on reporting.

**City of Monroe School Board**  
**Notes to Financial Statements**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

*Custodial credit risk* - The School Board's cash and cash equivalents and investments consist of deposits with financial institutions. State statutes govern the School Board's investment policy. Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, and savings accounts or savings certificates of savings and loan associations and repurchase agreements.

Obligations that may be pledged as collateral are obligations of the United States government and its agencies and obligations of the state and its subdivisions. Per Louisiana State law, collateral is not required for funds invested in LAMP.

Differences between School Board's book balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks. The following is a schedule of the School Board's cash and cash equivalents at June 30, 2020:

	School Board Book Balances	Bank Balances
Cash on deposit	\$ 43,294,940	\$ 44,485,512
Petty cash	1,100	-
Cash equivalents:		
LAMP investments	670,814	670,814
<b>Total cash and cash equivalents</b>	<b>\$ 43,966,854</b>	<b>\$ 45,156,326</b>

The School Board's deposits are collateralized as follows:

Federal Deposit Insurance Corporation Coverage	\$ 250,000
Securities Investor Protection Corporation coverage	250,000
Pledged Securities	47,208,402
<b>Total collateralized deposits</b>	<b>\$ 47,708,402</b>

*Credit risk.* The School Board's investments consist of a certificate of deposit and State and Local Government Series (SLGS) securities held by the paying agent thus limiting the School Board's credit risk at June 30, 2020.

*Concentration of credit risk.* The School Board does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not place limits on credit concentration.

*Interest rate risk.* The School Board manages its exposure to declines in fair values by limiting the maturity of its investments to no longer than one year.

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)**

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates the local government investment pool. Collateral is required for demand deposits, certificates of deposit, savings certificates of savings and loan associations and repurchase agreements at 100% of all amounts not covered by deposit insurance.

The School Board's investments at June 30, 2020, consist of a certificate of deposit with a carrying and market value of \$250,000. It is held by the School Board's agent in the School Board's name and is collateralized. Investments of cash of \$174,604 and \$9,788,209 in U.S. government fixed income securities are held in trust by the paying agent, BNY Mellon, for the repayment of the School Board's Series 2009 and Series 2011 Qualified School Construction Bonds ("QSCB").

The 2009 QSCB sinking fund consists of \$6,674,815 of fixed income securities that will mature in FY2025 and the 2011 QSCB sinking fund consists of \$3,113,394 of fixed income securities that will mature in FY2026 is included in "Investments" on the statement of net position.

**NOTE 3: FAIR VALUE MEASUREMENTS**

GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

- Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School Board has the ability to access.
- Level 2 (L2): Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability;
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**City of Monroe School Board**  
**Notes to Financial Statements**

**NOTE 3: FAIR VALUE MEASUREMENTS (Continued)**

The following table sets forth by level, within the fair value hierarchy, the School Board's assets at fair value as of June 30, 2020:

		Maturities (in years)			
	Fair Value	Less than 1	1 - 5	More than 5	Level
Investments by fair value level					
Primary government					
Cash and cash equivalents (LAMP)	\$ 174,064	\$ 174,064	\$ -	\$ -	L1
Fixed income securities	\$ 9,788,209	-	6,703,101	3,085,107	L1
Total primary government	\$ 9,962,273	\$ 174,064	\$ 6,703,101	\$ 3,085,107	
Total investments measured by fair value level					
	\$ 9,962,273	\$ 174,064	\$ 6,703,101	\$ 3,085,107	
Investments measured at cost					
Primary government					
Certificates of deposit	250,000				
Total Investments measured at cost	250,000				
Total investments	\$ 10,212,273				

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020.

*Fixed income securities* – Fixed income securities classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those securities.

**City of Monroe School Board**  
**Notes to Financial Statements**

**NOTE 4: CAPITAL ASSETS**

The following is a summary of changes in capital assets during the year ended June 30, 2020:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 1,669,547	\$ -	\$ -	\$ 1,669,547
Construction in progress	2,865,349	9,445,929	(191,004)	\$ 12,502,282
Total capital assets not being depreciated	4,534,896	9,445,929	(191,004)	14,171,829
Capital assets being depreciated				
Buildings and improvements	133,229,702	247,715	-	\$ 133,477,417
Furniture and equipment	21,581,549	601,994	-	\$ 22,183,543
Total capital assets being depreciated	154,811,251	849,709	-	155,660,960
Less accumulated depreciation				
Building and improvements	46,287,876	4,418,771	-	50,706,647
Furniture and equipment	18,751,439	641,026	-	19,392,465
Total accumulated depreciation	65,039,315	5,059,797	-	70,099,112
Total capital assets being depreciated, net	89,771,936	(4,210,088)	-	85,561,848
Governmental activities capital assets, net	\$ 94,306,832	\$ 5,235,841	\$ (191,004)	\$ 99,733,677

Depreciation expense was allocated to the governmental functions in the statement of activities as follows:

For the year ended June 30,	2020
Instructional services:	
Regular programs	\$ 569,140
Vocational programs	3,795
Other instructional programs	7,628
Special programs	7,071
Total depreciation expense - instructional services	\$ 587,634
Support services:	
Business services	2,646
Plant services	3,820,394
Student transportation services	465,613
Central services	121,646
Food service operations	61,863
Facility acquisition and construction	-
Total depreciation expense - support services	\$ 4,472,162
Total depreciation expense	\$ 5,059,796

**City of Monroe School Board**  
**Notes to Financial Statements**

**NOTE 5: LONG-TERM OBLIGATIONS**

The following is a summary of changes in Long-Term Obligations for the year ended June 30, 2020:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
<b>Bonds Payable</b>					
General obligation bonds	\$ 50,200,000	\$ -	\$ 2,345,000	\$ 47,855,000	\$ 2,425,000
Unamortized bond premium	1,930,170	-	114,741	1,815,429	115,462
Sales tax bonds	3,805,000	-	1,230,000	2,575,000	1,270,000
Revenue bonds	15,000,000	-	-	15,000,000	-
Total bonds payable	70,935,170	-	3,689,741	67,245,429	3,810,462
Other post employment benefits	183,682,907	57,404,589	-	241,087,496	-
Worker's compensation	235,860	114,581	-	350,441	-
Net Pension Liability	112,947,761	642,946	-	113,590,707	-
Compensated absences, net	1,820,851	1,027,502	999,855	1,848,498	1,015,036
Total long-term obligations	\$ 369,622,549	\$ 59,189,618	\$ 4,689,596	\$ 424,122,571	\$ 4,825,498

Long-term bonds outstanding at June 30, 2020 are comprised of the following:

	Issue	Maturity Date	Rate	Outstanding
<b>General obligation bonds</b>				
Series 2014	2014	3/1/2024	2% - 4%	\$ 15,575,000
Series 2015	2015	3/1/2035	3.125% - 5%	13,625,000
Series 2016	2016	3/1/2036	2% - 4%	18,655,000
<b>Sales tax refunding bonds</b>				
Series 2010	2010	10/1/2022	2% - 4%	1,870,000
Series 2011	2011	10/1/2022	2% to 3%	705,000
<b>Revenue bonds</b>				
Series 2009	2009	10/15/2024	0.50%	10,000,000
Series 2011	2011	3/15/2026	0.40%	5,000,000
Total bonds payable				\$ 65,430,000

**City of Monroe School Board**  
**Notes to the Basic Financial Statements**

**NOTE 5: LONG-TERM OBLIGATIONS (Continued)**

Debt service requirements to maturity on all School Board bonds outstanding at June 30, 2020 are as follows:

<i>Year ending June 30,</i>	Governmental Activities					
	General Obligation Bond Series 2014		General Obligation Bond Series 2015		General Obligation Bond Series 2016	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 852,896	\$ 556,388	\$ 748,034	\$ 526,788	\$ 932,216	\$ 678,400
2022	887,896	531,038	773,034	491,538	1,017,492	652,150
2023	922,896	504,638	798,034	455,038	1,007,755	615,950
2024	962,896	468,038	828,034	417,288	1,038,841	587,750
2025	1,002,896	429,838	853,034	378,038	1,056,320	558,650
2026-2030	5,669,478	1,625,188	4,715,169	1,388,513	6,192,301	2,212,450
2031-2035	5,383,951	526,606	5,426,068	579,738	7,072,045	996,650
2036-2040	-	-	-	-	1,520,000	45,600
Total	\$ 15,682,907	\$ 4,641,731	\$ 14,141,407	\$ 4,236,941	\$ 19,836,970	\$ 6,347,600

<i>Year ending June 30,</i>	Governmental Activities					
	Sales Tax Refunding Bond Series 2010		Sales Tax Refunding Bond Series 2011		Revenue Bond Series 2009	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 920,000	\$ 44,675	\$ 357,316	\$ 15,900	\$ -	\$ 50,000
2022	950,000	15,438	356,829	5,325	-	50,000
2023	-	-	-	-	-	50,000
2024	-	-	-	-	-	50,000
2025	-	-	-	-	-	50,000
2026-2030	-	-	-	-	10,000,000	-
2031-2035	-	-	-	-	-	-
2036-2040	-	-	-	-	-	-
Total	\$ 1,870,000	\$ 60,113	\$ 714,145	\$ 21,225	\$ 10,000,000	\$ 250,000

**City of Monroe School Board**  
**Notes to the Basic Financial Statements**

**NOTE 5: LONG-TERM OBLIGATIONS (Continued)**

<i>Year ending June 30,</i>	Governmental Activities			
	Revenue Bond Series 2011		Total	
	Principal	Interest	Principal	Interest
2021	\$ -	\$ 20,000	\$ 3,810,462	\$ 1,892,151
2022	-	20,000	3,985,250	1,765,488
2023	-	20,000	2,728,685	1,645,626
2024	-	20,000	2,829,770	1,543,076
2025	-	20,000	2,912,250	1,436,526
2026-2030	5,000,000	20,000	31,576,949	5,246,151
2031-2035	-	-	17,882,063	2,102,994
2036-2040	-	-	1,520,000	45,600
Total	\$ 5,000,000	\$ 120,000	\$ 67,245,429	\$ 15,677,610

**NOTE 6: NET INVESTMENT IN CAPITAL ASSETS**

Net investment in capital assets at June 30, 2020 is as follows:

	Governmental Activities
Capital assets (net)	\$ 99,351,670
Outstanding debt related to capital assets	(69,249,214)
Net investment in capital assets	\$ 30,102,456

**City of Monroe School Board**  
**Notes to the Basic Financial Statements**

**NOTE 7: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Individual balances due to/from other funds at June 30, 2020, are as follows:

	Due		
	From	To	Net
Major Funds:			
General Fund	\$ 3,814,010	\$ -	\$ 3,814,010
Title I	-	1,615,175	(1,615,175.00)
Non-major Funds:			
Special Education	-	113,274	(113,274.00)
1968 Sales Tax	-	141,919	(141,919.00)
1994 Sales Tax	-	506,556	(506,556.00)
ESSERF	-	943,847	(943,847.00)
Other Federal Programs	-	386,220	(386,220.00)
State Grants	-	107,019	(107,019.00)
Total	\$ 3,814,010	\$ 3,814,010	\$ -

Transfers to/from other funds for the year ended June 30, 2019 were as follows:

	Transfers		
	In	Out	Net
Major Funds:			
General Fund	\$ 1,279,706	\$ 931,963	\$ 347,743
2001 Sales Tax	852,158	1,328,213	(476,055.00)
Title I	-	650,523	(650,523.00)
2016 GO Bonds	-	-	-
Non-major Funds:			
Special Education	-	186,743	(186,743.00)
School Food Service	-	-	-
ESSERF	-	168,480	(168,480.00)
Other Federal Programs	14,229	261,520	(247,291.00)
State Grants	65,577	-	65,577.00
2001-2002 Sales Tax Bond Sinking	1,328,213	-	1,328,213.00
QZAB 2012 Sinking	-	12,441	(12,441.00)
Total	\$ 3,539,883	\$ 3,539,883	\$ -

## City of Monroe School Board Notes to the Basic Financial Statements

### NOTE 8: PENSION AND RETIREMENT PLANS

#### *Plan Description*

Substantially all employees of the School Board are provided with pensions through cost-sharing multiple-employer defined benefit pension plans administered by the Teachers' Retirement System Louisiana (TRSL), the Louisiana School Employees' Retirement System (LSERS), or the Louisiana State Employees' Retirement System (LASERS), all of which are administered on a statewide basis. The authority to establish and amend the benefit terms of TRSL, LSERS, and LASERS was granted to the respective Board of Trustees and the Louisiana Legislature by Title 11 of the Louisiana Revised Statutes. TRSL, LSERS, and LASERS each issue publicly available financial reports that can be obtained at [www.trsl.org](http://www.trsl.org), [www.lsers.net](http://www.lsers.net), and [www.lasersonline.org](http://www.lasersonline.org), respectively.

