

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

**Financial Report
As of and for the Year Ended June 30, 2019**



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City of Monroe School Board
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June 30, 2019

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Independent Auditors' Report

Board Members
City of Monroe School Board
Monroe, Louisiana

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, 2019, 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 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 opinions, 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, 2019, 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, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School Board's financial statements as a whole. The accompanying supplementary information and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2020 on our consideration of the 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 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 the School Board's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC
Shreveport, Louisiana

February 14, 2020

**REQUIRED SUPPLEMENTARY INFORMATION
(PART A)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

**City of Monroe School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2019**

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, 2019. 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 2018-19 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 \$222 million (net deficit).
- Capital Assets – Total capital assets (net of depreciation) were \$94.3 million or 59% 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 decreased by approximately \$2.4 million.
- Statement of Activities – The total net deficit of the City of Monroe School Board increased by approximately \$1.3 million for the year ended June 30, 2019.

The School Board ended the 2018-2019 fiscal year with a fund balance in the General Fund of approximately \$18.4 million.

- Governmental Funds Balance Sheet – As of the close of the 2018-2019 fiscal year, the City of Monroe School Board's governmental funds reported combined ending fund balance of \$55.3 million, a decrease of approximately \$3.6 million in comparison with the prior fiscal year. This fund balance is comprised of approximately (1) \$18.4 million in General Fund, (2) \$9 million in the debt service funds, and (3) \$27.9 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, 2019 for the governmental funds of the City of Monroe School Board amounted to \$107.9 million. Approximately 81% of this amount is received from three major revenue sources: (1) \$43.9 million from Minimum Foundation Program, (2) \$14.7 million from local ad valorem taxes, and (3) \$28.6 million from local sales and use taxes.



City of Monroe School Board Management's Discussion and Analysis (Unaudited) June 30, 2019

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.



City of Monroe School Board Management's Discussion and Analysis (Unaudited) June 30, 2019

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 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 seventeen 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 Special Revenue Fund, and General Obligation Bonds 2016 Capital Projects Fund, all of which are considered to be major funds. Data for the other thirteen 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.

**City of Monroe School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2019**

Financial Analysis of Government-wide Activities

The largest portion of the City of Monroe School Board's total assets, totaling approximately \$94.3 million, net of accumulated depreciation of \$65 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 \$63 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.

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

<i>June 30,</i>	2019	2018	Percentage Change
Current and other assets	\$ 66,438,711	\$ 68,542,358	(3.1)
Capital assets, net	94,306,832	96,450,469	(2.2)
Total assets	160,745,543	164,992,827	(2.6)
Deferred outflows of resources	34,532,385	21,543,713	60.3
Current and other liabilities	11,745,652	10,267,577	14.4
Long-term liabilities	369,622,549	371,994,704	(0.6)
Total liabilities	381,368,201	382,262,281	(0.2)
Deferred inflows of resources	35,908,987	24,963,597	43.8
Net position			
Net invested in capital assets	31,343,344	32,223,560	(2.7)
Restricted	34,471,009	39,046,631	(11.7)
Unrestricted	(287,813,613)	(291,959,529)	1.4
Total net position (deficit)	\$ (221,999,260)	\$ (220,689,338)	(0.6)

Restricted net position of \$34.4 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 \$9 million of the total, with capital projects accounting for \$13.2 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, 2019**

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>	2019	2018	Percentage Change
Revenues			
Program revenues			
Charges for services	\$ 84,705	\$ 97,037	(12.7)
Operating and capital grants and contributions	18,738,638	16,431,892	14.0
General revenues			
Ad valorem taxes	14,725,264	16,698,961	(11.8)
Sales taxes	28,512,416	28,596,883	(0.3)
Minimum foundation program	44,054,357	44,636,294	(1.3)
Interest on investments	577,168	356,097	62.1
Other general revenues	1,590,397	1,636,489	(2.8)
Total revenues	108,282,945	108,453,653	(0.2)
Expenses			
Instruction	60,356,553	59,850,814	0.8
Support services			
Pupil support services	6,191,475	5,886,845	5.2
Instructional staff support	5,743,149	4,750,613	20.9
General administration	2,411,176	2,671,037	(9.7)
School administration	5,350,662	5,198,556	2.9
Business services	1,326,099	1,324,931	0.1
Plant services	9,364,957	9,902,035	(5.4)
Student transportation services	4,144,035	4,402,742	(5.9)
Central services	4,215,642	3,747,678	12.5
School food services	6,549,693	6,225,996	5.2
Facility acquisition and construction	1,892,105	2,118,654	(10.7)
Debt service - interest on long-term obligations	2,047,321	2,200,780	(7.0)
Total expenses	109,592,867	108,280,681	1.2
Increase (Decrease) in net position (deficit)	\$ (1,309,922)	\$ 172,972	857.3

Governmental Activities

Expenses are classified by functions/programs. Instructional services for fiscal year 2019 totaled \$60,356,553, compared to a total of \$59,850,814 for 2018. 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 2019 totaled \$38,747,195 compared to \$37,884,437 for 2018.

City of Monroe School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2019

The remaining expenditures of \$10,489,119 consist of \$1,892,105 for facility acquisition and construction, \$6,549,693 for food and service operations and \$2,047,321 for interest expense on long-term obligations.

The related program revenues for fiscal year 2019 directly related to these expenses totaled \$18,823,343, including \$84,705 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 \$44,896,260 in MFP funds in FY19; with \$841,903 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 \$44,054,357, which is 40.7% 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 \$28,512,416 in revenue, or 26.4% of total revenue.
- **Ad Valorem tax revenues** – Ad valorem, or property tax revenues, the third largest source of revenues, accounts for \$14,725,264 in revenue, or 13.6% 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 \$55,332,753; a decrease of \$3,613,597 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 \$18,391,022.

**City of Monroe School Board
Management’s Discussion and Analysis (Unaudited)
June 30, 2019**

- The Special Revenue Funds, including nonmajor special revenue funds, have a total fund balance of \$14,733,208 of which \$119,340 is nonspendable, \$4,923,807 is restricted for salaries and related benefits, \$7,338,679 is restricted for instructional costs and \$2,351,382 is restricted for food services.
- The Debt Service Funds have a total fund balance of \$8,994,502 all of which is restricted for the payment of debt service.
- The two Capital Projects Funds have a fund balance totaling \$13,214,021 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 6, 2018.

The original General Fund Budget projected an ending fund balance of \$17.6 million, with the amended budget projecting to end the year with a positive balance of \$17.9 million. The actual ending balance for the General Fund came in at \$18.4 million.

Capital Assets and Debt Administration

Capital Assets: The City of Monroe School Board’s investment in capital assets as of June 30, 2019, amounts to \$94,306,832 (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>	2019		2018	
Land	\$	1,669,547	\$	1,669,547
Buildings and improvements		86,941,826		82,630,273
Furniture and equipment		2,830,109		3,311,417
Construction in progress		2,865,350		8,839,232
Total capital assets, net of depreciation	\$	94,306,832	\$	96,450,469

**City of Monroe School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2019**


Long-Term Debt: At the end of the current fiscal year, the City of Monroe School Board had total debt outstanding of \$69 million. Of the amount, \$50.2 million comprises debt backed by the full faith and credit of the government. The following table summarizes bonds outstanding at June 30, 2019 and 2018.

<i>June 30,</i>	2019		2018	
General Obligation Bonds				
Series 2014	\$	16,390,000	\$	17,170,000
Series 2015		14,305,000		14,965,000
Series 2016		19,505,000		20,335,000
Sales Tax Bonds				
Series 2010		2,760,000		3,610,000
Series 2011		1,045,000		1,385,000
Revenue Bonds				
Series 2009		10,000,000		10,000,000
Series 2011		5,000,000		5,000,000
Certificates of Indebtedness				
Series 2009		-		1,500,000
Total outstanding debt	\$	69,005,000	\$	73,965,000

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 2019-2020. The School Board adopted a General Fund budget for 2019-2020 with an operating planned deficit spending of \$1,893,750. 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 2019-2020 operations and budget preparations.

- The adopted Minimum Foundation Program (“MFP”) Resolution for 2019-20, includes 1.375% increase to the Base Per Pupil, which increased from \$3,961 to \$4,015. 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 \$14,750,000 remaining for Martin Luther King, Jr. Junior High School.
- Sales tax revenue is projected to remain stable with a projected decrease of approximately 1%.



**City of Monroe School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2019**

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



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

City of Monroe School Board
Statement of Net Position
June 30, 2019

	Primary Governmental Activities
Assets	
Cash and cash equivalents	\$ 45,611,221
Investments	9,053,065
Receivables	
Ad valorem taxes	6,863
Sales and use taxes	4,626,455
Federal grants	5,886,138
State grants	540,538
Other	452,515
Inventory	172,476
Other assets	89,440
Capital assets, net	94,306,832
Total assets	160,745,543
Deferred outflows of resources	
Deferred outflows	34,532,385
Liabilities	
Accounts payable	3,071,615
Salaries and wages payable	8,034,343
Interest payable - bonds	639,694
Long-term liabilities	
Due within one year	4,679,355
Due in more than one year	364,943,194
Total liabilities	381,368,201
Deferred inflows of resources	
Deferred inflows	35,908,987
Net position	
Net investment in capital assets	31,343,344
Restricted for	
Instructional costs	2,001,240
Capital projects	13,214,021
Debt service	8,994,502
Salaries and related benefits	4,923,807
Instructional and maintenance costs	5,337,439
Unrestricted	(287,813,613)
Total net position (deficit)	\$ (221,999,260)

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

City of Monroe School Board
Statement of Activities
June 30, 2019

Primary Government	EXPENSES	PROGRAM REVENUES		NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Functions/programs				
Current				
Instructional services				
Regular programs	\$ 32,133,520	\$ -	\$ 158,168	\$ (31,975,352)
Special education programs	13,089,932	-	717,079	(12,372,853)
Vocational programs	1,584,580	-	240,655	(1,343,925)
Other instructional programs	7,463,418	46,807	880,869	(6,535,742)
Special programs	6,085,103	-	6,029,386	(55,717)
Support services				
Pupil support services	6,191,475	-	1,284,187	(4,907,288)
Instructional staff support services	5,743,149	-	3,517,061	(2,226,088)
General administration	2,411,176	-	114,050	(2,297,126)
School administration	5,350,662	-	25,990	(5,324,672)
Business services	1,326,099	-	13,940	(1,312,159)
Plant services	9,364,957	-	8,219	(9,356,738)
Student transportation services	4,144,035	-	71,526	(4,072,509)
Central services	4,215,642	-	294	(4,215,348)
Noninstructional services				
Food service operations	6,549,693	37,898	5,677,214	(834,581)
Facility acquisition and construction	1,892,105	-	-	(1,892,105)
Debt service				
Interest on long-term obligations	2,047,321	-	-	(2,047,321)
Total Primary Government	\$ 109,592,867	\$ 84,705	\$ 18,738,638	\$ (90,769,524)
General revenues				
Taxes				
Ad valorem taxes levied for				
General purposes				11,528,533
Debt service purposes				3,196,731
Sales taxes levied for				
General purposes				11,119,842
Salaries and related benefits				
				17,392,574
Grants and contributions not restricted to specific programs				
Minimum foundation program				44,054,357
State revenue sharing				958,057
Interest and investment earnings				577,168
Loss on disposals of assets				2,955
Other				629,385
Total general revenues				89,459,602
Changes in net position				(1,309,922)
Net position at beginning of year				(220,689,338)
Net position (deficit) at end of year				\$ (221,999,260)