#### **TRSL**

TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information. Regular Plan - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 may retire with a 2.5% accrual rate after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Plan A - Members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants. Plan B - Members may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service.

For all plans, retirement benefits are based on a formula, which multiplies the final average compensation by the applicable accrual rate, and by the years of creditable service. For Regular Plan and Lunch Plan B members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For all other members, final average compensation is defined as the highest average 36-month period.

## City of Monroe School Board Notes to the Basic Financial Statements

### NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

A retiring member is entitled to receive the maximum benefit payable until the member's death. In lieu of the maximum benefit, the member may elect to receive a reduced benefit payable in the form of a Joint and Survivor Option, or as a lump sum that cannot exceed 36 months of the members' maximum monthly benefit amount.

Effective July 1, 2009, members may make an irrevocable election at retirement to receive an actuarially reduced benefit which increases 2.5% annually, beginning on the first retirement anniversary date, but not before age 55 or before the retiree would have attained age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options.

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility. Delayed participation reduces the three-year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based on the account balance.

Active members whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011, and who have five or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board (SMDB) to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

A surviving spouse with minor children of an active member with five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible. Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 18, marriage, or age 23 if enrolled in an approved institution of higher education. A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

## City of Monroe School Board Notes to the Basic Financial Statements

### NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement. The ORP is a defined contribution pension plan that provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

#### **LSERS**

LSERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Membership is mandatory for all persons employed by a Louisiana Parish or City School Board or by the Lafourche Special Education District #1 who work more than twenty hours per week as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide, a monitor or attendant, or any other regular school employee who actually works on a school bus helping with the transportation of school children. If a person is employed by and is eligible to be a member of more than one public agency within the state, he must be a member of each such retirement system. Members are vested after 10 years of service or 5 years if enrolled after June 30, 2010. All temporary, seasonal and part-time employees as defined in federal Regulations 26 CFR 31:3121(b)(7)-2 are not eligible for membership in the Plan. Any part-time employees who work 20 hours or less per week and who are not vested will be refunded their contributions.

Benefit provisions are authorized and amended under Louisiana Revised Statutes. Benefit provisions are dictated by LA R.S. 11:1141 - 11:1153. A member who joined the system on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60. A member who joined the system on or after July 1, 2010 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit.

## City of Monroe School Board Notes to the Basic Financial Statements

### NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

For members who joined the system prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2.00 per month for each year of service. For members who joined the system on or after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits; however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation. For members who join the system on or after July 1, 2010, 2 1/2% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the Plan on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A member who joins the system on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the Plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

Members of the Plan may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the system terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the Plan. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account. The Plan maintains subaccounts within this account reflecting the credits attributed to each participant in the Plan. Interest credited and payments from the DROP account are made in accordance with LA R.S. 11:1152(E)(3). Upon termination of participation in both the Plan and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements. The Plan also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

Effective January 1, 1996, the state legislature authorized the Plan to establish an Initial Benefit Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP.

## City of Monroe School Board Notes to the Basic Financial Statements

### NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with LA R.S. 11:1152(F)(3).

#### **LASERS**

LASERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity.

As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

## City of Monroe School Board Notes to the Basic Financial Statements

### NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than LASER's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) that is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student.

## City of Monroe School Board Notes to the Basic Financial Statements

### NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS allows for the payment of ad hoc permanent benefit increases, also known as cost-of-living adjustments (COLAs), which are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

#### ***Contributions***

##### **TRSL**

The employer contribution rate is established annually under LA R.S. 11:101 - 11:104 by the Public Retirement Systems Actuarial Committee (PRSACX) taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2019 are as follows:

TRSL Sub Plan	Contribution Rates	
	School Board	Employees
K-12 Regular Plan	26.7%	8.0%
Plan A	26.7%	9.1%
Plan B	26.7%	5.0%

The School Board's contractually required composite contribution rate for the year ended June 30, 2018, was 26.6% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$12,798,620 for the year ended June 30, 2019.

##### **LSERS**

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actuarial required contribution rate for June 30, 2018 was 27.3%. The actual employer rate for the year ended June 30, 2018 was 27.3%. A difference may exist due to the State Statute that requires the rate to be calculated in advance. Contributions to the pension plan from the School Board were \$1,296,725 for the year ended June 30, 2019.

**City of Monroe School Board**  
**Notes to the Basic Financial Statements**

**NOTE 8: PENSION AND RETIREMENT PLANS (Continued)**

**LASERS**

Contribution requirements of active employees are governed by Title 11 of the Louisiana Revised Statutes and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2019, for the relative plans follow:

<b>LASERS Plan (Regular Employees and Optional Retirement Plan (ORP))</b>	<b>Plan Status</b>	<b>School Board</b>	<b>Employees</b>
Pre Act 75 (hired before 7/1/2006)	Closed	37.9%	7.5%
Post Act 75 (hired after 6/30/2006)	Open	37.9%	8.0%

The School Board's contractually required composite contribution rate for the year ended June 30, 2019, was 35.8% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$69,353 for the year ended June 30, 2019.

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

The net pension liabilities were measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability for TRSL and LASERS was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Schools Board's proportion of the net pension liability of LSERS was based on the School Board's historical contributions.

The following table reflects the School Board's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2020, and the change compared to the June 30, 2019 proportion:

	<b>Net Pension Liability at June 30, 2020</b>	<b>Proportion at June 30, 2020</b>	<b>Increase (Decrease) to June 30, 2019 Proportion</b>
TRSL	\$ 102,045,449	1.028200%	-0.003590%
LSERS	10,867,570	1.552373%	-0.014140%
LASERS	677,688	0.009350%	-0.006440%
	<u>\$ 113,590,707</u>		

**City of Monroe School Board**  
**Notes to the Basic Financial Statements**

**NOTE 8: PENSION AND RETIREMENT PLANS (Continued)**

The following table reflects the School Board's recognized pension expense plus the School Board's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended June 30, 2020:

	Pension Expense	Amortization	Total
TRSL	\$ 10,291,117	\$ (455,229)	\$ 9,835,888
LSERS	1,554,812	(11,532)	1,543,280
LASERS	87,381	(154,062)	(66,681)
	\$ 11,933,310	\$ (620,823)	\$ 11,312,487

At June 30, 2020, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TRSL	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience	\$ -	\$ 3,188,955
Investment Earnings	-	3,776,809
Assumptions	7,254,612	-
Change in Proportions	7,362,521	10,128,796
Employer Contributions	12,798,620	-
	\$ 27,415,753	\$ 17,094,560

LSERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience	\$ -	\$ 270,871
Investment Earnings	418,081	-
Assumptions	315,059	44,009
Change in Proportion and Difference in Contributions	38,420	214,622
Employer Contributions	1,296,725	-
	\$ 2,068,285	\$ 529,502

LASERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience	\$ 4,161	\$ 1,408
Investment Earnings	23,413	-
Assumptions	5,807	-
Change in Proportion and Difference in Contributions	410,777	614,762
Employer Contributions	69,353	-
	\$ 513,511	\$ 616,170

**City of Monroe School Board**  
**Notes to the Basic Financial Statements**

**NOTE 8: PENSION AND RETIREMENT PLANS (Continued)**

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
TRSL	\$ 27,415,753	\$ 17,094,560
LSERS	2,068,285	529,502
LASERS	513,511	616,170
	<u>\$ 29,997,549</u>	<u>\$ 18,240,232</u>

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date of \$14,164,698 will be recognized as a reduction of net pension liability in the year ending June 30, 2020. The following table lists the pension contributions made subsequent to the measure date for each pension plan:

	<b>Subsequent Contributions</b>
TRSL	\$ 12,798,620
LSERS	1,296,725
LASERS	69,353
	<u>\$ 14,164,698</u>

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

<i>June 30,</i>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
TRSL	\$ (1,134,892)	\$ (2,724,333)	\$ 267,462	\$ 1,114,336	\$ (2,477,427)
LSERS	128,704	(219,551)	190,569	142,336	242,058
LASERS	(45,773)	(141,455)	6,441	8,776	(172,011)
	<u>\$ (1,051,961)</u>	<u>\$ (3,085,339)</u>	<u>\$ 464,472</u>	<u>\$ 1,265,448</u>	<u>\$ (2,407,380)</u>

## City of Monroe School Board Notes to the Basic Financial Statements

### NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

#### *Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019, are as follows:

	TRSL	LSERS	LASERS
<b>Valuation Date</b>	June 30, 2019	June 30, 2019	June 30, 2019
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal	Entry Age Normal
<b>Amortization Approach</b>	Closed		
<b>Actuarial Assumptions:</b>			
<b>Expected Remaining Service Lives</b>	5 years	3 years	2 years
<b>Investment Rate of Return</b>	7.55% net of investment expenses	7.00% net of investment expenses	7.60% per annum
<b>Inflation Rate</b>	2.50% per annum	2.50%	2.50% per annum
<b>Salary Increases</b>	3.3% - 4.8% varies depending on duration of service.	2013-2017 experience study, 3.25%	2014-2018 experience study, ranging from 2.8% to 14.0%
<b>Cost of Living Adjustments</b>	None	Cost of living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in actuarial liability and the plan has met the criteria and eligibility requirements outline by ACT 399 of 2014.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
<b>Mortality</b>	Active members - RP 2014 White Collar Employee Tables; Non-disabled retiree/inactive members - RP2014 White Collar Healthy Annuitant tables'. Disability retiree mortality - RP 2014 Disability tables.	RP-2014 Healthy Annuitant Sex Distinct Tables; RP-2014 Sex Distinct Disabled Tables	Non-disabled members - Mortality rates based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality
<b>Termination, Disability, and Retirement</b>	Termination, disability, and retirement assumptions were projected based on a five-year (July 1, 2012 - July 30, 2017) experience student of the System's members.	None	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.

## City of Monroe School Board Notes to the Basic Financial Statements

### NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

The following table lists the methods used by each of the pension plans in determining the long-term rate of return on pension plan investments:

TRSL	LSERS	LASERS
The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate range of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected inflation and an adjustment for the effect of rebalancing/ diversification.	The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk returns and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.	The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2019:

Asset Class	Target Allocation			Long-Term Expected Portfolio Real Rate of Return		
	TRSL	LSERS	LASERS	TRSL	LSERS	LASERS
Cash	-	-	-	-	-	0.24%
Domestic Equity	27.0%	-	23.0%	4.60%	-	4.83%
International Equity	19.0%	-	32.0%	5.70%	-	5.83%
Domestic Fixed Income	13.0%	-	6.0%	1.69%	-	2.79%
International Fixed Income	5.5%	-	10.0%	2.10%	-	4.49%
Private Assets	25.5%	-	-	8.67%	-	0.00%
Other Private Assets	10.0%	-	-	3.65%	-	0.00%
Fixed Income	-	26.0%	-	-	1.07%	0.00%
Equity	-	39.0%	-	-	2.93%	0.00%
Alternative investments	-	17.0%	22.0%	-	1.43%	8.32%
Real Estate	-	12.0%	-	-	0.73%	0.00%
Real Assets	-	6.0%	-	-	0.60%	0.00%
Risk Parity	-	-	7.0%	-	-	5.06%
Total	100.0%	100.0%	100.0%	n/a	6.76%	6.09%

n/a - amount not provided by Retirement System

**City of Monroe School Board**  
**Notes to the Basic Financial Statements**

**NOTE 8: PENSION AND RETIREMENT PLANS (Continued)**

**Discount Rate**

The discount rates used to measure the total pension liability for TRSL, LSERS, and LASERS were 7.55%, 7.00%, and 7.60%, respectively, for the year ended June 30, 2020.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and member rate. Based on those assumptions, each of the pension plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the School Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the School Board's proportionate share of the Net Pension Liability (NPL) using the discount rate of each pension plan as well as what the School Board's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	<b>1.0% Decrease</b>	<b>Current Discount Rate</b>	<b>1.0% Increase</b>
<b>TRSL</b>			
Discount rate	6.55%	7.55%	8.55%
Share of NPL	\$ 135,837,094	\$ 102,045,449	\$ 73,564,251
<b>LSERS</b>			
Discount rate	6.00%	7.00%	8.00%
Share of NPL	\$ 14,727,735	\$ 10,867,570	\$ 7,567,670
<b>LASERS</b>			
Discount rate	6.60%	7.60%	8.60%
Share of NPL	\$ 855,330	\$ 677,689	\$ 527,642

**City of Monroe School Board**  
**Notes to the Basic Financial Statements**

**NOTE 8: PENSION AND RETIREMENT PLANS (Continued)**

***Support of Non-employer Contributing Entities***

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2020, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$420,021 for its participation in TRSL. LSERS and LASERS do not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LSERS or LASERS for the year ended June 30, 2020.

***Pension Plans Fiduciary Net Position***

Detailed information about the pension plans' fiduciary net position is available in the separately issued financial reports for TRSL, LSERS, and LASERS and can be obtained on the pension plans' respective websites or on the Louisiana Legislative Auditor's website: [www.la.la.gov](http://www.la.la.gov).

***Payables to the Pension Plan***

As of June 30, 2020, the School Board had payables due to the pension plans totaling \$1,847,939. Payables are the School Board's legally required contributions to the pension plans. Outstanding balances will be applied the School Board's required monthly contributions. The balance due to each of the pension plans is as follows:

	<b>Payables</b>
<b>TRSL</b>	\$ 1,777,818
<b>LSERS</b>	62,166
<b>LASERS</b>	13,955
	<b>\$ 1,847,939</b>

## **City of Monroe School Board**

### **Notes to the Basic Financial Statements**

#### **NOTE 8: PENSION AND RETIREMENT PLANS (Continued)**

##### **School Board Sponsored Plan**

The School Board has adopted for its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) section 457. The plan, available to all School Board employees, permits them to defer a portion of their salaries until future years.

The School Board does not make any contributions to the plan. The deferred compensation is not available to employees until termination, retirement or unforeseen emergency. The deferred compensation is available to employee's beneficiaries in case of death.

Under the terms of a plan established in accordance with terms of the amended IRC Section 457, all compensation deferred under the plan, all property and rights acquired with those amounts and all income attributable to those amounts and rights are solely the property and rights of the participants and their beneficiaries. As required by the amended IRC Section 457, the School Board has established custodial accounts with an unrelated third party administrator who holds in trust the assets and income of the plan. The trustee holds assets with a fair market value of \$1,017,140 as of June 30, 2020.

#### **NOTE 9: OTHER POST-EMPLOYMENT BENEFITS**

As permitted by Louisiana Revised Statute 17:1223, the School Board provides certain continuing health care and life insurance benefits for certain retired employees through the State group insurance plan, an agent multiple employer defined benefit plan. These benefits occur if they reach normal retirement age, as defined under the applicable retirement system (see Note 8), while working for the School Board. Currently the City of Monroe School Board's postemployment benefits plan provides employees with a choice of participation in one of three medical insurance plans, each with varying benefits: preferred provider organization (PPO), exclusive provider organization (EPO), or health maintenance organization (HMO). LSA-R.S. 42:801 – 859 assigns the authority to establish benefit plans and premium rates and negotiate contracts to the Office of Group Benefits under the direction of the Commissioner of Administration. The Office of Group Benefits' financial report is included in the Louisiana Comprehensive Annual Financial Report (CAFR), which may be obtained from Office of Statewide Reporting and Accounting Policy's website at [www.doa.la.gov/osrap](http://www.doa.la.gov/osrap); by writing to P.O. Box 94095, Baton Rouge, Louisiana 70804-9095; or by calling (225)342-0708.

**City of Monroe School Board**  
**Notes to the Basic Financial Statements**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Net OPEB Liability**

The components of the net OPEB liability of the School Board at June 30, 2020, were as follows:

Total OPEB liability	\$ 241,087,496
Plan fiduciary net position	-
School Board's net OPEB liability	<u>\$ 241,087,496</u>

The School Board's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary increases	3.00%
Discount rates	2.21%
Healthcare cost trend rates	4.9% - 9.5%

**Mortality Rate**

The mortality rate was determined by using the 2010 General Employees Amount-Weighted Mortality MP-2020 Tables for non-annuitants and post-retirement annuitants.

**Discount Rate**

Although this plan is a defined benefit OPEB plan, which meets the requirements of paragraph 4 of GASB Statement No. 75, the funded ratio is 0% and the total actual and deemed employer contributions are well below the actuarially determined contribution. We have therefore used a discount rate which would be applicable had the requirements of paragraph 4 not been met. That discount rate is 2.21%, which is the value of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2020, the end of the applicable measurement period is a decrease from the prior period. The discount rate used to measure the Net OPEB liability as of June 30, 2019 was 3.50%, which was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

**City of Monroe School Board**  
**Notes to the Basic Financial Statements**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Changes in the Net OPEB Liability**

	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2019	\$ 183,682,907	\$ -	\$ 183,682,907
Service cost	8,681,889	-	8,681,889
Interest on total OPEB liability	6,657,929	-	6,657,929
Effect of plan changes	-	-	-
Effect on economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	46,378,402	-	46,378,402
Benefit payments	(4,313,631)	-	(4,313,631)
Net changes	57,404,589	-	57,404,589
Balance as of June 30, 2020	\$ 241,087,496	\$ -	\$ 241,087,496

**Sensitivity of the net OPEB liability to changes in the discount rate**

The following represents the net OPEB liability of the School Board, as well as what the School Board's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.0% Decrease (1.21%)	Current Discount Rate (2.21%)	1.0% Increase (3.21%)
Net OPEB liability	\$ 292,592,080	\$ 241,087,496	\$ 201,361,312

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates**

The following represents the net OPEB liability of the School Board, as well as what the School Board's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	1.0% Decrease (2.50%)	Current Discount Rate (3.50%)	1.0% Increase (4.50%)
Net OPEB liability	\$ 194,460,694	\$ 241,087,496	\$ 303,683,684

**City of Monroe School Board**  
**Notes to the Basic Financial Statements**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB**

For the year ended June 30, 2020, the School Board recognized OPEB expense of \$20,791,304. At June 30, 2020, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 11,934,552
Changes in assumptions / inputs	43,990,527	486,301
Total	\$ 43,990,527	\$ 12,420,853

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

Year ended June 30:

2021	\$ 5,451,486
2022	\$ 5,451,486
2023	\$ 5,451,486
2024	\$ 5,451,486
2025	\$ 6,865,078
Thereafter	\$ 2,898,652

**Payable to the OPEB Plan**

At June 30, 2020, the School Board reported a payable of \$0 for the outstanding amount of contributions to the OPEB Plan required for the year ended June 30, 2020.

**Funded Status and Funding Progress**

The School Board has not made any contributions to a postemployment benefits plan trust. Therefore, the plan has no assets, and hence has a funded ratio of zero.

**City of Monroe School Board**  
**Notes to the Basic Financial Statements**

**NOTE 10: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES**

The balances of deferred inflows and outflows of resources as of June 30, 2020 consist of:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Bond Refundings	\$ 64,547	\$ -
Net Pension Liabilities (GASB 68):		
Teachers' Retirement System of Louisiana (TRSL)	27,415,753	17,094,560
Louisiana State Employees' Retirement System (LASERS)	2,068,285	529,502
Louisiana School Employees' Retirement System (LSE)	513,511	616,170
	<u>29,997,549</u>	<u>18,240,232</u>
Other Post-Employment Benefits (GASB 75)	43,990,527	12,420,853
Balance as of June 30, 2019	<u>\$ 74,052,623</u>	<u>\$ 30,661,085</u>

**NOTE 11: AD VALOREM TAXES**

The Sheriff of Ouachita Parish, as provided by State law, bills and collects property taxes on behalf of the School Board using the assessed values determined by the tax assessor of Ouachita Parish. For the year ended June 30, 2020, taxes of 35.48 mills were levied on property with assessed valuations totaling \$394,952,792 and were dedicated as follows:

Parish wide taxes:	<u>Levied</u>
School Operations, Maintenance, Aid and Support	27.63 mills
Bonds - Debt Service	<u>7.85 mills</u>
	<u>35.48 mills</u>

The School Board's portion of the total taxes originally levied was \$15,544,927 of which \$14,012,939 was assessed on property owners and \$1,531,988 was assessed under Homestead Exemption. The School Board collected \$14,641,241 through June 30, 2020, of which a nominal amount was for prior year(s) levies. Approximately 85% of the homestead exemption is not appropriated by the State of Louisiana and therefore is not collected. Collections are remitted to the School Board monthly.

## City of Monroe School Board Notes to the Basic Financial Statements

### NOTE 11: AD VALOREM TAXES (Continued)

Below is the property tax calendar in effect for the year ended June 30, 2020:

Millage Rates Adopted	July 16, 2019
Levy Date	November 30, 2019
Tax Bills Mailed	November 30, 2019
Total Taxes are Due	December 31, 2019
Lien Date	January 1, 2020

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

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

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

### NOTE 12: RISK MANAGEMENT

#### *Risk Exposure*

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are handled by the School Board through the purchase of various commercial insurance policies with varying coverage limits, deductibles, and premiums based on the type of policy.

#### *Workers' Compensation*

The School Board is self-insured for workers' compensation. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the School Board's best estimate based on available information. This liability does not include incremental costs, if any. The current amounts due and payable are recorded in the general fund in the government-wide financial statements.

## City of Monroe School Board

### Notes to the Basic Financial Statements

#### NOTE 12: RISK MANAGEMENT (Continued)

Risk of loss under workers' compensation statutes is self-insured by the School Board for up to \$200,000 per occurrence, with reinsurance coverage in force for losses in excess of that amount. The self-insured plan is administered by a third party, with the claims under the self-insured amount paid by the General Fund; certain Special Revenue funds reimburse the General Fund for payment of their claims. Consistent with the provisions of GASB Statement No. 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the School Board uses the General Fund to account for its risk financing activities. During the year ended June 30, 2020, the School Board incurred and paid claims under the worker's compensation plan of approximately \$620,118, net of reimbursements. The liability for worker's compensation claims is \$350,441 as of June 30, 2020.

#### NOTE 13: COMMITMENTS AND CONTINGENCIES

##### *Operating Leases*

The School Board leases various items of equipment and facilities under lease agreements that are subject to annual re-appropriation clauses. Generally, as equipment leases expire, they are replaced with other leases. Rent expense for the year ended June 30, 2020 totaled \$216,800. Rent expense for the year ending June 30, 2021 is expected to be approximately \$180,000.