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



FUND FINANCIAL STATEMENTS (FFS)

**City of Monroe School Board
Governmental Funds – Balance Sheet
June 30, 2019**

	MAJOR FUNDS					AGGREGATE REMAINING FUNDS OTHER GOVERNMENTAL	TOTAL
	GENERAL FUND	SPECIAL REVENUE		GO BONDS 2016 CAPITAL PROJECTS			
		TITLE I	2001 SALES TAX				
Assets							
Cash and cash equivalents	\$ 17,355,648	\$ -	\$ 494,607	\$ 13,998,626	\$ 13,762,340	\$ 45,611,221	
Investments	250,000	-	8,803,065	-	-	9,053,065	
Due from other governments	1,060,707	3,408,351	2,569,679	-	4,473,773	11,512,510	
Due from other funds	5,542,095	-	-	-	-	5,542,095	
Inventory	54,753	-	-	-	117,723	172,476	
Other assets	82,123	-	1,371	-	6,563	90,057	
Total assets	\$ 24,345,326	\$ 3,408,351	\$ 11,868,722	\$ 13,998,626	\$ 18,360,399	\$ 71,981,424	
Liabilities and fund balances							
Liabilities							
Accounts payable	\$ 214,672	\$ 562,017	\$ 1,080,459	\$ 827,235	\$ 387,851	\$ 3,072,234	
Salaries and wages payable	5,739,632	486,628	516,339	-	1,291,743	8,034,342	
Due to other funds	-	2,359,706	566,118	-	2,616,271	5,542,095	
Total liabilities	5,954,304	3,408,351	2,162,916	827,235	4,295,865	16,648,671	
Fund balances							
Nonspendable							
Inventory and other assets	136,876	-	1,371	-	117,723	255,970	
Restricted for							
Salaries and related benefits	-	-	4,366,996	-	556,811	4,923,807	
Instructional costs	-	-	-	-	2,001,240	2,001,240	
Instructional and maintenance costs	-	-	5,337,439	-	-	5,337,439	
Food services	-	-	-	-	2,351,628	2,351,628	
Debt service	-	-	-	-	8,994,502	8,994,502	
Capital projects	-	-	-	13,171,391	42,630	13,214,021	
Unassigned	18,254,146	-	-	-	-	18,254,146	
Total fund balances	18,391,022	-	9,705,806	13,171,391	14,064,534	55,332,753	
Total liabilities and fund balances	\$ 24,345,326	\$ 3,408,351	\$ 11,868,722	\$ 13,998,626	\$ 18,360,399	\$ 71,981,424	

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

**City of Monroe School Board
Reconciliation of the Governmental Funds' Balance Sheet
to the Statement of Net Position
June 30, 2019**

Total fund balances - governmental funds		\$ 55,332,753
Cost of capital assets at June 30, 2019	159,345,487	
Accumulated depreciation as of June 30, 2019	<u>(65,038,655)</u>	94,306,832
Long-term liabilities		
Compensated absences payable	(1,820,852)	
General obligation bonds payable	(50,200,000)	
Sales tax bonds payable	(3,805,000)	
Revenue bonds payable	(15,000,000)	
Interest payable	(639,694)	
Worker's Compensation IBNR	(235,860)	
Other post employment benefits	(183,682,907)	
Net pension obligations	(112,947,760)	
Bond premium	<u>(1,930,170)</u>	(370,262,243)
Deferred outflows of resources related to pensions (from pension schedule)	28,440,648	
Deferred outflows of resources related to other post-employment benefits (from OPEB schedule)	5,963,012	
Deferred outflows for payments to escrow agents to refund bonded debt	<u>128,725</u>	34,532,385
Deferred inflows of resources related to pensions (from pension schedule)	(20,628,733)	
Deferred inflows of resources related to OPEB	<u>(15,280,254)</u>	(35,908,987)
Net Position (Deficit)		\$ (221,999,260)

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
For the Year Ended June 30, 2019

	MAJOR FUNDS				AGGREGATE	
	GENERAL FUND	SPECIAL REVENUE		GO BONDS 2016 CAPITAL PROJECTS	REMAINING FUNDS OTHER GOVERNMENTAL	
		TITLE 1	2001 SALES TAX			
						TOTAL
REVENUES						
Local sources						
Ad valorem taxes	\$ 11,528,533	\$ -	\$ -	\$ -	\$ 3,196,731	\$ 14,725,264
Sales and use taxes	-	-	15,898,143	-	12,614,274	28,512,417
Earnings on investments	50,931	-	185,254	279,051	57,732	572,968
Cash payments for meals	-	-	-	-	37,898	37,898
Other local revenue	821,223	-	-	-	55,335	876,558
State sources						
State equalization	43,912,136	-	-	-	-	43,912,136
Revenue sharing	262,643	-	-	-	-	262,643
Other unrestricted revenue	-	-	-	-	1,206,173	1,206,173
Other restricted revenue	111,641	-	141,527	-	-	253,168
Federal sources						
Federal restricted grants-in-aid	116,822	7,315,001	-	-	10,075,886	17,507,709
Total revenues	56,803,929	7,315,001	16,224,924	279,051	27,244,029	107,866,934
EXPENDITURES						
Current						
Instructional services						
Regular programs	22,084,704	1,650	4,174,472	-	5,165,017	31,425,843
Special education programs	9,077,501	-	1,367,554	-	2,429,496	12,874,551
Vocational programs	1,020,884	107,803	110,247	-	337,097	1,576,031
Other instructional programs	4,303,693	334,094	965,585	-	1,659,713	7,263,085
Special programs	540,428	4,339,536	74,027	-	992,516	5,946,507
Support services						
Pupil support services	3,438,187	356,987	563,304	-	1,757,165	6,115,643
Instructional staff support	1,703,839	1,518,102	189,814	-	2,294,500	5,706,255
General administration	1,045,615	-	1,164,235	-	169,451	2,379,301
School administration	3,845,707	-	445,660	-	957,885	5,249,252
Business services	841,958	10,451	269,505	-	150,878	1,272,792
Plant services	3,915,630	8,107	3,432,861	-	383,531	7,740,129
Student transportation services	2,879,757	12,379	473,536	-	283,483	3,649,155
Central services	1,155,697	-	2,021,257	-	773,542	3,950,496
Noninstructional services						
Food service operations	229,631	-	414,858	244,762	5,784,841	6,674,092
Debt service						
Principal	-	-	-	-	4,960,000	4,960,000
Interest	70,000	-	-	-	2,054,662	2,124,662
Capital outlay	82,255	-	51,427	2,442,131	-	2,575,813
Total expenditures	56,235,486	6,689,109	15,718,342	2,686,893	30,153,777	111,483,607
Excess (deficiency) of revenues over expenditures	568,443	625,892	506,582	(2,407,842)	(2,909,748)	(3,616,673)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of assets	3,076	-	-	-	-	3,076
Transfers in	1,022,718	-	871,733	-	1,679,562	3,574,013
Transfers out	(905,975)	(625,892)	(1,645,319)	-	(396,827)	(3,574,013)
Total other financing sources (uses)	119,819	(625,892)	(773,586)	-	1,282,735	3,076
Net change in fund balances	688,262	-	(267,004)	(2,407,842)	(1,627,013)	(3,613,597)
Fund balances at beginning of year	17,702,760	-	9,972,810	15,579,233	15,691,547	58,946,350
Fund balances at end of year	\$ 18,391,022	\$ -	\$ 9,705,806	\$ 13,171,391	\$ 14,064,534	\$ 55,332,753

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

City of Monroe School Board
Reconciliation of the Governmental Funds' Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities
June 30, 2019

Total net change in fund balances - Governmental Funds		\$ (3,613,597)
Capital assets:		
Capital outlays capitalized	3,193,485	
Depreciation expense	(5,270,421)	
Gain on disposal of assets	<u>(2,955)</u>	(2,079,891)
Excess of interest paid over interest accrued		(31,871)
Change in deferred inflows of resources - pension plans		(6,056,956)
Change in deferred outflows of resources - pension plans		7,089,839
Change in deferred inflows of resources - other post employment benefits		(4,888,434)
Change in deferred outflows of resources - other post employment benefits		5,963,012
Amortization of deferred outflows relating to debt defeasance		(64,179)
Long-term debt:		
Principal portion of debt service payments	4,960,000	
Change in bond premiums	106,612	
Change in other post employment benefits	(10,336,931)	
Change in net pension liability	7,312,281	
Change in liabilities for compensated absences	(51,754)	
Change in workers' compensation liability	<u>381,947</u>	2,372,155
Change in net position of governmental activities		\$ (1,309,922)

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

City of Monroe School Board
Statement of Assets and Liabilities
Fiduciary Fund Type – Agency Funds
June 30, 2019

Assets

Cash and cash equivalents	\$ 883,234
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Liabilities

Amounts held for other organizations	\$ 883,234
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The accompanying notes are an integral part of the financial statements.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

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.

A. Financial 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.

B. Fund Accounting

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.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

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. The major and nonmajor funds are described below.

Major 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.

Nonmajor 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.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

C. Basis of Accounting / Measurement Focus

Government-Wide Financial Statements (GWFS)

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.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (FFS)

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.

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.

D. 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.

E. 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.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Short-Term Interfund Receivables/Payables

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.

G. 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.

H. Bond Issuance Costs/Bond Premiums

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.

I. 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.

J. 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.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Straight-line depreciation is used based on the following useful lives:

Buildings	40 years
Furniture and equipment	3-15 years

K. Interfund Activity

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.

L. Fund Balance of Fund Financial Statements

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, 2019.

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.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

M. 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.

N. Long-Term Liabilities

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.

O. Restricted Net Position

For the Government-Wide Statement of Net Position, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

In the Statement of Net Position, the following items are considered restricted:

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.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

P. 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.

Q. Use of Estimates

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial credit risk - deposits. 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.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

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.