##### *Legal*

The School Board is a defendant in several lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board, not covered by insurance, would not adversely affect the School Board's financial position.

The School Board is defendant in a lawsuit with fourteen (14) certified teachers as plaintiffs alleging that as certified teachers, they are exclusively entitled to receive, as extra compensation, certain portions or percentages of funds that are derived from two (2) local sales tax levies. Class action certification is sought; permitting the plaintiffs to represent every certified teacher presently employed and previously employed dating back to 1968, along with the estates of any now deceased certified teachers employed since 1968. The School Board's liability exposure, in the opinion of counsel, is questionable and indeterminate at this time; therefore, no liability is recorded as of June 30, 2020.

##### *COVID-19 Pandemic*

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

**City of Monroe School Board**  
**Notes to the Basic Financial Statements**

**NOTE 13: COMMITMENTS AND CONTINGENCIES (Continued)**

*Construction Commitments*

Remaining construction cost contracts for the construction of a middle school is approximately \$5,436,000. This cost will be paid in future periods as work is performed and payments will be made with proceeds remaining from previous bond issues.

**NOTE 14: CONCENTRATIONS**

Amounts due from governmental agencies represent substantially all of receivables from outside sources. The School Board derives a majority of its revenue from grants by governmental agencies and is, therefore, economically dependent upon these grants.

**NOTE 15: ECONOMIC DEPENDENCY**

The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 and February 1 student counts. The state provided \$46,972,254, net of allocations of \$112,117 to charter schools, to the School Board, which represents approximately 42p% of the School Board's total revenues for the year.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## City of Monroe School Board Budgetary Comparison Schedule – General Fund (Unaudited)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
<i>For the year ended June 30, 2020</i>	Original Budget	Final Budget		
<b>Budgetary Fund Balance, Beginning</b>	\$ 18,391,022	\$ 18,391,022	\$ 18,391,022	\$ -
<b>Resources (inflows)</b>				
Local sources				
Ad valorem taxes				
Constitutional tax	2,850,000	2,838,000	2,838,819	819
Renewable tax	8,275,000	8,250,000	8,250,319	319
Other than school taxes	40,000	371,000	371,157	157
Earnings on investments	50,000	43,000	42,915	(85)
Other local revenue	815,200	777,900	814,889	36,989
<b>Total local sources</b>	<b>12,030,200</b>	<b>12,279,900</b>	<b>12,318,099</b>	<b>38,199</b>
State and federal sources				
State equalization	47,322,144	46,972,254	46,972,254	-
State revenue sharing	175,000	258,000	258,060	60
Other unrestricted revenue	56,000	39,966	4,000	(35,966)
Other restricted revenue	60,000	19,000	58,966	39,966
Federal restricted grants-in-aid	90,000	215,000	223,693	8,693
<b>Total state and federal sources</b>	<b>47,703,144</b>	<b>47,504,220</b>	<b>47,516,973</b>	<b>12,753</b>
Other sources				
Proceeds from sale of assets	2,000	-	-	-
Insurance proceeds	-	139,568	173,367	33,799
Judgments	-	33,800	-	(33,800)
Transfers in	851,000	801,000	1,279,706	478,706
<b>Total other sources</b>	<b>853,000</b>	<b>974,368</b>	<b>1,453,073</b>	<b>478,705</b>
<b>Total resources</b>	<b>60,586,344</b>	<b>60,758,488</b>	<b>61,288,145</b>	<b>529,657</b>
<b>Amounts available for appropriations</b>	<b>78,977,366</b>	<b>79,149,510</b>	<b>79,679,167</b>	<b>529,657</b>
<b>Charges to appropriations (outflows)</b>				
Current				
Instructional services				
Regular programs	22,978,595	22,842,028	22,841,771	(257)
Special education programs	9,206,564	8,977,375	8,977,375	-
Vocational programs	1,034,743	874,525	874,525	-
Other instructional programs	4,468,043	4,346,990	4,332,464	(14,526)
Special programs	534,627	482,809	482,809	-
Adult/Continuing education program	10	-	-	-
Support Services				
Pupil support services	3,516,298	3,538,029	3,538,029	-
Instructional staff support	1,879,490	1,971,274	1,970,747	(527)
General administration	1,233,536	1,092,250	1,089,442	(2,808)
School administration	3,974,526	3,885,280	3,885,280	-
Business services	879,102	811,364	812,536	1,172
Plant services	5,659,136	5,357,970	5,357,970	-
Student transportation services	3,083,053	2,823,396	2,822,702	(694)
Central services	1,187,730	1,129,338	1,130,931	1,593
Non-instructional services				
Food service operations	229,148	225,292	225,292	-
Capital outlay	1,926,500	1,336,237	840,703	(495,534)
Debt service	949,000	924,908	70,000	(854,908)
Other uses				
Transfers out	100,000	100,000	931,963	831,963
Indirect cost transfers	-	-	-	-
<b>Total charges to appropriations</b>	<b>62,840,101</b>	<b>60,719,065</b>	<b>60,184,539</b>	<b>(534,526)</b>
<b>Budgetary Fund Balances, Ending</b>	<b>\$ 16,137,265</b>	<b>\$ 18,430,445</b>	<b>\$ 19,494,628</b>	<b>\$ 1,064,183</b>

See notes to budgetary comparison schedules.

**City of Monroe School Board**  
**Budgetary Comparison Schedule – Title I (Unaudited)**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
<i>For the year ended June 30, 2020</i>	Budget	Budget	(Budgetary	Over
			Basis)	(Under)
<b>Budgetary Fund Balance, Beginning</b>	\$ -	\$ -	\$ -	\$ -
<b>Resources (inflows)</b>				
Federal sources				
Federal restricted grants-in-aid	6,782,021	6,099,716	6,585,887	486,171
Total federal sources	6,782,021	6,099,716	6,585,887	486,171
Local sources				
Other local sources	-	-	-	-
Total local sources	-	-	-	-
Other sources				
Transfers in	-	-	-	-
Total other sources	-	-	-	-
Total resources	6,782,021	6,099,716	6,585,887	486,171
Amounts available for appropriations	6,782,021	6,099,716	6,585,887	486,171
<b>Charges to appropriations (outflows)</b>				
Current				
Instructional services				
Regular programs	6,309	66,171	66,171	-
Vocational programs	-	110,284	110,284	-
Other instructional programs	926,652	193,243	194,668	1,425
Special programs	3,295,409	3,484,952	3,487,380	2,428
Support services				
Pupil support services	382,240	492,824	771,570	278,746
Instructional staff support	1,468,843	1,117,317	1,281,443	164,126
Business services	8,105	875	875	-
Plant services	17,712	9,654	9,874	220
Student transportation services	38,841	13,099	13,099	-
Other uses				
Transfers out	637,910	608,167	650,523	42,356
Total charges to appropriations	6,782,021	6,096,586	6,585,887	489,301
<b>Budgetary Fund Balances, Ending</b>	\$ -	\$ 3,130	\$ -	\$ (3,130)

See notes to budgetary comparison schedules.

**City of Monroe School Board**  
**Budgetary Comparison Schedule – 2001 Sales Tax (Unaudited)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Over (Under)</b>
<i>For the year ended June 30, 2020</i>	<b>Original Budget</b>	<b>Final Budget</b>		
<b>Budgetary Fund Balance, Beginning</b>	\$ 9,705,806	\$ 9,705,806	\$ 9,705,806	\$ -
<b>Resources (inflows)</b>				
Local sources				
Sales and use taxes	15,947,000	15,454,650	15,454,786	136
Interest on investments	-	-	307,050	307,050
Other local revenue	-	-	-	-
State sources				
Other restricted revenues	200,000	47,600	68,335	20,735
Other sources				
Transfers in	-	-	852,158	852,158
<b>Total resources</b>	<b>16,147,000</b>	<b>15,502,250</b>	<b>16,682,329</b>	<b>1,180,079</b>
<b>Amounts available for appropriations</b>	<b>25,852,806</b>	<b>25,208,056</b>	<b>26,388,135</b>	<b>1,180,079</b>
<b>Charges to appropriations (outflows)</b>				
Current				
Instructional services				
Regular programs	4,349,440	3,524,485	3,316,987	(207,498)
Special education programs	1,380,352	1,242,976	1,242,936	(40)
Vocational programs	110,833	94,769	94,769	-
Other instructional programs	780,889	622,639	624,132	1,493
Special programs	73,728	60,819	60,819	-
Adult education services	-	-	-	-
Support services				
Pupil support services	563,758	503,508	503,508	-
Instructional staff support	217,587	204,843	204,843	-
General administration	1,304,891	1,390,196	1,390,196	-
School administration	445,451	404,720	404,720	-
Business services	286,903	306,867	335,196	28,329
Plant services	2,060,776	1,859,421	1,852,169	(7,252)
Student transportation services	834,179	830,868	434,497	(396,371)
Central services	2,092,088	2,040,549	1,960,804	(79,745)
Non-Instructional services				
Food service operations	414,708	378,739	378,739	-
Capital outlay	-	42,662	463,231	420,569
Debt services	-	-	-	-
Other uses				
Transfers out	1,500,000	1,328,213	1,328,213	-
<b>Total charges to appropriations</b>	<b>16,415,583</b>	<b>14,836,274</b>	<b>14,595,759</b>	<b>(240,515)</b>
<b>Budgetary Fund Balances, Ending</b>	<b>\$ 9,437,223</b>	<b>\$ 10,371,782</b>	<b>\$ 11,792,376</b>	<b>\$ 1,420,594</b>

See notes to budgetary comparison schedules.

**City of Monroe School Board**  
**Budgetary Comparison Schedule – 1968 Sales Tax (Unaudited)**

<i>For the year ended June 30, 2020</i>	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>Budgetary Fund Balance, Beginning</b>	\$ 47,909	\$ 47,909	\$ 47,909	\$ -
<b>Resources (inflows)</b>				
Local sources				
Sales and use taxes	4,670,000	4,716,400	4,716,514	114
Interest on investments	90	59	4	(55)
State sources				
Other restricted revenues	-	-	-	-
Other sources				
Transfers in	-	-	-	-
<b>Total resources</b>	<b>4,670,090</b>	<b>4,716,459</b>	<b>4,716,518</b>	<b>59</b>
<b>Amounts available for appropriations</b>	<b>4,717,999</b>	<b>4,764,368</b>	<b>4,764,427</b>	<b>59</b>
<b>Charges to appropriations (outflows)</b>				
Current				
Instructional services				
Regular programs	2,166,077	2,157,203	2,157,203	-
Special education programs	896,197	849,422	849,422	-
Vocational programs	93,891	85,260	85,260	-
Other instructional programs	368,429	350,048	350,048	-
Special programs	21,039	20,480	20,425	(55)
Adult education services	-	-	-	-
Support services				
Pupil support services	314,462	307,552	313,642	6,090
Instructional staff support	138,668	158,993	152,903	(6,090)
General administration	35,431	34,661	34,661	-
School administration	279,465	267,348	267,348	-
Business services	13,489	12,860	12,860	-
Plant services	133,304	126,837	126,837	-
Student transportation services	100,580	103,706	103,706	-
Central services	36,213	35,332	35,333	1
Other support services	-	-	-	-
Non-Instructional services				
Food service operations	109,876	104,174	104,174	-
Capital outlay	-	-	-	-
Debt services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Other uses				
Transfers out	-	-	-	-
<b>Total charges to appropriations</b>	<b>4,707,121</b>	<b>4,613,876</b>	<b>4,613,822</b>	<b>(54)</b>
<b>Budgetary Fund Balances, Ending</b>	<b>\$ 10,878</b>	<b>\$ 150,492</b>	<b>\$ 150,605</b>	<b>\$ 113</b>

See notes to budgetary comparison schedules.

**City of Monroe School Board**  
**Budgetary Comparison Schedule – 1994 Sales Tax (Unaudited)**

<i>For the year ended June 30, 2020</i>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Amounts (Budgetary Basis)</b>	<b>Final Budget Over (Under)</b>
<b>Budgetary Fund Balance, Beginning</b>	\$ 2,333,576	\$ 2,333,576	\$ 2,333,576	\$ -
<b>Resources (inflows)</b>				
Local sources				
Sales and use taxes	8,001,300	7,742,950	7,727,391	(15,559)
Interest on investments	12,000	6,850	20,816	13,966
State sources				
Other restricted revenues	-	-	-	-
Other sources				
Transfers in	48,000	48,000	-	(48,000)
<b>Total resources</b>	<b>8,061,300</b>	<b>7,797,800</b>	<b>7,748,207</b>	<b>(49,593)</b>
<b>Amounts available for appropriations</b>	<b>10,394,876</b>	<b>10,131,376</b>	<b>10,081,783</b>	<b>(49,593)</b>
<b>Charges to appropriations (outflows)</b>				
Current				
Instructional services				
Regular programs	3,065,489	2,763,163	2,763,784	621
Special education programs	1,118,319	1,017,036	1,017,036	-
Vocational programs	110,533	96,380	96,380	-
Other instructional programs	889,862	808,777	808,777	-
Special programs	26,103	24,160	21,877	(2,283)
Adult education services	-	-	-	-
Support services				
Pupil support services	464,539	479,485	479,485	-
Instructional staff support	285,045	185,626	185,626	-
General administration	77,807	65,014	65,014	-
School administration	714,789	637,672	637,672	-
Business services	150,489	120,475	119,895	(580)
Plant services	251,799	235,220	235,220	-
Student transportation services	124,355	122,724	122,724	-
Central services	1,115,439	900,591	886,562	(14,029)
Other support services	-	-	-	-
Non-Instructional services				
Food service operations	121,471	109,043	109,044	1
Capital outlay	-	-	-	-
Debt services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Other uses				
Transfers out	48,000	48,000	-	(48,000)
<b>Total charges to appropriations</b>	<b>8,564,039</b>	<b>7,613,366</b>	<b>7,549,096</b>	<b>(64,270)</b>
<b>Budgetary Fund Balances, Ending</b>	<b>\$ 1,830,837</b>	<b>\$ 2,518,010</b>	<b>\$ 2,532,687</b>	<b>\$ 14,677</b>

See notes to budgetary comparison schedules.

**City of Monroe School Board**  
**Budgetary Comparison Schedule – School Food Service (Unaudited)**

<i>For the year ended June 30, 2020</i>	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>Budgetary Fund Balance, Beginning</b>	\$ 2,469,351	\$ 2,469,351	\$ 2,469,351	\$ -
<b>Resources (inflows)</b>				
Local sources				
Income from meals	42,000	70,905	70,905	-
Other miscellaneous revenues	-	1,714	-	(1,714)
State sources				
Other restricted revenues	100,000	100,000	105,748	5,748
Federal sources				
Federal restricted grants-in-aid	5,595,017	4,451,095	5,156,143	705,048
Other sources				
Transfers in	20,000	41,508	0	(41,508)
<b>Total resources</b>	<b>5,757,017</b>	<b>4,665,222</b>	<b>5,332,796</b>	<b>667,574</b>
<b>Amounts available for appropriations</b>	<b>8,226,368</b>	<b>7,134,573</b>	<b>7,802,147</b>	<b>667,574</b>
<b>Charges to appropriations (outflows)</b>				
Current				
Instructional services				
Regular programs	-	-	-	-
Special education programs	-	-	-	-
Vocational programs	-	-	-	-
Other instructional programs	-	-	-	-
Special programs	-	-	-	-
Adult education services	-	-	-	-
Support services				
Pupil support services	-	-	-	-
Instructional staff support	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Business services	-	-	-	-
Plant services	-	-	-	-
Student transportation services	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Non-Instructional services				
Food service operations	5,361,233	4,872,373	5,481,922	609,549
Capital outlay	-	-	100,159	100,159.00
Debt services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Other uses				
Transfers out	-	-	-	-
<b>Total charges to appropriations</b>	<b>5,361,233</b>	<b>4,872,373</b>	<b>5,582,081</b>	<b>709,708</b>
<b>Budgetary Fund Balances, Ending</b>	<b>\$ 2,865,135</b>	<b>\$ 2,262,200</b>	<b>\$ 2,220,066</b>	<b>\$ (42,134)</b>

See notes to budgetary comparison schedules.

## City of Monroe School Board

### Notes to Budgetary Comparison Schedules (Unaudited)

#### Note A – BUDGETS

**General Budget Policies** The School Board utilized the following procedures in establishing the budgetary data reflected in the financial statements:

In July, the Superintendent submits to the School Board proposed annual appropriated budgets for the General Fund and the Special Revenue Funds for the fiscal year commencing July 1. A public hearing is conducted to obtain taxpayer comments. Prior to September 15, the School Board legally enacts the budget through adoption. The only legal requirement is that the School Board adopts a balanced budget; that is, total budgeted revenues and other financing sources (including fund balance) must equal or exceed total budgeted expenditures and other financing uses. The budget is revised periodically throughout the year, when deemed appropriate, but a balanced budget is always approved.

All budgets have annual appropriated budgets adopted on a basis consistent with GAAP. Except for grant-oriented funds, unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are utilized when goods or services are received. Grant-oriented fund budgets are adopted at the time the grant applications are approved by the grantor. Separate annual budgets are adopted for unencumbered appropriations of grant-oriented Special Revenue Funds at the beginning of the following fiscal year.

Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. All budgets are operational at the departmental or project level. The Superintendent of the School Board is authorized to transfer budget amounts between line item activity and between any functions of an individual fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval.

**Budget Basis of Accounting** All governmental funds' budgets are prepared on the modified accrual basis of accounting. Budgeted amounts are as originally adopted or as amended by the School Board members. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the School Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures plus projected expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function. The effects of budget revisions to the general fund passed during the year were insignificant.

**City of Monroe School Board**  
**Notes to Budgetary Comparison Schedules (Unaudited)**

**Note B – BUDGET TO GAAP RECONCILIATION**

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

	<u>General Fund</u>
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 79,679,167
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(18,391,022)
Other financing sources - Transfers from other funds and Insurance Proceeds	(1,453,073)
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 59,835,072
<hr/>	
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 60,184,539
Other financing uses - Transfers to other funds	(931,963)
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 59,252,576
<hr/>	

**City of Monroe School Board**  
**Notes to Budgetary Comparison Schedules (Unaudited)**

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

	Title I
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 6,585,887
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	-
Other financing sources	-
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 6,585,887
<hr/>	
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 6,585,887
Other financing uses - Transfers to other funds	(650,523)
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 5,935,364
<hr/>	

**City of Monroe School Board**  
**Notes to Budgetary Comparison Schedules (Unaudited)**

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

	<u>2001 Sales Tax</u>
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation"	
from the Budgetary Comparison Schedule	\$ 26,388,135
The fund balance at the beginning of the year is a budgetary resource	
but is not a current year revenue for financial reporting purposes	(9,705,806)
Other financing sources - transfers from other funds	(852,158)
	<hr/>
Total revenues as reported on the Statement of Revenues, Expenditures,	
and Changes in Fund Balances - Governmental Funds	\$ 15,830,171
	<hr/>
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations"	
from the Budgetary Comparison Schedule	\$ 14,595,759
Other financing uses - transfers from other funds	(1,328,213)
	<hr/>
Total expenditures as reported on the Statement of Revenues, Expenditures,	
and Changes in Fund Balances - Governmental Funds	\$ 13,267,546
	<hr/>

**City of Monroe School Board**  
**Notes to Budgetary Comparison Schedules (Unaudited)**

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

	<u>1968 Sales Tax</u>
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 4,764,427
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(47,909)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 4,716,518
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 4,613,822
Other financing uses	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 4,613,822

**City of Monroe School Board**  
**Notes to Budgetary Comparison Schedules (Unaudited)**

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

	<u>1994 Sales Tax</u>
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 10,081,783
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(2,333,576)
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 7,748,207
<hr/>	
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 7,549,096
Other financing uses	-
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 7,549,096
<hr/>	

**City of Monroe School Board**  
**Notes to Budgetary Comparison Schedules (Unaudited)**

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

	School Food Service
<hr/>	
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 7,802,147
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(2,469,351)
Other financing uses	-
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 5,332,796
<hr/>	
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 5,582,081
Other financing uses	-
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 5,582,081
<hr/>	

## City of Monroe School Board

### Schedule of Changes in Net OPEB Liability and Related Ratios

<i>For the Year Ended June 30,</i>	2020	2019	2018
<b>Total OPEB Liability</b>			
Service cost	\$ 8,681,889	\$ 8,286,178	\$ 7,671,437
Interest	6,657,929	6,949,091	6,482,827
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	(7,787,835)	(11,280,713)
Changes of assumptions	46,378,402	7,067,274	(833,659)
Benefit payments	(4,313,631)	(4,177,777)	(4,177,338)
Net change in total OPEB liability	\$ 57,404,589	\$ 10,336,931	\$ (2,137,446)
Total OPEB liability - beginning	183,682,907	173,345,976	175,483,422
Total OPEB liability - ending (a)	\$ 241,087,496	\$ 183,682,907	\$ 173,345,976
Plan Fiduciary Net Position			
Contributions - employer	-	-	-
Net investment income	-	-	-
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -
Net OPEB liability - ending (a)-(b)	\$ 241,087,496	\$ 183,682,907	\$ 173,345,976
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%
Covered payroll	45,286,221	44,856,260	43,954,546
Net OPEB liability as a percentage of covered payroll	532%	409%	394%

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

## City of Monroe School Board

### Schedule of the Employer's Proportionate Share of the Net Pension Liability

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Teachers' Retirement System of Louisiana					
2019	1.028200%	\$ 102,045,449	\$ 48,552,357	210%	68.6%
2018	1.031790%	\$ 101,404,232	\$ 47,155,131	215%	68.2%
2017	1.062300%	\$ 108,905,486	\$ 48,794,800	223%	65.6%
2016	1.073350%	\$ 125,978,361	\$ 49,217,661	256%	59.9%
2015	1.098610%	\$ 118,125,271	\$ 48,484,596	244%	62.5%
2014	1.062880%	\$ 108,641,273	\$ 48,484,596	224%	63.7%
Louisiana School Employees' Retirement System					
2019	1.552373%	\$ 10,867,570	\$ 2,487,665	437%	73.5%
2018	1.566513%	\$ 10,466,458	\$ 2,671,565	392%	75.0%
2017	1.636276%	\$ 10,470,972	\$ 2,877,347	364%	75.0%
2016	1.603258%	\$ 12,094,133	\$ 2,879,970	420%	70.1%
2015	1.564946%	\$ 9,923,745	\$ 2,999,671	331%	74.5%
2014	1.543200%	\$ 8,945,660	\$ 2,999,671	298%	76.2%
Louisiana State Employees' Retirement System					
2019	0.009350%	\$ 677,689	\$ 224,649	302%	62.9%
2018	0.015790%	\$ 1,077,071	\$ 229,747	469%	64.3%
2017	0.012550%	\$ 883,584	\$ 220,264	401%	62.5%
2016	0.016190%	\$ 1,271,642	\$ 233,044	546%	57.7%
2015	0.018390%	\$ 1,250,458	\$ 213,049	587%	62.7%
2014	0.014950%	\$ 934,807	\$ 213,049	439%	65.0%

\*Amounts presented were determined as of the measurement date (previous fiscal year end).