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, 2019:

	School Board Book Balances	Bank Balances
Cash on deposit	\$ 44,949,908	\$ 46,048,391
Petty cash	1,100	-
Cash equivalents:		
LAMP investments	660,213	660,212
Total cash and cash equivalents	\$ 45,611,221	\$ 46,708,603

The School Board’s deposits are collateralized as follows:

Federal Deposit Insurance Corporation Coverage	\$ 500,000
Securities Investor Protection Corporation coverage	500,000
Pledged Securities	52,567,579
Total collateralized deposits	\$ 53,567,579

The School Board’s investments at June 30, 2019, 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 \$8,803,065 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 \$6,151,674 of fixed income securities that will mature in FY2025 and the 2011 QSCB sinking fund consists of \$2,651,391 of fixed income securities that will mature in FY2026 is included in “Investments” on the statement of net position.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

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

Credit risk. The School Board’s investments consist of the certificate of deposit mentioned above and State and Local Government Series (SLGS) securities held by the paying agent thus limiting the School Board’s credit risk at June 30, 2019.

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 3: FAIR VALUE MEASUREMENTS

Beginning with the fiscal year ended June 30, 2016, the School Board was required by GASB 72 to begin categorizing its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The implementation of this new statement did not change the method of measuring the fair value of the School Board’s assets. These guidelines recognize a three-tiered fair value hierarchy.

- Level 1—Investments reflect prices quoted in active markets.
- Level 2—Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3—Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment’s risk. Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix and market-corroborate pricing and inputs such as yield curves and indices. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quote prices.

Investments by Fair Value Level	June 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income securities	\$ 8,803,065	\$ 8,803,065	\$ -	\$ -
Long-term certificates of deposit	250,000	250,000	-	-
	\$ 9,053,065	\$ 9,053,065	\$ -	\$ -

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 4: 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, 2019, taxes of 35.63 mills were levied on property with assessed valuations totaling \$395,614,066 and were dedicated as follows:

School Operations, Maintenance, Aid and Support	27.63 mills
Bonds - Debt Service	8.00 mills
	35.63 mills
	35.63 mills

The School Board's portion of the total taxes originally levied was \$15,637,787 of which \$14,095,732 was assessed on property owners and \$1,542,055 was assessed under Homestead Exemption. The School Board collected \$14,725,264 through June 30, 2019, 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.

Below is the property tax calendar in effect for the year ended June 30, 2019:

Millage Rates Adopted	July 17, 2018
Levy Date	November 30, 2018
Tax Bills Mailed	November 30, 2018
Total Taxes are Due	December 31, 2018
Lien Date	January 1, 2019

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.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 5: CAPITAL ASSETS

A summary of the changes in capital assets for the year ended June 30, 2019, is as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,669,547	\$ -	\$ -	\$ 1,669,547
Construction in progress	8,839,231	2,753,156	8,727,038	2,865,349
Total capital assets not being depreciated	10,508,778	2,753,156	8,727,038	4,534,896
Capital assets being depreciated				
Buildings and improvements	124,452,372	8,777,330	-	133,229,702
Furniture and equipment	21,430,115	324,656	173,222	21,581,549
Total capital assets being depreciated	145,882,487	9,101,986	173,222	154,811,251
Less accumulated depreciation				
Building and improvements	41,822,099	4,465,777	-	46,287,876
Furniture and equipment	18,118,697	804,644	171,902	18,751,439
Total accumulated depreciation	59,940,796	5,270,421	171,902	65,039,315
Total capital assets being depreciated, net	85,941,691	3,831,565	1,320	89,771,936
Governmental activities capital assets, net	\$ 96,450,469	\$ 6,584,721	\$ 8,728,358	\$ 94,306,832

Depreciation expense for the year ended June 30, 2019, was charged to governmental activities as follows:

Instructional services:		
Regular programs		\$ 569,268
Special education programs		-
Vocational programs		3,809
Other instructional programs		7,515
Special programs		4,384
Adult / Continuing education		-
Support services:		
Instructional staff support services		-
General administration		-
Business services		2,645
Plant services		1,426,408
Student transportation services		497,492
Central services		252,286
Food service operations		67,166
Facility acquisition and construction		2,439,448
Total depreciation expense		\$ 5,270,421

NOTE 6: SIGNIFICANT CONCENTRATIONS OF RISK

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.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: 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, www.lasers.net, and 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
June 30, 2019

NOTE 7: 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
June 30, 2019

NOTE 7: 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
June 30, 2019

NOTE 7: 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
June 30, 2019

NOTE 7: 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
June 30, 2019

NOTE 7: 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
June 30, 2019

NOTE 7: 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 \$12,868,882 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 \$1,243,793 for the year ended June 30, 2019.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: 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, 2018, for the relative plans follow:

LASERS Plan (Regular Employees and Optional Retirement Plan (ORP))	Plan Status	School Board	Employees
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 \$101,963 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, 2019, and the change compared to the June 30, 2018 proportion:

	Net Pension Liability at June 30, 2019	Proportion at June 30, 2019	Increase (Decrease) to June 30, 2018 Proportion
TRSL	\$ 101,404,232	1.031790%	-0.030510%
LSERS	10,466,458	1.566513%	-0.069763%
LASERS	<u>1,077,071</u>	0.015790%	0.003240%
	<u>\$ 112,947,761</u>		

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: 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, 2019:

	Pension Expense	Amortization	Total
TRSL	\$ 6,701,619	\$ (1,417,264)	\$ 5,284,355
LSERS	1,010,082	(25,310)	984,772
LASERS	87,930	(79,508)	8,422
	<u>\$ 7,799,631</u>	<u>\$ (1,522,082)</u>	<u>\$ 6,277,549</u>

At June 30, 2019, 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	\$ -	\$ 3,340,464
Investment Earnings	-	6,535,313
Assumptions	6,515,554	-
Change in Prop.	6,626,149	9,837,587
Employer Contributions	12,868,882	-
	<u>\$ 26,010,585</u>	<u>\$ 19,713,364</u>

LSERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience	\$ -	\$ 288,827
Investment Earnings	207,841	-
Assumptions	440,933	307,611
Change in Prop. and Difference in Contributions	113,419	55,541
Employer Contributions	1,243,793	-
	<u>\$ 2,005,986</u>	<u>\$ 651,979</u>

LASERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience	\$ 13,966	\$ 12,078
Assumptions	10,960	-
Change in Prop. and Difference in Contributions	297,188	251,312
Employer Contributions	101,963	-
	<u>\$ 424,077</u>	<u>\$ 263,390</u>

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
TRSL	\$ 26,010,585	\$ 19,713,364
LSERS	2,005,986	651,979
LASERS	424,077	263,390
	<u>\$ 28,440,648</u>	<u>\$ 20,628,733</u>

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date of \$13,820,935 will be recognized as a reduction of net pension liability in the year ending June 30, 2019. The following table lists the pension contributions made subsequent to the measure period for each pension plan:

	<u>Subsequent Contributions</u>
TRSL	\$ 12,868,882
LSERS	1,243,793
LASERS	101,963
	<u>\$ 14,214,638</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>	2020	2021	2022	2023	Total
TRSL	\$ 377,677	\$ (2,252,535)	\$ (3,849,195)	\$ (847,608)	\$ (6,571,661)
LSERS	340,776	36,822	(316,057)	48,673	110,214
LASERS	11,162	77,827	(26,322)	(3,943)	58,724
	<u>\$ 729,615</u>	<u>\$ (2,137,886)</u>	<u>\$ (4,191,574)</u>	<u>\$ (802,878)</u>	<u>\$ (6,402,723)</u>

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: 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, 2018, are as follows:

	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>
Valuation Date	June 30, 2018	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed		
Actuarial Assumptions:			
Expected Remaining Service Lives	5 years	3 years	3 years
Investment Rate of Return	7.65% net of investment expenses	7.0625% net of investment expenses	7.65% per annum.
Inflation Rate	2.50% per annum.	2.50%	2.75% per annum.
Salary Increases	3.3% - 4.8% varies depending on duration of service.	2013-2017 experience study, 3.25%	2009-2013 experience study, ranging from 2.8% to 14.3%
Cost of Living Adjustments	None	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present value and accrued liabilities include existing balance in the Experience Account together with the present value of future contributions to the Account up to the maximum permissible value of the Account based upon current amount limitations.	
Mortality	Active members - RP 2014 White Collar Healthy Annuitant tables'. Disability retiree mortality - RP 2014 Disability tables.	RP-2014 Healthy Annuitant Distinct Disabled Tables	Non-disabled members - RP-2014 Sex Distinct Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year experience student of the System's members.	Termination, disability, and retirement assumptions were projected based on a five-year experience student of the System's members.	Termination, disability, and retirement assumptions were projected based on a five-year experience student of the System's members.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: 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		LASERS
<p>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.</p>	<p>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 reates of return (expected returns, net of pension plan investments expense and inflation) are developed for each major asset class. These rates are combined to product the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocaiton percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.</p>	<p>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.</p>

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

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	-	-	-	0.00%	0.00%	-0.48%
Domestic equity	27.0%	20.0%	23.0%	4.01%	6.15%	4.31%
International equity	19.0%	-	32.0%	4.90%	0.00%	5.26%
Developed equity	-	18.0%	-	0.00%	7.11%	0.00%
Emerging markets equity	-	10.0%	-	0.00%	9.41%	0.00%
Global REITs	-	3.0%	-	0.00%	5.77%	0.00%
Domestic fixed income	13.0%	-	6.0%	1.36%	0.00%	1.49%
International fixed income	5.5%	10.0%	10.0%	2.35%	1.63%	2.23%
Core fixed income	-	8.0%	-	0.00%	1.68%	0.00%
High yield fixed income	-	5.0%	-	0.00%	4.13%	0.00%
Emerging markets debt	-	7.0%	-	0.00%	4.42%	0.00%
Private equity	25.5%	5.0%	-	8.39%	10.28%	0.00%
Real estate	-	5.0%	-	0.00%	4.90%	0.00%
Alternative investments	10.0%	3.0%	22.0%	3.57%	3.94%	7.67%
Risk parity	-	-	7.0%	0.00%	0.00%	4.96%
Real assets - timber	-	2.0%	-	0.00%	5.67%	0.00%
Real assets - oil and gas	-	2.0%	-	0.00%	10.57%	0.00%
Real assets - infrastructure	-	2.0%	-	0.00%	6.25%	0.00%
Total	100.0%	100.0%	100.0%	n/a	n/a	5.40%

n/a - amount not provided by Retirement System

Discount Rate

The discount rates used to measure the total pension liability for TRSL, LSERS, and LASERS were 7.65%, 7.0625%, and 7.65%, respectively, for the year ended June 30, 2019.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

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:

	1.0% Decrease	Current Discount Rate	1.0% Increase
TRSL			
Discount rate	6.65%	7.65%	8.65%
Share of NPL	\$ 134,336,060	\$ 101,404,232	\$ 73,624,520
LSERS			
Discount rate	6.0625%	7.0625%	8.0625%
Share of NPL	\$ 14,367,969	\$ 10,466,458	\$ 7,131,448
LASERS			
Discount rate	6.65%	7.65%	8.65%
Share of NPL	\$ 1,359,335	\$ 1,077,071	\$ 833,972

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, 2019, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$408,075 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, 2019.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

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.gov.

Payables to the Pension Plan

As of June 30, 2019, the School Board had payables due to the pension plans totaling \$697,487. 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:

	Payables
TRSL	\$ 681,059
LSERS	3,732
LASERS	12,696
	\$ 697,487

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 \$939,028 as of June 30, 2019.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 8: 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 if they reach normal retirement age, as defined under the applicable retirement system (see Note 7), 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; by writing to P.O. Box 94095, Baton Rouge, Louisiana 70804-9095; or by calling (225)342-0708.

Net OPEB Liability

The components of the net OPEB liability of the School Board at June 30, 2018, were as follows:

Total OPEB liability	\$ 183,682,907
Plan fiduciary net position	-
<u>School Board's net OPEB liability</u>	<u>\$ 183,682,907</u>

The School Board’s net OPEB liability was measured as of June 30, 2018, 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	N/A
Discount rates	3.50%
Healthcare cost trend rates	4.9% - 9.5%

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Mortality Rate

The mortality rate was determined by using the 2010 General Employees Amount-Weighted Mortality MP-2019 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 3.50%, which is the value of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2019, 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, 2018 was 3.87%, which was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Changes in the Net OPEB Liability

	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2018	\$ 173,345,976	\$ -	\$ 173,345,976
Service cost	8,286,178	-	8,286,178
Interest on total OPEB liability	6,949,091	-	6,949,091
Effect of plan changes	-	-	-
Effect on economic/demographic gains or losses	(7,787,835)	-	(7,787,835)
Effect of assumptions changes or inputs	7,067,274	-	7,067,274
Benefit payments	(4,177,777)	-	(4,177,777)
Net changes	10,336,931	-	10,336,931
Balance as of June 30, 2019	\$ 183,682,907	\$ -	\$ 183,682,907

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 (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1.0% Decrease (2.50%)	Current Discount Rate (3.50%)	1.0% Increase (4.50%)
Net OPEB liability	\$ 220,059,505	\$ 183,682,907	\$ 155,343,608

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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	\$ 151,649,793	\$ 183,682,907	\$ 225,875,744

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

For the year ended June 30, 2018, the School Board recognized OPEB expense of \$13,440,130. At June 30, 2018, 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	\$ -	\$ 14,718,167
Changes in assumptions / inputs	5,963,012	562,087
Total	\$ 5,963,012	\$ 15,280,254

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:

2019	\$ (1,795,139)
2020	\$ (1,795,139)
2021	\$ (1,795,139)
2022	\$ (1,795,139)
2023	\$ (1,795,139)
Thereafter	\$ (341,547)

Payable to the OPEB Plan

At June 30, 2019, 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, 2019.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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.

NOTE 9: LONG-TERM OBLIGATIONS

The following is a summary of changes in Long-Term Obligations for the year ended June 30, 2019:

	June 30, 2018	Additions	Deletions	June 30, 2019	Current Portion
General obligation bonds	\$ 52,470,000	\$ -	\$ 2,270,000	\$ 50,200,000	\$ 2,345,000
Unamortized bond premium	2,036,782	-	106,612	1,930,170	106,612
Sales tax bonds	4,995,000	-	1,190,000	3,805,000	1,230,000
Revenue bonds	15,000,000	-	-	15,000,000	-
Certificates of indebtedness	1,500,000	-	1,500,000	-	-
Other post employment benefits	173,345,976	10,336,931	-	183,682,907	-
Worker's compensation	617,807	67,668	449,615	235,860	-
Net Pension Liability	120,260,042	-	7,312,281	112,947,761	-
Compensated absences, net	1,769,097	997,743	945,989	1,820,851	997,743
Total long-term obligations	\$ 371,994,704	\$ 11,402,342	\$ 13,774,497	\$ 369,622,549	\$ 4,679,355

Long-term bonds and certificates of indebtedness outstanding at June 30, 2019 are comprised of the following:

	Issue	Maturity Date	Rate	Outstanding
General obligation bonds				
Series 2014	2014	3/1/2024	2% - 4%	\$ 16,390,000
Series 2015	2015	3/1/2035	3.125% - 5%	14,305,000
Series 2016	2016	3/1/2036	2% - 4%	19,505,000
Sales tax refunding bonds				
Series 2010	2010	10/1/2022	2% - 4%	2,760,000
Series 2011	2011	10/1/2022	2% to 3%	1,045,000
Revenue bonds				
Series 2009	2009	10/15/2024	0.50%	10,000,000
Series 2011	2011	3/15/2026	0.40%	5,000,000
Total bonds and certificates of indebtedness				\$ 69,005,000

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 9: LONG-TERM OBLIGATIONS (Continued)

Debt service requirements to maturity on all School Board bonds and certificates of indebtedness outstanding at June 30, 2019 are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 3,575,000	\$ 2,013,600	\$ 5,588,600
2021	3,695,000	1,892,150	5,587,150
2022	3,820,000	1,765,488	5,585,488
2023	2,610,000	1,645,625	4,255,625
2024	2,710,000	1,543,075	4,253,075
2025-2029	30,155,000	5,864,269	36,019,269
2030-2034	18,300,000	2,790,044	21,090,044
2035-2039	4,140,000	176,956	4,316,956
Total	\$ 69,005,000	\$ 17,691,207	\$ 86,696,207

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

The balances of deferred inflows and outflows of resources as of June 30, 2019 consist of:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Bond Refundings	\$ 128,725	\$ -
Net Pension Liabilities (GASB 68):		
Teachers' Retirement System of Louisiana (TRSL)	26,010,585	19,713,364
Louisiana State Employees' Retirement System (LASERS)	2,005,986	651,979
Louisiana School Employees' Retirement System (LSE)	424,077	263,390
	<u>28,440,648</u>	<u>20,628,733</u>
Other Post-Employment Benefits (GASB 75)	<u>5,963,012</u>	<u>15,280,254</u>
Balance as of June 30, 2019	<u>\$ 34,532,385</u>	<u>\$ 35,908,987</u>

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 11: LEASE COMMITMENTS AND RENTAL EXPENSE

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, 2019 totaled \$235,087. Rent expense for the year ending June 30, 2020 is expected to be approximately \$250,000.

NOTE 12: RISK FINANCING ACTIVITIES

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.

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.

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, 2019, the School Board incurred and paid claims under the worker's compensation plan of approximately \$480,019, net of reimbursements. The liability for worker's compensation claims is \$235,860 as of June 30, 2019.

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES (FFS LEVEL ONLY)

Individual balances due to/from other funds at June 30, 2019, are as follows:

	<u>Due From</u>	<u>Due To</u>
Major Funds:		
General Fund	\$ 5,542,095	\$ -
Special Revenue:		
2001 Sales Tax	-	566,118
Title I	-	2,359,706
Non-major Funds:		
Special Revenue:		
Special Education	-	486,816
1968 Sales Tax	-	692,411
1994 Sales Tax	-	441,152
Other Federal Programs	-	794,625
State Grants	-	201,267
Total	\$ 5,542,095	\$ 5,542,095

NOTE 14: INTERFUND TRANSFERS

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

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 1,022,718	\$ 905,975
Special Revenue:		
2001 Sales Tax	871,733	1,645,319
Title I	-	625,892
Non-major Funds:		
Special Revenue:		
Special Education	-	205,090
School Food Service	17,113	-
Other Federal Programs	21,546	125,511
State Grants	12,697	66,226
Debt Service		
2001-2002 Sales Tax Bond Sinking	1,328,206	-
QZAB 2012 Sinking	300,000	-
Total	\$ 3,574,013	\$ 3,574,013

City of Monroe School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 15: LITIGATION AND CONTINGENCIES

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, 2019.

NOTE 16: COMMITMENTS

Remaining construction cost contracts for the construction of a middle school is approximately \$13,250,000. 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 17: 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 \$44,012,136, net of allocations of \$841,903 to charter schools, to the School Board, which represents approximately 40.7% of the School Board's total revenues for the year.

NOTE 18: FUTURE ACCOUNTING STANDARDS

The Governmental Accounting Standards Board has issued several pronouncements that have effective dates that may impact future presentations. The School Board is currently evaluating the potential impacts of the following GASB statements on its accounting practices and financial statements:

- GASB Statement No. 84, *Fiduciary Activities*.
- GASB Statement No. 87, *Leases*.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

NOTE 19: SUBSEQUENT EVENTS

The School Board has evaluated subsequent events through February 14, 2020, the date which the financial statements were available for issue and noted no events occurring subsequent to the reporting period requiring disclosure except as previously disclosed.



**REQUIRED SUPPLEMENTARY INFORMATION
(PART B)**

City of Monroe School Board
Budgetary Comparison Schedule – General Fund (Unaudited)
June 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary Fund Balance, Beginning	\$ 17,205,128	\$ 17,499,497	\$ 17,702,760	\$ 203,263
Resources (inflows)				
Local sources				
Ad valorem taxes				
Constitutional tax	2,789,000	2,848,113	2,848,113	-
Renewable tax	8,104,000	8,277,059	8,277,059	-
Other than school taxes	407,000	403,361	403,361	-
Earnings on investments	40,000	50,931	50,931	-
Other local revenue	848,500	812,791	821,223	8,432
Total local sources	12,188,500	12,392,255	12,400,687	8,432
State and federal sources				
State equalization	44,915,806	43,912,136	43,912,136	-
State revenue sharing	200,000	176,185	262,643	86,458
Other unrestricted revenue	60,600	52,041	-	(52,041)
Other restricted revenue	60,000	59,600	111,641	52,041
Federal restricted grants-in-aid	100,000	92,822	116,822	24,000
Total state and federal sources	45,336,406	44,292,784	44,403,242	110,458
Other sources				
Proceeds from sale of assets	5,000	2,295	2,295	-
Insurance proceeds	-	781	781	-
Judgments	-	-	-	-
Transfers in	851,000	850,000	1,022,718	172,718
Total other sources	856,000	853,076	1,025,794	172,718
Total resources	58,380,906	57,538,115	57,829,723	291,608
Amounts available for appropriations	75,586,034	75,037,612	75,532,483	494,871
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	22,828,221	22,088,473	22,084,704	(3,769)
Special education programs	8,988,890	9,077,501	9,077,501	-
Vocational programs	997,585	1,018,879	1,020,884	2,005
Other instructional programs	4,445,950	4,303,639	4,303,693	54
Special programs	671,740	540,497	540,428	(69)
Adult/Continuing education programs	-	-	-	-
Support Services				
Pupil support services	3,364,432	3,438,113	3,438,187	74
Instructional staff support	1,666,618	1,708,060	1,703,839	(4,221)
General administration	1,301,838	1,052,419	1,045,615	(6,804)
School administration	3,711,317	3,841,443	3,845,707	4,264
Business services	863,659	832,612	841,958	9,346
Plant services	3,849,098	3,915,532	3,915,630	98
Student transportation services	2,893,843	2,831,188	2,879,757	48,569
Central services	1,081,361	1,155,697	1,155,697	-
Non-instructional services				
Food service operations	257,520	229,632	229,631	(1)
Capital outlay	-	82,255	82,255	-
Debt service	972,000	945,383	70,000	(875,383)
Other uses				
Transfers out	100,000	100,000	905,975	805,975
Indirect cost transfers	-	-	-	-
Total charges to appropriations	57,994,072	57,161,323	57,141,461	(19,862)
Budgetary Fund Balances, Ending	\$ 17,591,962	\$ 17,876,289	\$ 18,391,022	\$ 514,733

See notes to budgetary comparison schedules.