## City of Monroe School Board Schedule of Employer's Contributions

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered payroll	Contributions as a percentage of covered payroll
Louisiana School Employees' Retirement System					
2020	\$ 1,296,725	\$ 1,296,725	\$ -	\$ 4,631,160	28.0%
2019	\$ 1,243,793	\$ 1,243,793	\$ -	\$ 2,487,665	50.0%
2018	\$ 1,240,486	\$ 1,240,486	\$ -	\$ 2,671,565	46.4%
2017	\$ 1,271,047	\$ 1,271,047	\$ -	\$ 2,877,347	44.2%
2016	\$ 1,344,117	\$ 1,344,117	\$ -	\$ 2,879,970	46.7%
2015	\$ 1,444,156	\$ 1,444,156	\$ -	\$ 2,999,671	48.1%
2014	\$ 1,392,033	\$ 1,392,033	\$ -	\$ 2,999,671	46.4%
Teachers' Retirement System of Louisiana					
2020	\$ 12,798,620	\$ 12,798,620	\$ -	\$ 47,934,908	26.7%
2019	\$ 12,868,882	\$ 12,868,882	\$ -	\$ 48,552,357	26.5%
2018	\$ 12,493,276	\$ 12,493,276	\$ -	\$ 47,155,131	26.5%
2017	\$ 12,235,860	\$ 12,235,860	\$ -	\$ 48,794,800	25.1%
2016	\$ 12,829,115	\$ 12,829,115	\$ -	\$ 49,217,661	26.1%
2015	\$ 13,461,987	\$ 13,461,987	\$ -	\$ 48,484,596	27.8%
2014	\$ 12,668,488	\$ 12,668,488	\$ -	\$ 48,484,596	26.1%
Louisiana State Employees' Retirement System					
2020	\$ 69,353	\$ 69,353	\$ -	\$ 170,401	40.7%
2019	\$ 101,963	\$ 101,963	\$ -	\$ 224,649	45.4%
2018	\$ 87,173	\$ 87,173	\$ -	\$ 229,747	37.9%
2017	\$ 83,433	\$ 83,433	\$ -	\$ 220,264	37.9%
2016	\$ 86,692	\$ 86,692	\$ -	\$ 233,044	37.2%
2015	\$ 90,000	\$ 90,000	\$ -	\$ 213,049	42.2%
2014	\$ 64,973	\$ 64,973	\$ -	\$ 213,049	30.5%

\*Amounts presented were determined as of the end of the fiscal year.

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

## City of Monroe School Board

### Notes to Required Supplementary Information

#### *Changes of Benefit Terms*

##### **Louisiana School Employees' Retirement System**

There were no changes of benefit terms for the actuarial valuation for the year ended June 30, 2019.

##### **Teachers' Retirement System of Louisiana**

There were no changes of benefit terms for the actuarial valuation for the year ended June 30, 2019.

##### **Louisiana State Employees' Retirement System**

There were no changes of benefit terms for the actuarial valuation for the year ended June 30, 2019.

#### *Changes of Assumptions*

##### **Louisiana School Employees' Retirement System**

For the actuarial valuation for the year ended June 30, 2018, the discount rate was decreased from 7.125% to 7.0625% and the inflation rate was decreased from 2.625% to 2.5%. Salary increases decreased from a range of 3.075% to 5.375% to a rate of 3.25%.

For the actuarial valuation for the year ended June 30, 2019, the discount rate was decreased from 7.0625% to 7.00%.

##### **Teachers' Retirement System of Louisiana**

For the actuarial valuation for the year ended June 30, 2018, the discount rate was decreased from 7.70% to 7.65%.  
For the actuarial valuation for the year ended June 30, 2019, the discount rate was decreased from 7.65% to 7.55%.

##### **Louisiana State Employees' Retirement System**

For the actuarial valuation for the year ended June 30, 2018, the discount rate was decreased from 7.70% to 7.65%.  
For the actuarial valuation for the year ended June 30, 2018, the discount rate was decreased from 7.65% to 7.60%.

## **OTHER SUPPLEMENTARY INFORMATION**

## **City of Monroe School Board**

### **Non-major Governmental Fund Descriptions**

#### **Special Revenue Funds:**

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. These funds are primarily established for specific educational purposes and funded through the United States Department of Education or the Louisiana Department of Education.

- The Special Education funds is a Federal program that provides free appropriate education for all identified handicapped children from 3 to 21 years of age in the least restrictive environment.
- School Food Service accounts for the revenues and expenditures incurred, in providing to pupils, breakfast and lunch services during the school year and in the Summer Feeding program.
- 1968 Sales Tax Fund accounts for the collection and distribution of a one-half percent sales tax to provide for supplemental salaries to School Board personnel. Certified personnel receive 88% of the collections with classified personnel receiving 12%.
- 1994 Sales Tax Fund accounts for the collection and distribution of a one-half percent sales tax levied to provide additional support to the school system to including funding of employee salaries and instructional purposes.
- The Other Federal Programs funds account for all other federal programs that were not specifically discussed above.
- The State Grants funds account for various programs funded by the Louisiana Department of Education.
- The Local Grants funds account for one grant from a private entity.

#### **Debt Service Funds:**

Debt Service Funds account for the accumulation of resources for the payment of general long-term principal, interest and related costs.

- The Bond Redemption Fund accounts for the 2014 General Obligation Bonds and the 2003 and 2010 Refunding Bonds.
- The 2001-2002 Sales Tax Bond Sinking Fund accounts for the 2010 and 2011 Series Sales Tax Refunding Bonds.
- The QZAB 2012 Sinking Fund accounts for the 2011 Qualified Zone Academy Bonds.

## **City of Monroe School Board Non-major Governmental Fund Descriptions**

### **Capital Projects Funds:**

Capital Projects Funds account for the financial resources received and used for the acquisition, construction or improvements of capital facilities not reported in other governmental funds.

- The Capital Projects Fund accounts for resources accumulated and expended for improvements, acquisitions and construction of School Board Facilities.

**City of Monroe School Board**  
**Combining Balance Sheet – Non-Major Governmental Funds**

<i>June 30, 2020</i>	<b>Total Special Revenue</b>	<b>Total Debt Service</b>	<b>Total Capital Projects</b>	<b>Total Non-major Funds</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 7,116,156	\$ 7,871,841	\$ 43,315	\$ 15,031,312
Investments	-	-	-	-
Accounts receivable	4,185,040	12,121	-	4,197,161
Due from other funds	-	-	-	-
Due from federal sources	-	-	-	-
Due from state sources	-	-	-	-
Inventory	104,992	-	-	104,992
Other assets	-	-	-	-
<b>Total assets</b>	<b>\$ 11,406,188</b>	<b>\$ 7,883,962</b>	<b>\$ 43,315</b>	<b>\$ 19,333,465</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 207,184	\$ -	\$ -	\$ 207,184
Salaries and wages payable	3,784,505	-	-	3,784,505
Due to other funds	2,198,835	-	-	2,198,835
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>6,190,524</b>	<b>-</b>	<b>-</b>	<b>6,190,524</b>
<b>Fund Balances</b>				
Nonspendable				
Inventory and other assets	104,992	-	-	104,992
Restricted for				
Salaries and related benefits	1,651,590	-	-	1,651,590
Instructional costs	1,344,008	-	-	1,344,008
Food services	2,115,074	-	-	2,115,074
Debt service	-	7,883,962	-	7,883,962
Capital projects	-	-	43,315	43,315
<b>Total fund balances</b>	<b>5,215,664</b>	<b>7,883,962</b>	<b>43,315</b>	<b>13,142,941</b>
<b>Total liabilities and fund balances</b>	<b>\$ 11,406,188</b>	<b>\$ 7,883,962</b>	<b>\$ 43,315</b>	<b>\$ 19,333,465</b>

**City of Monroe School Board**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances – Non-Major Governmental Funds**

<i>Year ended June 30, 2020</i>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Non-major Funds</b>
<b>Revenues</b>				
Local Sources				
Ad valorem tax	\$ -	\$ 3,180,947	\$ -	\$ 3,180,947
Sales and use taxes	12,443,905	-	-	12,443,905
Earnings on investments	20,820	8,737	685	30,242
Cash payments for meals	70,905	-	-	70,905
Other local revenue	50,595	-	-	50,595
State Sources				
Other unrestricted revenue	883,453	-	-	883,453
Federal Sources				
Restricted grants-in-aid	10,412,479	-	-	10,412,479
<b>Total revenues</b>	<b>24,477,584</b>	<b>3,189,684</b>	<b>685</b>	<b>27,667,953</b>
<b>Expenditures</b>				
Current				
Instructional				
Regular programs	5,030,930	-	-	5,030,930
Special education programs	2,100,286	-	-	2,100,286
Vocational programs	370,174	-	-	370,174
Other instructional programs	1,755,821	-	-	1,755,821
Special programs	1,093,332	-	-	1,093,332
Support Services				
Pupil support services	1,831,856	-	-	1,831,856
Instructional staff	2,190,959	-	-	2,190,959
General administration	105,557	92,082	-	197,639
School administration	1,075,331	-	-	1,075,331
Business services	185,871	-	-	185,871
Plant services	451,827	-	-	451,827
Student transportation services	298,602	-	-	298,602
Central services	1,233,513	-	-	1,233,513
Noninstructional				
Food service operations	5,928,167	-	-	5,928,167
Debt service				
Principal	-	3,575,000	-	3,575,000
Interest	-	1,948,914	-	1,948,914
Capital outlay	100,159	-	-	100,159
<b>Total expenditures</b>	<b>23,752,385</b>	<b>5,615,996</b>	<b>-</b>	<b>29,368,381</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>725,199</b>	<b>(2,426,312)</b>	<b>685</b>	<b>(1,700,428)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	79,806	1,328,213	-	1,408,019
Transfers out	(616,743)	(12,441)	-	(629,184)
<b>Total other financing sources (Uses)</b>	<b>(536,937)</b>	<b>1,315,772</b>	<b>-</b>	<b>778,835</b>
<b>Net Change in Fund Balances</b>	<b>188,262</b>	<b>(1,110,540)</b>	<b>685</b>	<b>(921,593)</b>
<b>Fund Balances, beginning of year</b>	<b>5,027,402</b>	<b>8,994,502</b>	<b>42,630</b>	<b>14,064,534</b>
<b>Fund Balances, end of year</b>	<b>\$ 5,215,664</b>	<b>\$ 7,883,962</b>	<b>\$ 43,315</b>	<b>\$ 13,142,941</b>

**City of Monroe School Board**  
**Combining Balance Sheet – Non-Major Special Revenue Funds**

	Special Revenue Funds								Total Non-major Special Revenue Funds
<i>June 30, 2020</i>	Special Education	School Food Service	1968 Sales Tax	1994 Sales Tax	ESSERF	Other Federal Programs	State Grants	Local Grants	
<b>Assets</b>									
Cash and cash equivalents	\$ -	\$ 2,444,813	\$ 1,154,293	\$ 3,117,003	\$ -	\$ 124,417	\$ 275,630	\$ -	\$ 7,116,156
Investments	-	-	-	-	-	-	-	-	-
Due from other governments	249,852	2,034	845,413	1,369,259	999,659	565,277	153,546	-	4,185,040
Inventory	-	104,992	-	-	-	-	-	-	104,992
Other assets	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 249,852</b>	<b>\$ 2,551,839</b>	<b>\$ 1,999,706</b>	<b>\$ 4,486,262</b>	<b>\$ 999,659</b>	<b>\$ 689,694</b>	<b>\$ 429,176</b>	<b>\$ -</b>	<b>\$ 11,406,188</b>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable	\$ 10,792	\$ 95,484	\$ -	\$ 2,859	\$ 53,359	\$ 26,190	\$ 18,500	\$ -	\$ 207,184
Salaries and wages payable	125,786	236,289	1,707,182	1,444,160	2,453	220,459	48,176	-	3,784,505
Due to other funds	113,274	-	141,919	506,556	943,847	386,220	107,019	-	2,198,835
Deferred revenue and other liabilities	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>249,852</b>	<b>331,773</b>	<b>1,849,101</b>	<b>1,953,575</b>	<b>999,659</b>	<b>632,869</b>	<b>173,695</b>	<b>-</b>	<b>6,190,524</b>
<b>Fund Balances</b>									
<b>Nonspendable</b>									
Inventory and prepaids	-	104,992	-	-	-	-	-	-	104,992
<b>Restricted for</b>									
Salaries and related benefits	-	-	150,605	1,444,160	-	56,825	-	-	1,651,590
Instructional costs	-	-	-	1,088,527	-	-	255,481	-	1,344,008
Food services	-	2,115,074	-	-	-	-	-	-	2,115,074
<b>Total fund balances</b>	<b>-</b>	<b>2,220,066</b>	<b>150,605</b>	<b>2,532,687</b>	<b>-</b>	<b>56,825</b>	<b>255,481</b>	<b>-</b>	<b>5,215,664</b>
<b>Total liabilities and fund balances</b>	<b>\$ 249,852</b>	<b>\$ 2,551,839</b>	<b>\$ 1,999,706</b>	<b>\$ 4,486,262</b>	<b>\$ 999,659</b>	<b>\$ 689,694</b>	<b>\$ 429,176</b>	<b>\$ -</b>	<b>\$ 11,406,188</b>