City of Monroe School Board
Budgetary Comparison Schedule – Title I (Unaudited)
June 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary Fund Balance, Beginning	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Federal sources				
Federal restricted grants-in-aid	6,880,043	7,168,303	7,315,001	146,698
Total federal sources	6,880,043	7,168,303	7,315,001	146,698
Local sources				
Other local sources	-	-	-	-
Total local sources	-	-	-	-
Other sources				
Transfers in	-	-	-	-
Total other sources	-	-	-	-
Total resources	6,880,043	7,168,303	7,315,001	146,698
Amounts available for appropriations	6,880,043	7,168,303	7,315,001	146,698
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	51,260	1,650	1,650	-
Special programs	-	-	-	-
Vocational programs	-	2,584	107,803	105,219
Other instructional programs	522,846	375,038	334,094	(40,944)
Special programs	3,834,124	4,316,131	4,339,536	23,405
Support services				
Pupil support services	398,387	407,499	356,987	(50,512)
Instructional staff support	1,355,385	1,336,806	1,518,102	181,296
Business services	30,151	12,953	10,451	(2,502)
Plant services	13,582	13,769	8,107	(5,662)
Student transportation services	42,931	44,042	12,379	(31,663)
Other uses				
Transfers out	631,377	657,831	625,892	(31,939)
Total charges to appropriations	6,880,043	7,168,303	7,315,001	146,698
Budgetary Fund Balances, Ending	\$ -	\$ -	\$ -	\$ -

See notes to budgetary comparison schedules.

City of Monroe School Board
Budgetary Comparison Schedule – 2001 Sales Tax (Unaudited)
June 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary Fund Balance, Beginning	\$ 9,972,810	\$ 9,972,810	\$ 9,972,810	\$ -
Resources (inflows)				
Local sources				
Sales and use taxes	15,820,000	15,948,288	15,898,143	(50,145)
Interest on investments	-	-	185,254	185,254
Other local revenue	-	-	-	-
State sources				
Other restricted revenues	200,000	141,527	141,527	-
Other sources				
Transfers in	-	-	871,733	871,733
Total resources	16,020,000	16,089,815	17,096,657	1,006,842
Amounts available for appropriations	25,992,810	26,062,625	27,069,467	1,006,842
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	4,197,225	3,925,562	4,174,472	248,910
Special education programs	1,364,450	1,367,554	1,367,554	-
Vocational programs	95,826	110,247	110,247	-
Other instructional programs	947,644	952,658	965,585	12,927
Special programs	55,209	74,269	74,027	(242)
Adult education services	-	-	-	-
Support services				
Pupil support services	560,559	563,304	563,304	-
Instructional staff support	211,080	190,920	189,814	(1,106)
General administration	1,362,130	1,214,362	1,164,235	(50,127)
School administration	426,473	445,236	445,660	424
Business services	282,788	270,244	269,505	(739)
Plant services	3,895,330	3,410,051	3,432,861	22,810
Student transportation services	457,287	473,536	473,536	-
Central services	1,987,105	1,957,354	2,021,257	63,903
Non-Instructional services				
Food service operations	421,332	414,860	414,858	(2)
Capital outlay	-	51,427	51,427	-
Debt services	-	-	-	-
Other uses				
Transfers out	1,500,000	1,478,206	1,645,319	167,113
Total charges to appropriations	17,764,438	16,899,790	17,363,661	463,871
Budgetary Fund Balances, Ending	\$ 8,228,372	\$ 9,162,835	\$ 9,705,806	\$ 542,971

See notes to budgetary comparison schedules.

City of Monroe School Board
Budgetary Comparison Schedule – 1968 Sales Tax (Unaudited)
June 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary Fund Balance, Beginning	\$ 73,488	\$ 73,488	\$ 73,488	\$ -
Resources (inflows)				
Local sources				
Sales and use taxes	4,577,400	4,670,761	4,665,204	(5,557)
Interest on investments	50	84	6	(78)
State sources				
Other restricted revenues	-	-	-	-
Other sources				
Transfers in	-	-	-	-
Total resources	4,577,450	4,670,845	4,665,210	(5,635)
Amounts available for appropriations	4,650,938	4,744,333	4,738,698	(5,635)
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	2,146,007	2,162,789	2,162,526	(263)
Special education programs	842,946	894,459	894,459	-
Vocational programs	77,548	93,750	93,750	-
Other instructional programs	358,512	367,878	367,878	-
Special programs	38,050	21,000	20,922	(78)
Adult education services	-	-	-	-
Support services				
Pupil support services	299,048	313,949	320,462	6,513
Instructional staff support	127,937	138,452	131,939	(6,513)
General administration	37,933	33,670	28,111	(5,559)
School administration	254,729	278,950	279,213	263
Business services	12,801	13,422	13,422	-
Plant services	130,693	132,641	132,641	-
Student transportation services	97,956	100,080	100,080	-
Central services	32,556	36,055	36,057	2
Other support services	-	-	-	-
Non-Instructional services				
Food service operations	107,162	109,329	109,329	-
Capital outlay	-	-	-	-
Debt services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Other uses				
Transfers out	-	-	-	-
Total charges to appropriations	4,563,878	4,696,424	4,690,789	(5,635)
Budgetary Fund Balances, Ending	\$ 87,060	\$ 47,909	\$ 47,909	\$ -

See notes to budgetary comparison schedules.

City of Monroe School Board
Budgetary Comparison Schedule – 1994 Sales Tax (Unaudited)
June 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary Fund Balance, Beginning	\$ 2,047,444	\$ 2,047,444	\$ 2,047,444	\$ -
Resources (inflows)				
Local sources				
Sales and use taxes	7,900,000	7,974,141	7,949,070	(25,071)
Interest on investments	27,800	41,223	37,100	(4,123)
State sources				
Other restricted revenues	-	-	-	-
Other sources				
Transfers in	48,000	48,000	-	(48,000)
Total resources	7,975,800	8,063,364	7,986,170	(77,194)
Amounts available for appropriations	10,023,244	10,110,808	10,033,614	(77,194)
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	3,049,620	2,945,633	2,947,156	1,523
Special education programs	1,078,621	1,118,788	1,118,788	-
Vocational programs	95,037	110,595	110,595	-
Other instructional programs	792,059	745,060	745,060	-
Special programs	46,317	26,115	21,993	(4,122)
Adult education services	-	-	-	-
Support services				
Pupil support services	411,709	459,116	511,609	52,493
Instructional staff support	281,574	227,005	174,509	(52,496)
General administration	83,165	72,289	47,216	(25,073)
School administration	710,757	654,165	654,581	416
Business services	146,925	132,705	133,967	1,262
Plant services	252,490	250,890	250,890	-
Student transportation services	123,254	124,256	124,256	-
Central services	887,258	746,763	737,485	(9,278)
Other support services	-	-	-	-
Non-Instructional services				
Food service operations	121,509	121,932	121,933	1
Capital outlay	-	-	-	-
Debt services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Other uses				
Transfers out	48,000	48,000	-	(48,000)
Total charges to appropriations	8,128,295	7,783,312	7,700,038	(83,274)
Budgetary Fund Balances, Ending	\$ 1,894,949	\$ 2,327,496	\$ 2,333,576	\$ 6,080

See notes to budgetary comparison schedules.

City of Monroe School Board
Budgetary Comparison Schedule – School Food Service (Unaudited)
June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgetary Fund Balance, Beginning	\$ 1,627,483	\$ 2,180,741	\$ 2,180,741	\$ -
Resources (inflows)				
Local sources				
Income from meals	42,000	37,898	37,898	-
Other miscellaneous revenues	-	-	-	-
State sources				
Other restricted revenues	100,000	100,000	100,000	-
Federal sources				
Federal restricted grants-in-aid	5,452,703	5,476,043	5,677,214	201,171
Other sources				
Transfers in	50,000	17,100	17,113	13
Total resources	5,644,703	5,631,041	5,832,225	201,184
Amounts available for appropriations	7,272,186	7,811,782	8,012,966	201,184
Charges to appropriations (outflows)				
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	5,024,362	4,970,167	5,543,615	573,448
Capital outlay	-	-	-	-
Debt services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Other uses				
Transfers out	-	-	-	-
Total charges to appropriations	5,024,362	4,970,167	5,543,615	573,448
Budgetary Fund Balances, Ending	\$ 2,247,824	\$ 2,841,615	\$ 2,469,351	\$ (372,264)

See notes to budgetary comparison schedules.

City of Monroe School Board
Notes to Budgetary Comparison Schedules (Unaudited)
June 30, 2019

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)
June 30, 2019

Note B – BUDGET TO GAAP RECONCILIATION

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

	General Fund
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 75,532,483
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(17,702,760)
Other financing sources	(1,025,794)
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 56,803,929
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 57,141,461
Other financing uses	(905,975)
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 56,235,486

City of Monroe School Board
Notes to Budgetary Comparison Schedules (Unaudited)
June 30, 2019

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	\$ 7,315,001
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	<hr/> <hr/> \$ 7,315,001
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 7,315,001
Other financing uses	(625,892)
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<hr/> <hr/> \$ 6,689,109

City of Monroe School Board
Notes to Budgetary Comparison Schedules (Unaudited)
June 30, 2019

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

	2001 Sales Tax
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 27,069,467
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(9,972,810)
Other financing sources	(871,733)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 16,224,924

Charges to appropriations:

Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 17,363,661
Other financing uses	(1,645,319)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 15,718,342

City of Monroe School Board
Notes to Budgetary Comparison Schedules (Unaudited)
June 30, 2019

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

	1968 Sales Tax
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 4,738,698
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(73,488)
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 4,665,210</u>
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 4,690,789
Other financing uses	-
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 4,690,789</u>

City of Monroe School Board
Notes to Budgetary Comparison Schedules (Unaudited)
June 30, 2019

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

	1994 Sales Tax
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 10,033,614
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(2,047,444)
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 7,986,170
<hr/> <hr/>	

Charges to appropriations:

Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 7,700,038
--	--------------

Other financing uses	-
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 7,700,038
<hr/> <hr/>	

City of Monroe School Board
Notes to Budgetary Comparison Schedules (Unaudited)
June 30, 2019

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

	School Food Service
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 8,012,966
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(2,180,741)
Other financing uses	(17,113)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 5,815,112
 <u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 5,543,615
Other financing uses	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 5,543,615

City of Monroe School Board
Schedule of Changes in Net OPEB Liability and Related Ratios
June 30, 2019

For the Year Ended June 30,	2019	2018
Total OPEB Liability		
Service cost	\$ 8,286,178	\$ 7,671,437
Interest	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	7,067,274	(833,659)
Benefit payments	(4,177,777)	(4,177,338)
Net change in total OPEB liability	\$ 10,336,931	\$ (2,137,446)
Total OPEB liability - beginning	173,345,976	175,483,422
Total OPEB liability - ending (a)	\$ 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)	\$ 183,682,907	\$ 173,345,976
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%
Covered payroll	44,856,260	43,954,546
Net OPEB liability as a percentage of covered payroll	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
June 30, 2019

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					
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					
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					
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).

*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 Employer's Contributions June 30, 2019

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					
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					
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					
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
June 30, 2019

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, 2018.

Teachers' Retirement System of Louisiana

There were no changes of benefit terms for the actuarial valuation for the year ended June 30, 2018.

Louisiana State Employees' Retirement System

There were no changes of benefit terms for the actuarial valuation for the year ended June 30, 2018.

Changes of Assumptions

Louisiana School Employees' Retirement System

There were no changes of assumptions for the actuarial valuation for the year ended June 30, 2017. 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%.

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%

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%.



SUPPLEMENTARY INFORMATION



NONMAJOR FUNDS

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 Nonmajor Funds

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
Nonmajor Governmental Funds – Combining Balance Sheet
June 30, 2019

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 4,727,553	\$ 8,992,157	\$ 42,630	\$ 13,762,340
Investments	-	-	-	-
Accounts receivable	4,471,428	2,345	-	4,473,773
Due from other funds	-	-	-	-
Due from federal sources	-	-	-	-
Due from state sources	-	-	-	-
Inventory	117,723	-	-	117,723
Other assets	6,563	-	-	6,563
Total assets	\$ 9,323,267	\$ 8,994,502	\$ 42,630	\$ 18,360,399
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 387,851	\$ -	\$ -	\$ 387,851
Salaries and wages payable	1,291,743	-	-	1,291,743
Due to other funds	2,616,271	-	-	2,616,271
Other liabilities	-	-	-	-
Total liabilities	4,295,865	-	-	4,295,865
Fund Balances				
Nonspendable				
Inventory and other assets	117,723	-	-	117,723
Restricted for				
Salaries and related benefits	556,811	-	-	556,811
Instructional costs	2,001,240	-	-	2,001,240
Food services	2,351,628	-	-	2,351,628
Debt service	-	8,994,502	-	8,994,502
Capital projects	-	-	42,630	42,630
Total fund balances	5,027,402	8,994,502	42,630	14,064,534
Total liabilities and fund balances	\$ 9,323,267	\$ 8,994,502	\$ 42,630	\$ 18,360,399

City of Monroe School Board
Nonmajor Governmental Funds – Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2019

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Local Sources				
Ad valorem tax	\$ -	\$ 3,196,731	\$ -	\$ 3,196,731
Sales and use taxes	12,614,274	-	-	12,614,274
Earnings on investments	37,106	19,655	971	57,732
Cash payments for meals	37,898	-	-	37,898
Other local revenue	55,335	-	-	55,335
State Sources				
Restricted grants-in-aid	-	-	-	-
Other unrestricted revenue	1,206,173	-	-	1,206,173
Federal Sources				
Restricted grants-in-aid	10,075,886	-	-	10,075,886
Total revenues	24,026,672	3,216,386	971	27,244,029
Expenditures				
Current				
Instructional				
Regular programs	5,165,017	-	-	5,165,017
Special education programs	2,429,496	-	-	2,429,496
Vocational programs	337,097	-	-	337,097
Other instructional programs	1,659,713	-	-	1,659,713
Special programs	992,516	-	-	992,516
Adult/Continuing education programs	-	-	-	-
Support Services				
Pupil support services	1,757,165	-	-	1,757,165
Instructional staff	2,294,500	-	-	2,294,500
General administration	75,346	94,105	-	169,451
School administration	957,885	-	-	957,885
Business services	150,878	-	-	150,878
Plant services	383,531	-	-	383,531
Student transportation services	283,483	-	-	283,483
Central services	773,542	-	-	773,542
Other support services	-	-	-	-
Noninstructional				
Food service operations	5,784,841	-	-	5,784,841
Debt service				
Principal	-	4,960,000	-	4,960,000
Interest	-	2,054,662	-	2,054,662
Capital outlay	-	-	-	-
Total expenditures	23,045,010	7,108,767	-	30,153,777
Excess (Deficiency) of Revenues				
Over Expenditures	981,662	(3,892,381)	971	(2,909,748)
Other Financing Sources (Uses)				
Transfers in	51,356	1,628,206	-	1,679,562
Transfers out	(396,827)	-	-	(396,827)
Total other financing sources (Uses)	(345,471)	1,628,206	-	1,282,735
Net Change in Fund Balances	636,191	(2,264,175)	971	(1,627,013)
Fund Balances at Beginning of Year	4,391,211	11,258,677	41,659	15,691,547
Fund Balances at End of Year	\$ 5,027,402	\$ 8,994,502	\$ 42,630	\$ 14,064,534



SPECIAL REVENUE FUNDS

City of Monroe School Board
Nonmajor Special Revenue Funds – Combining Balance Sheet
June 30, 2019

	Special Revenue Funds							Total
	Special Education	School Food Service	1968 Sales Tax	1994 Sales Tax	Other Federal Programs	State Grants	Local Grants	
Assets								
Cash and cash equivalents	\$ 6,271	\$ 2,185,517	\$ 268,951	\$ 2,081,149	\$ 6,328	\$ 179,337	\$ -	\$ 4,727,553
Investments	-	-	-	-	-	-	-	-
Due from other governments	583,162	435,916	772,540	1,284,638	1,085,346	309,826	-	4,471,428
Inventory	-	117,723	-	-	-	-	-	117,723
Other assets	4,513	-	-	2,050	-	-	-	6,563
Total assets	\$ 593,946	\$ 2,739,156	\$ 1,041,491	\$ 3,367,837	\$ 1,091,674	\$ 489,163	\$ -	\$ 9,323,267
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ 37,570	\$ 39,564	\$ -	\$ 92,709	\$ 187,499	\$ 30,509	\$ -	\$ 387,851
Salaries and wages payable	69,560	230,241	301,171	500,400	101,048	89,323	-	1,291,743
Due to other funds	486,816	-	692,411	441,152	794,625	201,267	-	2,616,271
Deferred revenue and other liabilities	-	-	-	-	-	-	-	-
Total liabilities	593,946	269,805	993,582	1,034,261	1,083,172	321,099	-	4,295,865
Fund Balances								
Nonspendable								
Inventory and prepaids	-	117,723	-	-	-	-	-	117,723
Restricted for								
Salaries and related benefits	-	-	47,909	500,400	8,502	-	-	556,811
Instructional costs	-	-	-	1,833,176	-	168,064	-	2,001,240
Food services	-	2,351,628	-	-	-	-	-	2,351,628
Total fund balances	-	2,469,351	47,909	2,333,576	8,502	168,064	-	5,027,402
Total liabilities and fund balances	\$ 593,946	\$ 2,739,156	\$ 1,041,491	\$ 3,367,837	\$ 1,091,674	\$ 489,163	\$ -	\$ 9,323,267

City of Monroe School Board
Nonmajor Special Revenue Funds – Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2019

	Special Revenue Funds							Total
	Special Education	School Food Service	1968 Sales Tax	1994 Sales Tax	Other Federal Programs	State Grants	Local Grants	
Revenues								
Local Sources								
Sales and use taxes	\$ -	\$ -	\$ 4,665,204	\$ 7,949,070	\$ -	\$ -	\$ -	\$ 12,614,274
Earnings on investments	-	-	6	37,100	-	-	-	37,106
Cash payments for meals	-	37,898	-	-	-	-	-	37,898
Other local revenue	-	-	-	-	-	-	55,335	55,335
State Sources								
State - other revenues	42,221	100,000	-	-	-	1,063,952	-	1,206,173
Federal Sources								
Restricted grants-in-aid	2,121,895	5,677,214	-	-	2,276,777	-	-	10,075,886
Total revenues	2,164,116	5,815,112	4,665,210	7,986,170	2,276,777	1,063,952	55,335	24,026,672
Expenditures								
Current								
Instructional								
Regular programs	-	-	2,162,526	2,947,156	-	-	55,335	5,165,017
Special education programs	416,249	-	894,459	1,118,788	-	-	-	2,429,496
Vocational programs	-	-	93,750	110,595	100,892	31,860	-	337,097
Other instructional programs	65,258	-	367,878	745,060	194,091	287,426	-	1,659,713
Special programs	5,093	-	20,922	21,993	816,136	128,372	-	992,516
Support Services								
Pupil support services	735,587	-	320,462	511,609	150,341	39,166	-	1,757,165
Instructional staff	717,751	-	131,939	174,509	892,361	377,940	-	2,294,500
General administration	-	-	28,111	47,216	-	19	-	75,346
School administration	-	-	279,213	654,581	-	24,091	-	957,885
Business services	3,489	-	13,422	133,967	-	-	-	150,878
Plant services	-	-	132,641	250,890	-	-	-	383,531
Student transportation services	15,599	-	100,080	124,256	525	43,023	-	283,483
Central services	-	-	36,057	737,485	-	-	-	773,542
Noninstructional								
Food service operations	-	5,543,615	109,329	121,933	9,964	-	-	5,784,841
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	1,959,026	5,543,615	4,690,789	7,700,038	2,164,310	931,897	55,335	23,045,010
Excess of Revenues Over Expenditures	205,090	271,497	(25,579)	286,132	112,467	132,055	-	981,662
Other Financing Sources (Uses)								
Transfers in	-	17,113	-	-	21,546	12,697	-	51,356
Transfers out	(205,090)	-	-	-	(125,511)	(66,226)	-	(396,827)
Total other financing sources (Uses)	(205,090)	17,113	-	-	(103,965)	(53,529)	-	(345,471)
Net Change in Fund Balances	-	288,610	(25,579)	286,132	8,502	78,526	-	636,191
Fund Balances at Beginning of Year	-	2,180,741	73,488	2,047,444	-	89,538	-	4,391,211
Fund Balances at End of Year	\$ -	\$ 2,469,351	\$ 47,909	\$ 2,333,576	\$ 8,502	\$ 168,064	\$ -	\$ 5,027,402