**City of Monroe School Board**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Special Revenue Funds**

	Special Revenue Funds								Total
	Special Education	School Food Service	1968 Sales Tax	1994 Sales Tax	ESSERF	Other Federal Programs	State Grants	Local Grants	Non-Major Special Revenue Funds
Year ended June 30, 2020									
Revenues									
Local Sources									
Sales and use taxes	\$ -	\$ -	\$ 4,716,514	\$ 7,727,391	\$ -	\$ -	\$ -	\$ -	\$ 12,443,905
Earnings on investments	-	-	4	20,816	-	-	-	-	20,820
Cash payments for meals	-	70,905	-	-	-	-	-	-	70,905
Other local revenue	-	-	-	-	-	-	-	50,595	50,595
State Sources									
Restricted grants-in-aid	-	-	-	-	-	595,427	-	-	595,427
State - other revenues	42,841	105,748	-	-	-	-	734,864	-	883,453
Federal Sources									
Restricted grants-in-aid	1,937,304	5,156,143	-	-	999,659	2,319,373	-	-	10,412,479
Total revenues	1,980,145	5,332,796	4,716,518	7,748,207	999,659	2,914,800	734,864	50,595	24,477,584
Expenditures									
Current									
Instructional									
Regular programs	-	-	2,157,203	2,763,784	59,348	-	-	50,595	5,030,930
Special education programs	233,828	-	849,422	1,017,036	-	-	-	-	2,100,286
Vocational programs	-	-	85,260	96,380	-	119,498	69,036	-	370,174
Other instructional programs	38,139	-	350,048	808,777	-	550,375	8,482	-	1,755,821
Special programs	-	-	20,425	21,877	-	901,067	149,963	-	1,093,332
Support Services									
Pupil support services	754,202	-	313,642	479,485	19,797	224,939	39,791	-	1,831,856
Instructional staff	756,892	-	152,903	185,626	97,738	794,333	203,467	-	2,190,959
General administration	-	-	34,661	65,014	5,815	67	-	-	105,557
School administration	-	-	267,348	637,672	144,134	-	26,177	-	1,075,331
Business services	1,735	-	12,860	119,895	51,381	-	-	-	185,871
Plant services	-	-	126,837	235,220	89,770	-	-	-	451,827
Student transportation services	8,606	-	103,706	122,724	9,377	21,291	32,898	-	298,602
Central services	-	-	35,333	886,562	128,408	-	183,210	-	1,233,513
Noninstructional									
Food service operations	-	5,481,922	104,174	109,044	225,411	7,616	-	-	5,928,167
Capital outlay	-	100,159	-	-	-	-	-	-	100,159
Total expenditures	1,793,402	5,582,081	4,613,822	7,549,096	831,179	2,619,186	713,024	50,595	23,752,385
Excess of Revenues Over Expenditures	186,743	(249,285)	102,696	199,111	168,480	295,614	21,840	-	725,199
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	14,229	65,577	-	79,806
Transfers out	(186,743)	-	-	-	(168,480)	(261,520)	-	-	(616,743)
Total other financing sources (Uses)	(186,743)	-	-	-	(168,480)	(247,291)	65,577	-	(536,937)
Net Change in Fund Balances	-	(249,285)	102,696	199,111	-	48,323	87,417	-	188,262
Fund Balances at Beginning of Year	-	2,469,351	47,909	2,333,576	-	8,502	168,064	-	5,027,402
Fund Balances at End of Year	\$ -	\$ 2,220,066	\$ 150,605	\$ 2,532,687	\$ -	\$ 56,825	\$ 255,481	\$ -	\$ 5,215,664

**City of Monroe School Board**  
**Combining Balance Sheet – Non-Major Debt Service Funds**

June 30, 2020	Bond Redemption	2001-2002 Sales Tax Bond Sinking	QZAB 2012 Sinking	Total Non-Major Debt Service Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 4,304,454	\$ 3,567,387	\$ -	\$ 7,871,841
Due from other governments	12,121	-	-	12,121
<b>Total assets</b>	<b>\$ 4,316,575</b>	<b>\$ 3,567,387</b>	<b>\$ -</b>	<b>\$ 7,883,962</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Other Payables	\$ -	\$ -	\$ -	\$ -
<b>Fund Balances</b>				
Restricted for debt service	4,316,575	3,567,387	-	7,883,962
<b>Total liabilities and fund balances</b>	<b>\$ 4,316,575</b>	<b>\$ 3,567,387</b>	<b>\$ -</b>	<b>\$ 7,883,962</b>

**City of Monroe School Board**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances – Non-Major Debt Service Funds**

<i>Year ended June 30, 2020</i>	Bond Redemption Debt Service	2001-2002 Sales Tax Bond Sinking	QZAB 2012 Sinking	Total Non-major Debt Service Fund
<b>Revenues</b>				
<b>Local Sources</b>				
Ad valorem tax	\$ 3,180,947	\$ -	\$ -	\$ 3,180,947
Earnings on investments	8,705	-	32	8,737
Total revenues	3,189,652	-	32	3,189,684
<b>Expenditures</b>				
General administration	92,082	-	-	92,082
Debt service				
Principal	2,345,000	1,230,000	-	3,575,000
Interest	1,850,038	98,876	-	1,948,914
Total expenditures	4,287,120	1,328,876	-	5,615,996
<b>Excess (deficiency) of revenues over expenditures</b>	(1,097,468)	(1,328,876)	32	(2,426,312)
<b>Other financing sources / uses</b>				
Transfers in	-	1,328,213	-	1,328,213
Transfers out	-	-	(12,441)	(12,441)
Total other financing sources	-	1,328,213	(12,441)	1,315,772
Net change in fund balances	(1,097,468)	(663)	(12,409)	(1,110,540)
Fund balances at beginning of year	5,414,043	3,568,050	12,409	8,994,502
Fund balances at end of year	\$ 4,316,575	\$ 3,567,387	\$ -	\$ 7,883,962

**City of Monroe School Board**  
**Combining Balance Sheet – Non-Major Capital Project Funds**

<i>June 30, 2020</i>	Capital Projects
<hr/>	
<b>Assets</b>	
Cash and cash equivalents	\$ 43,315
<hr/>	
Total assets	\$ 43,315
<hr/>	
<b>Liabilities and Fund Balances</b>	
<b>Liabilities</b>	
Accounts Payable	\$ -
<b>Fund Balances</b>	
Restricted for debt service	43,315
<hr/>	
Total liabilities and fund balances	\$ 43,315
<hr/>	

**City of Monroe School Board**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance – Non-Major Capital Project Funds**

<i>Year ended June 30, 2020</i>	Capital Projects
<b>Revenues</b>	
<b>Local sources</b>	
Earnings on investments	\$ 685
Total revenues	685
<b>Expenditures</b>	
Current	
Business services	-
Plant services	-
Student transportation services	-
Central services	-
Noninstructional	
Food service operations	-
Facility acquisition & construction	-
Total expenditures	-
<b>Excess (deficiency) of revenues over expenditures</b>	<b>685</b>
<b>Other Financing Sources (Uses)</b>	
Transfers in	-
Transfers out	-
Total other financing sources (Uses)	-
Net change in fund balances	685
Fund balances at beginning of year	42,630
Fund balances at end of year	\$ 43,315

**City of Monroe School Board**  
**Schedule of Compensation Paid to Board Members**  
**For the Year Ended June 30, 2020**

	<u>District</u>	<u>Compensation</u>
Rick Saulsberry	1	9,600
Jennifer Haneline	2	9,600
William "Bill" Willson	3	10,200
Daryll Berry	4	9,600
Betty Ward Cooper, President eff. 1/2020	5	10,200
Brandon Johnson	6	9,600
Sharon Neal Greer	7	9,600
<hr/>		
Total board member compensation		\$ 68,400

**City of Monroe School Board**  
**Schedule of Compensation, Benefits and Other Payments to Agency Head**  
**For the Year Ended June 30, 2020**

Agency Head Name: Brent Anthony Vidrine, Superintendent

Purpose	Amount
Salary	\$ 225,488
Benefits-insurance (health & life)	\$ 7,096
Benefits (retirement)	\$ 52,941
Car allowance	\$ 8,400
Legal services	\$ -
Travel	\$ 3,456
Supplies	\$ -

## **REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS**

**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***

Board Members  
City of Monroe School Board  
Monroe, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Monroe School Board (the "School Board"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise City of Monroe School Board's basic financial statements, and have issued our report thereon dated January 4, 2021.

**Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Carr, Riggs & Ingram, L.L.C.*

**CARR, RIGGS & INGRAM, LLC**

Shreveport, Louisiana

January 4, 2021

**Independent Auditors' Report on Compliance for  
Each Major Program and on Internal  
Control over Compliance Required by the *Uniform Guidance***

Board Members  
City of Monroe School Board  
Monroe, Louisiana

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

We have audited the City of Monroe School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2020. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, the School Board, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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

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

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

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

**Purpose of this Report**

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

*Carr, Riggs & Ingram, L.L.C.*

**CARR, RIGGS & INGRAM, LLC**

Shreveport, Louisiana  
January 4, 2021

**City of Monroe School Board**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2020**

CITY OF MONROE SCHOOL BOARD  
Monroe, Louisiana

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	C.F.D.A. Number	Pass Through Grant Number	Expenditures / Issues	Expenditures to Subrecipients
<b>DIRECT PROGRAMS:</b>				
<b>U.S. DEPARTMENT OF DEFENSE</b>				
R.O.T.C.	12.U01	N/A	\$ 194,459	\$ -
Total U.S. Department of Defense			194,459	-
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Impact Aid	84.041	N/A	107,976	-
Total U.S. Department of Education			107,976	-
<b>Total Direct Programs</b>			<b>302,435</b>	<b>-</b>
<b>PASS THROUGH PROGRAMS:</b>				
<b>U. S. DEPARTMENT OF EDUCATION</b>				
Passed through Louisiana Department of Education				
Striving Readers Comprehensive Literacy Program	84.371	28-19-SR05-65	69,056	-
Striving Readers Comprehensive Literacy Program	84.371	28-19-SR06-65	105,342	-
Striving Readers Comprehensive Literacy Program	84.371	28-19-SR03-65	154,230	-
Striving Readers Comprehensive Literacy Program	84.371	28-19-SR04-65	197,795	-
Total Striving Readers	84.371		526,423	-
Title I Grants to Local Educational Agencies				
Title I Grants to Local Educational Agencies	84.010	28-20-T1-65	6,070,043	-
Title I Grants to Local Educational Agencies	84.010	28-19-RD18-65	418,245	-
Title I Grants to Local Educational Agencies	84.010	28-20-DSS-65	33,174	-
Total Title I Grants to Local Educational Agencies			6,521,462	-
<b>SPECIAL EDUCATION CLUSTER:</b>				
Special Education-Individuals With Disabilities Education Act IDEA B				
Grants to States (IDEA Part B)	84.027	28-20-B1-65	1,882,363	-
Preschool Grants	84.173	28-20-P1-65	45,088	-
Grants to States (High Cost Services)	84.027	28-20-RH-65	9,853	-
Total Special Education Cluster			1,937,304	-
Supporting Effective Instruction State Grants	84.367	28-20-50-65	554,512	-
21st Century Community Learning Centers Cohort	84.287	28-19-8C-65	22,880	-
21st Century Community Learning Centers Cohort	84.287	28-20-2C-65	533,799	-
Total 21st Century Community Learning Centers Cohort			556,679	
School Improvement Grants	84.377	28-17-TC07-65	64,425	-