DEBT SERVICE FUNDS

City of Monroe School Board
Nonmajor Debt Service Funds – Combining Balance Sheet
June 30, 2019

	Bond Redemption	2001-2002 Sales Tax Bond Sinking	QZAB 2012 Sinking	Total
Assets				
Cash and cash equivalents	\$ 5,411,698	\$ 3,568,050	\$ 12,409	\$ 8,992,157
Due from other governments	2,345	-	-	2,345
Total assets	\$ 5,414,043	\$ 3,568,050	\$ 12,409	\$ 8,994,502
Liabilities and Fund Balances				
Liabilities				
Other Payables	\$ -	\$ -	\$ -	\$ -
Fund Balances				
Restricted for debt service	5,414,043	3,568,050	12,409	8,994,502
Total liabilities and fund balances	\$ 5,414,043	\$ 3,568,050	\$ 12,409	\$ 8,994,502

City of Monroe School Board
Nonmajor Debt Service Funds – Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2019

	Bond Redemption Debt Service	2001-2002 Sales Tax Bond Sinking	QZAB 2012 Sinking	Total
Revenues				
Local Sources				
Ad valorem tax	\$ 3,196,731	\$ -	\$ -	\$ 3,196,731
Earnings on investments	12,354	-	7,301	19,655
Total revenues	3,209,085	-	7,301	3,216,386
Expenditures				
General administration	94,105	-	-	94,105
Debt service				
Principal	2,270,000	1,190,000	1,500,000	4,960,000
Interest	1,915,238	139,424	-	2,054,662
Total expenditures	4,279,343	1,329,424	1,500,000	7,108,767
Excess (deficiency) of revenues over expenditures	(1,070,258)	(1,329,424)	(1,492,699)	(3,892,381)
Other financing sources / uses				
Transfers in	-	1,328,206	300,000	1,628,206
Total other financing sources	-	1,328,206	300,000	1,628,206
Net change in fund balances	(1,070,258)	(1,218)	(1,192,699)	(2,264,175)
Fund balances at beginning of year	6,484,301	3,569,268	1,205,108	11,258,677
Fund balances at end of year	\$ 5,414,043	\$ 3,568,050	\$ 12,409	\$ 8,994,502



CAPITAL PROJECTS FUNDS

City of Monroe School Board
Nonmajor Capital Project Funds – Combining Balance Sheet
June 30, 2019

	Capital Projects	GO BONDS 2014 CAPITAL PROJECTS	GO BONDS 2015 CAPITAL PROJECTS	Total
Assets				
Cash and cash equivalents	\$ 42,630	\$ -	\$ -	\$ 42,630
Total assets	\$ 42,630	\$ -	\$ -	\$ 42,630
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Fund Balances				
Restricted for debt service	42,630	-	-	42,630
Total liabilities and fund balances	\$ 42,630	\$ -	\$ -	\$ 42,630

City of Monroe School Board
Nonmajor Capital Project Funds – Combining Statement of Revenues,
Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2019

	Capital Projects	Total
Revenues		
Local sources		
Earnings on investments	\$ 971	\$ 971
Total revenues	971	971
Expenditures		
Current		
Business services	-	-
Plant services	-	-
Student transportation services	-	-
Central services	-	-
Noninstructional		
Food service operations	-	-
Facility acquisition & construction	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	971	971
Other Financing Sources (Uses)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (Uses)	-	-
Net change in fund balances	971	971
Fund balances at beginning of year	41,659	41,659
Fund balances at end of year	\$ 42,630	\$ 42,630

**City of Monroe School Board
 Schedule of Compensation Paid to Board Members
 For the Year Ended June 30, 2019**

	<u>District</u>	<u>Compensation</u>
Victoria Dayton	1	\$ 4,800
Dyrick Saulsberry	1	4,800
Jennifer Haneline	2	9,600
William Willson, President eff. 1/2018	3	10,800
Daryll Berry	4	9,600
Betty Cooper	5	4,800
Rodney McFarland	5	4,800
Brandon Johnson	6	9,600
Sharon Neal	7	4,800
Brenda Shelling	7	4,800
<hr/>		
Total board member compensation		<u>\$ 68,400</u>

City of Monroe School Board
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2019

Agency Head Name: Brent Anthony Vidrine, Superintendent

Purpose	Amount
Salary	\$ 175,711
Benefits-insurance (health & life)	\$ 33,318
Benefits (retirement)	\$ 14,308
Car allowance	\$ 8,400
Legal services	\$ -
Travel	\$ 5,511
Supplies	\$ -



SINGLE AUDIT INFORMATION

**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 the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, 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, 2019, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated February 14, 2020.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any items to be disclosed as significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompany schedule of findings and questioned costs as item 2019-003.

School Board's Response to Findings

The School Board's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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
February 14, 2020



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**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, 2019. 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 the Example School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Example School District'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, 2019.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-004, that we consider to be significant deficiencies.

City of Monroe School Board's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Monroe School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
February 14, 2020

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/ Pass-Through Grantor/ Program Title	C.F.D.A. Number	Pass Through Grant Number	Expenditures / Issues	Expenditures to Subrecipients
DIRECT PROGRAMS:				
U.S. DEPARTMENT OF DEFENSE				
R.O.T.C.	12.U01	N/A	\$ 202,593	\$ -
Total U.S. Department of Defense			<u>202,593</u>	-
U.S. DEPARTMENT OF EDUCATION				
Impact Aid	84.041	N/A	<u>92,822</u>	-
Total U.S. Department of Education			<u>92,822</u>	-
Total Direct Programs			<u>295,415</u>	-
PASS THROUGH PROGRAMS:				
U. S. DEPARTMENT OF EDUCATION				
Passed through Louisiana Department of Education				
Striving Readers Comprehensive Literacy Program	84.371	28-18-SR05-65	137,284	-
Striving Readers Comprehensive Literacy Program	84.371	28-18-SR06-65	85,179	-
Striving Readers Comprehensive Literacy Program	84.371	28-18-SR03-65	120,420	-
Striving Readers Comprehensive Literacy Program	84.371	28-18-SR04-65	<u>138,607</u>	-
Total Striving Readers	84.371		481,490	-
Title I Grants to Local Educational Agencies				
Title I Grants to Local Educational Agencies	84.010	28-19-T1-65	7,111,153	-
Title I Grants to Local Educational Agencies	84.010	28-18-RD18-65	270,289	-
Title I Grants to Local Educational Agencies	84.010	28-19-DSS-65	<u>102,301</u>	-
Total Title I Grants to Local Educational Agencies			7,483,743	-
SPECIAL EDUCATION CLUSTER:				
Special Education-Individuals With Disabilities Education Act IDEA B				
Grants to States (IDEA Part B)	84.027	28-19-B1-65	1,985,953	-
Preschool Grants	84.173	28-19-P1-65	107,584	-
Grants to States (High Cost Services)	84.027	28-19-RH-65	14,074	-
Grants to States (Opportunity Grant)	84.027	28-18-OG-65	14,285	-
Grants to States (Believe and Prepare Transition Support)	84.027	28-19-BPT6-65	<u>24,000</u>	-
Total Special Education Cluster			2,145,896	-
English Language Acquisition State Grants	84.365	28-19-S3-65	5,760	-
Supporting Effective Instruction State Grants	84.367	28-19-50-65	352,814	-
Preschool Development Grants	84.419	28-18-RM-A5	196,485	-
21st Century Community Learning Centers Cohort	84.287	28-18-8C-65	543,075	-
School Improvement Grants	84.377	28-16-BE-65	7,425	-
School Improvement Grants	84.377	28-17-TC07-65	<u>101,546</u>	-
Total School Improvement Grants			108,971	-

(continued)

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

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	85,438	-
Career and Technical Education - Basic Grants to States	84.048	28-19-02-65	95,669	-
Total U.S. Dept. of Education Passed Through LA DOE			<u>11,499,341</u>	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Louisiana Department of Education				
Temporary Assistance for Needy Families (TANF) Cluster				
Temporary Assistance for Needy Families	93.558	28-18-36-65	<u>179,450</u>	-
Total TANF Cluster			<u>179,450</u>	-
Substance Abuse and Mental Health Services	93.243	28-19-LSMH-65	177,570	-
Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	93.981	28-19-LHSC-65	9,964	-
Total U. S. Department of Health and Human Services Passed Through LA DOE			<u>366,984</u>	-
U.S. DEPARTMENT OF AGRICULTURE (USDA)				
Passed through Louisiana Department of Education				
CHILD NUTRITION CLUSTER:				
School Breakfast Program	10.553	N/A	1,388,580	-
School Lunch Program	10.555	N/A	3,277,198	-
School Snack Program	10.555	N/A	40,306	-
Commodities	10.555	N/A	405,064	-
Summer Feeding	10.559	N/A	<u>120,890</u>	-
Total Child Nutrition Cluster			<u>5,232,038</u>	-
Fresh Fruit and Vegetable Program	10.582	N/A	445,177	-
Total U.S. Dept. of Agriculture Passed Through LA DOE			<u>5,677,215</u>	-
TOTAL PASS THROUGH PROGRAMS			<u>17,543,540</u>	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 17,838,955</u>	<u>\$ -</u>
				(concluded)

See Notes to Schedule of Expenditures of Federal Awards

**City of Monroe School Board
Monroe, Louisiana**

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019
(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, 2019:

	General Fund	Title I Funds	Special Education Funds	Other Federal Programs Funds	School Food Service Funds	Total
Total expenditures per financial statements	\$ 116,822	\$ 6,689,109	\$ 1,916,805	\$ 2,276,777	\$ 5,677,214	\$ 16,676,727
Transfer of indirect cost	205,735	625,892	205,090	125,511	-	1,162,228
Expenditures per schedule	<u>\$ 322,557</u>	<u>\$ 7,315,001</u>	<u>\$ 2,121,895</u>	<u>\$ 2,402,288</u>	<u>\$ 5,677,214</u>	<u>\$ 17,838,955</u>

Included in the Child Nutrition Cluster is \$405,064 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
Monroe, Louisiana**

**Notes to Schedule of Expenditures of Federal Awards
Fiscal year Ended June 30, 2019
(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, 2019.