(continued)

**City of Monroe School Board**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2020**

Federal Grantor/ Pass-Through Grantor/ Program Title	C.F.D.A. Number	Pass Through Grant Number	Expenditures / Issues	Expenditures to Subrecipients
Math and Science Partnerships	84.366	28-17-MP02-65	116,286	-
Career and Technical Education - Basic Grants to States	84.048	28-20-02-65	119,063	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425	28-20-ESRF-65	999,659	-
<b>Total U.S. Dept. of Education Passed Through LA DOE</b>			<u>11,395,813</u>	-
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed through Louisiana Department of Education				
Substance Abuse and Mental Health Services	93.243	28-19-LSMH-65	267,221	
Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	93.981	28-19-LHSC-65	7,612	
<b>Total U. S. Department of Health and Human Services Passed Through LA DOE</b>			<u>274,833</u>	-
<b>U.S. DEPARTMENT OF AGRICULTURE (USDA)</b>				
Passed through Louisiana Department of Education				
CHILD NUTRITION CLUSTER:				
School Breakfast Program	10.553	N/A	1,086,435	-
School Lunch Program	10.555	N/A	2,559,029	-
School Snack Program	10.555	N/A	33,331	-
Commodities	10.555	N/A	449,464	-
Summer Feeding	10.559	N/A	703,789	-
Total Child Nutrition Cluster			<u>4,832,048</u>	-
Fresh Fruit and Vegetable Program	10.582	N/A	324,095	-
<b>Total U.S. Dept. of Agriculture Passed Through LA DOE</b>			<u>5,156,143</u>	-
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Passed through Louisiana Department of Administration				
Community Development Block Grant	14.228	B-16-DL-22-0001	115,717	
<b>TOTAL PASS THROUGH PROGRAMS</b>			16,942,506	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ <u>17,244,941</u>	\$ -

See Notes to Schedule of Expenditures of Federal Awards

## City of Monroe School Board

### Notes to Schedule of Expenditures of Federal Awards (Unaudited)

#### A. General

The preceding Schedule of Expenditures of Federal Awards presents the activity of all Federal financial assistance programs of the City of Monroe School Board (the School Board). The School Board reporting entity is defined in Note 1 to the School Board's general purpose financial statements. All Federal financial assistance received directly from Federal agencies as well as Federal financial assistance passed through other government agencies is included on the schedule.

#### B. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's financial statements.

#### C. Relationship to Financial Statements

The following reconciliation is provided to help the reader of the School Board's financial statements and supplementary information relate such information to the Schedule of Expenditures of Federal Awards for the year ended June 30, 2020:

	General Fund	Title I Funds	Special Education Funds	ESSERF	Other Federal Programs Funds	School Food Service Funds
Total expenditures per financial statements	\$ 223,693	\$ 5,935,364	\$ 1,937,304	\$ 831,179	\$ 2,319,373	\$ 5,156,143
Transfer of indirect cost	-	650,523	22,882	168,480	-	-
Expenditures per schedule	<u>\$ 223,693</u>	<u>\$ 6,585,887</u>	<u>\$ 1,960,186</u>	<u>\$ 999,659</u>	<u>\$ 2,319,373</u>	<u>\$ 5,156,143</u>

Included in the Child Nutrition Cluster is \$449,464 of non-cash awards in the form of commodities provided by the United States Department of Agriculture.

#### D. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

**City of Monroe School Board**  
**Notes to Schedule of Expenditures of Federal Awards (Unaudited)**

**E. Federal Indirect Cost Rate**

City of Monroe School Board did not elect to use the 10% de minimis federal indirect cost rate for the year ended June 30, 2020.

**F. Subrecipients**

City of Monroe School Board did not provide federal funds to any subrecipients during the year ended June 30, 2020.

**G. Loans**

City of Monroe School Board did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2020.

**H. Federally Funded Insurance**

City of Monroe School Board has no federally funded insurance.

**City of Monroe School Board**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2020**

**Section I - Summary of Auditors' Results**

***Financial Statements***

The auditors' report expresses an unmodified opinion on the financial statements in accordance with GAAP.

**Internal control over financial reporting:**

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported
- Noncompliance material to the financial statements noted? ☐ yes ☒ no

***Federal Awards***

Type of auditors' report issued on compliance for major programs:

Unmodified

**Internal control of major programs:**

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (2 CFR 200.516(a))? ☐ yes ☒ none reported

The programs tested as major programs included:  
CFDA #84.010 Title I Grants to Local Educational Agencies  
CFDA #84.425 Elementary and Secondary School Emergency Relief Fund

Dollar threshold used to distinguish between Type A and B programs: \$750,000

- Auditee qualified as a low-risk auditee? ☐ yes ☒ no

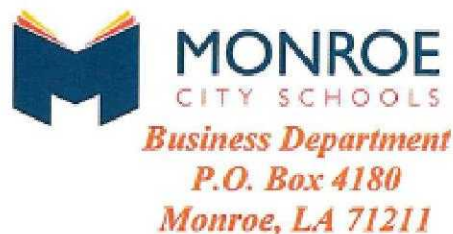
**City of Monroe School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020**

**Section II – Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards***

**None**

**Section III – Federal Award Findings and Responses**

**None**



**DaVona Howard**  
Chief Financial Officer

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**Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2020**

**2019-001 Fraud Incident – Misappropriation of Assets**

**Year of Origination:** June 30, 2019

**Condition:** In June 2019, the School Board became aware of a misappropriation of funds at Roy Neal Shelling Elementary School (formerly known as Lincoln Elementary). The Louisiana Legislative Auditor, the Ouachita Parish Sheriff's Office, the District Attorney and the School Board's attorney were notified immediately.

**Corrective action taken:** Employees have been terminated and job responsibilities have been reassigned to current employees until processes and controls can be developed and re-evaluated to ensure that there is a proper level of review and segregation of duties.

**2019-002 OPEB Census Data**

**Year of Origination:** June 30, 2018

**Condition:** During testing of Other Post-Employment Benefits census data, it was noted that several items tested did not agree to or could not be verified from personnel and payroll records. For the twenty-five active employees tested, twenty-five salaries reported did not agree to the payroll reports. For the twenty-five active employees tested, seven hire dates reported did not agree to the personnel records.

**Corrective action taken:** Pending: Management continues to work to implement a process to review and make necessary corrections to the census data. A new census was not required by the standards to be provided to the actuary for the calculation of the current year's OPEB liability.

**2019-003 Timely Filing of Audit Report**

**Year of Origination:** June 30, 2019

**Condition:** The School Board was not able to submit its audited financial statements to the Louisiana Legislative Auditor by December 31, 2019.

**Corrective action taken:** Resolved.

#### **2019-004 Missing Documentation**

**Federal Program, CFDA #, Federal Award # and Year, Federal Agency, Pass-Through Entity:** Title I Grants to Local Educational Agencies, CFDA #84.010, 28-19-T1-65 and 2019, Department of Education,  
Louisiana Department of Education

**Condition:** During our testing procedures, documentation was not able to be found regarding control procedure, resulting in an exception.

**Corrective action taken:** Management has implemented policies and procedures to ensure proper retention of documentation.

## OTHER INFORMATION

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

Board Members  
City of Monroe School Board  
Monroe, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of City of Monroe School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education. Management of the School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)**

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and
  - Nonpublic Transportation Revenue.

**Comment:** No exceptions were noted as a result of applying the agreed-upon procedure.

*Class Size Characteristics (Schedule 2)*

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1, 2019 roll books for those classes and observed that the class was properly classified on the schedule.

**Comment:** No exceptions were noted as a result of applying the agreed-upon procedure.

*Education Levels / Experience of Public School Staff (No Schedule)*

3. We obtained October 1, 2019 PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data / listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

**Comment:** No exceptions were noted as a result of applying agreed-upon procedures.

*Public School Staff Data: Average Salaries (No Schedule)*

4. We obtained June 30, 2020 PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data / listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management)

**Comment:** No exceptions were noted as a result of applying agreed-upon procedures.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the City of Monroe School Board, as required by Louisiana Revised Statute 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Carr, Riggs & Ingram, L.L.C.*

**CARR, RIGGS & INGRAM, LLC**

Shreveport, Louisiana

January 4, 2021

**CITY OF MONROE SCHOOL BOARD**  
Monroe, Louisiana

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2020**

**General Fund Instructional and Equipment Expenditures****General Fund Instructional Expenditures:****Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$ 20,310,504	
Other Instructional Staff Activities	2,356,391	
Instructional Staff Employee Benefits	13,728,404	
Purchased Professional and Technical Services	68,411	
Instructional Materials and Supplies	232,695	
Instructional Equipment	17,326	
Total Teacher and Student Interaction Activities		\$ 36,713,731

**Other Instructional Activities**

<b>Pupil Support Activities</b>	3,880,652	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		3,880,652

**Instructional Staff Services**

Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		2,335,238

**School Administration**

Less: Equipment for School Administration	-	
Net School Administration		4,181,236

Total General Fund Instructional Expenditures \$ 47,400,744

**Total General Fund Equipment Expenditures** **\$ 17,427**

**Certain Local Revenue Sources****Local Taxation Revenue:**

Ad Valorem Taxes		
Constitutional Ad Valorem Taxes	\$ 2,838,819	
Renewable Ad Valorem Tax	250,319	
Debt Service Ad Valorem Tax	3,180,947	
Up to 1% of Collections by the Sheriff on taxes other than School Taxes	371,156	
Sales Taxes		
Sales and Use Taxes - Gross	27,898,691	
Total Local Taxation Revenue		<u>\$ 34,539,932</u>

**Local Earnings on Investment in Real Property:**

Total Local Earnings on Investment in Real Property \$ -

**State Revenue in Lieu of Taxes:**

Revenue Sharing-Constitutional Tax	\$ 258,060	
Total State Revenue in Lieu of Taxes		<u>\$ 258,060</u>

Nonpublic Textbook Revenue \$ 18,380

**CITY OF MONROE SCHOOL BOARD**  
**Class Size Characteristics**  
**As of October 1, 2019**

School Type	Class Size Range							
	1 - 20		21-26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	63.3%	949	34.4%	516	1.7%	26	0.6%	9
Elementary Activity Classes	61.9%	125	36.1%	73	2.0%	4	0.0%	0
Middle/Jr. High	66.4%	396	20.8%	124	12.2%	73	0.5%	3
Middle/Jr. High Activity Classes	92.2%	118	6.3%	8	1.6%	2	0.0%	0
High	74.9%	822	17.8%	195	7.2%	79	0.1%	1
High Activity Classes	89.4%	169	7.4%	14	2.1%	4	1.1%	2
Combination	98.7%	76	0.0%	0	1.3%	1	0.0%	0
Combination Activity Classes	100.0%	12	0.0%	0	0.0%	0	0.0%	0
Other	0.0%	0	0.0%	0	0.0%	0	0.0%	0