F. Subrecipients

City of Monroe School Board did not provide federal funds to any subrecipients during the year ended June 30, 2019.

G. Loans

City of Monroe School Board did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2019.

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, 2019**

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
Special Education Cluster:
CFDA #84.027 Special Education Grants to States
CFDA #84.173 Preschool Grants

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

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

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

2019-001 Fraud Incident – Misappropriation of Assets

Entity-Wide or Program/Department Specific: This finding is entity-wide

Criteria or Specific Requirement: Management of the School Board and the School is responsible for establishing and maintaining effective internal controls.

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

Effect: Roy Neal Shelling Elementary and Monroe City School Board experienced a weakness in internal control, which resulted in an estimated misappropriation of assets of approximately \$30,000 based on the results of management's investigation.

Cause: Roy Neal Shelling Elementary and Monroe City School Board did not have adequate internal controls to prevent or deter theft.

Recommendation: We believe the actions taken by the School Board to be appropriate.

Views of responsible officials and corrective action plan: Employees have been terminated and job responsibilities have been reassigned to current employees until processes and controls can be developed to ensure that there is a proper level of review.

2019-002 OPEB Census Data

Entity-Wide or Program/Department Specific: This finding is entity-wide

Criteria or Specific Requirement: Accurate and complete census data is required to obtain a reasonable estimate of Other Post-Employment Benefits liability for reporting in the financial statements.

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.

Effect: The OPEB liability actuarial calculation may not be accurately calculated if the census data used is not complete and accurate.

Cause: The School Board does not have policies and procedures in place to check the accuracy of census data and reconcile to payroll records prior to submission of the data to the actuary.

Recommendation: We recommend that census data be checked for completeness accuracy and reconciled prior to submission to the actuary for the purpose of calculating the OPEB liability.

Views of responsible officials and corrective action plan: Management will work to implement a process to review and make necessary corrections to the census data prior to submission to the actuary for calculation of the OPEB liability.

2019-003 Timely Filing of Audit Report

Entity-Wide or Program/Department Specific: This finding is entity-wide

Criteria or Specific Requirement: Louisiana Revised Statute 24:513 requires that the School Board prepare and submit its annual audited financial statements to the Louisiana Legislative Auditor within six months of the School Board's fiscal year end.

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

Effect: Noncompliance with Louisiana Revised Statute 24:513.

Cause: Issues involving key personnel identified in 2019-001 resulted in delays in the preparation of information.

Recommendation: We recommend the School Board take necessary steps to ensure that future audits will be completed and submitted to the Louisiana Legislative Auditor within the prescribed time period.

Views of responsible officials and corrective action plan: We will take the necessary steps to ensure that future audits are completed and submitted to the Louisiana Legislative Auditor within the prescribed time period.

Section III – Federal Award Findings and Responses

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

Criteria or Specific Requirement: 2 CFR 200.303 requires the entity to establish and maintain effective internal controls over compliance with respect to federal awards and Section 1111(b)(2)(A) of the ESEA for compliance accountability. Proper internal controls require supporting documentation to be retained as evidence for effectiveness of the controls in place.

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

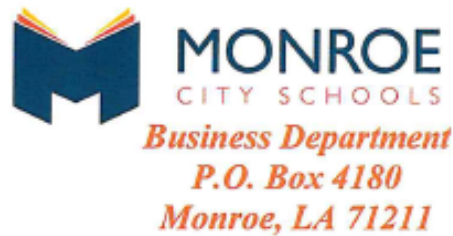
Effect: The School Board did not have documentation on file to demonstrate compliance with the applicable compliance requirement.

Questioned Cost: None

Cause: Documentation could not be located to substantiate management's representation of the control procedure.

Recommendation: We recommend the School Board take necessary steps to ensure that all documentation is retained at the schools.

Views of responsible officials and corrective action plan: Management will work to implement a process to ensure proper documentation is retained for control effectiveness.



DaVona Howard
Chief Financial Officer

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**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2019**

2018-001 Fraud Incident – Misappropriation of Assets

Year of Origination: June 30, 2017

Condition: In June 2017, the School Board became aware of a misappropriation of funds at Carroll High School. 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: See 2019-001.

2018-002 Payroll Timesheet approval

Year of Origination: June 30, 2018

Condition: During review of payroll procedures and internal controls, it was noted that there is no documented review and approval of employees time entry at the individual school locations.

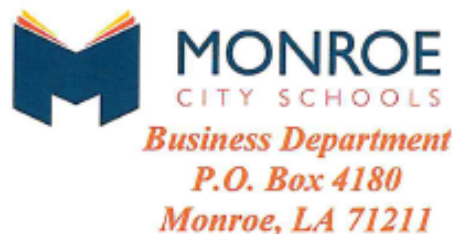
Corrective action taken: Resolved. Review and approval by supervisors and principals at each school location is now performed.

2018-003 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: See 2019-002.



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**Corrective Action Plan
For the Year Ended June 30, 2019**

Financial Statement Findings Reported in Accordance with *Government Auditing Standards*

2019-001 Fraud Incident – Misappropriation of Assets

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

Corrective Action Plan: Employees have been terminated and job responsibilities have been reassigned to current employees until processes and controls can be developed to ensure that there is a proper level of review.

Person Responsible for Corrective Action – DaVona Howard, Chief Financial Officer

Anticipated Completion Date - Immediately

2019-002 OPEB Census Data

Entity-Wide or Program/Department Specific: This finding is entity-wide

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 Plan: Management will work to implement a process to review and make necessary corrections to the census data prior to submission to the actuary for calculation of the OPEB liability.

Person Responsible for Corrective Action – DaVona Howard, Chief Financial Officer

Anticipated Completion Date – We anticipate having our plan in place by the end of June 2020.

2019-003 Timely Filing of Audit Report

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

Corrective Action Plan: We will take the necessary steps to ensure that future audits are completed and submitted to the Louisiana Legislative Auditor within the prescribed time period.

Person Responsible for Corrective Action – DaVona Howard, Chief Financial Officer

Anticipated Completion Date – We anticipate filing our annual audit report for the year ending June 30, 2020 by the December 31, 2020 deadline.

Federal Award Findings and Responses

2019-004 Missing Documentation

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

Corrective Action Plan: Management will work to implement a process to ensure proper documentation is retained for control effectiveness.

Person Responsible for Corrective Action – DaVona Howard, Chief Financial Officer

Anticipated Completion Date – We are in the process of communicating to all departments the importance of retaining proper documentation and evidence.

OTHER INFORMATION



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Management Letter

Board Members and Management
City of Monroe School Board
Monroe, Louisiana

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe School Board (the School Board) for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated February 14, 2020. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on the School Board's financial statements. The report does not include the results of the other auditors' testing of internal control over financial reporting our compliance and other matters that are reported on separately by those auditors. 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 and the provisions of the Uniform Guidance.

As a part of our examination, we have issued our report on the financial statements, dated February 14, 2020 and our reports on internal control and compliance with laws, regulations, contracts, and grants, and on compliance for each major program and internal control over compliance required by the Uniform Guidance dated December 31, 2018. During the course of our audit, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal controls.

MLC 2019-001 Budget Noncompliance

Observations:

During the testwork of budget compliance with the Louisiana Government Budget Act, it was noted an instance of noncompliance where budgeted revenues exceeded actual revenues by an amount greater than 5% and actual expenditures exceeded budgeted expenditures by an amount greater than 5%.

Recommendations:

We recommend that budgets for special revenue funds be amended properly to ensure compliance with the Louisiana Government Budget Act.

Views of responsible officials and corrective actions:

Management will put procedures in place to review capital assets and related reports in the future.

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

CARR, RIGGS & INGRAM, LLC
Shreveport, Louisiana
February 14, 2020

**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, 2017 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, 2017 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, 2018 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

February 14, 2020

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2018**

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

Classroom Teacher Salaries	\$ 19,480,255	
Other Instructional Staff Activities	2,413,023	
Instructional Staff Employee Benefits	13,581,276	
Purchased Professional and Technical Services	43,382	
Instructional Materials and Supplies	286,015	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	\$ 35,803,951	

Other Instructional Activities

	3,556,749	
Pupil Support Activities	3,556,749	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	3,556,749	

Instructional Staff Services

	1,872,239	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	1,872,239	

School Administration

	3,856,033	
Less: Equipment for School Administration	-	
Net School Administration	3,856,033	

Total General Fund Instructional Expenditures \$ 45,448,530

Total General Fund Equipment Expenditures \$ -

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

Ad Valorem Taxes	
Constitutional Ad Valorem Taxes	\$ 2,791,441
Renewable Ad Valorem Tax	8,112,625
Debt Service Ad Valorem Tax	5,387,867
Up to 1% of Collections by the Sheriff on taxes other than School Taxes	407,028
Sales Taxes	
Sales and Use Taxes - Gross	28,596,883
Total Local Taxation Revenue	\$ 45,295,844

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	\$ 163,871
Total State Revenue in Lieu of Taxes	\$ 163,871

Nonpublic Textbook Revenue \$ 29,638

CITY OF MONROE SCHOOL BOARD
Class Size Characteristics
As of October 1, 2018

School Type	Class Size Range							
	1 - 20		21-26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	64.0%	739	34.2%	395	1.7%	20	0.0%	0
Elementary Activity Classes	62.1%	128	34.5%	71	2.9%	6	0.5%	1
Middle/Jr. High	60.5%	295	26.8%	131	12.1%	59	0.6%	3
Middle/Jr. High Activity Classes	96.6%	143	3.4%	5	0.0%	0	0.0%	0
High	76.3%	842	16.8%	186	6.7%	74	0.2%	2
High Activity Classes	93.2%	150	3.1%	5	3.1%	5	0.6%	1
Combination	90.5%	57	0.0%	0	0.0%	0	9.5%	6
Combination Activity Classes	100.0%	8	0.0%	0	0.0%	0	0.0%	0
Other		0		0		0		0



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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the City of Monroe School Board and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the City of Monroe School Board ("Entity") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures Year 3 (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of 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.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained the entity's written policies and procedures and reported whether those written policies and procedures address each of the following financial/business functions (or reported that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.
 - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disasters Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Comment: See the following comments related to the Entity's policies:

No exceptions were noted in the Budgeting and Travel and Expense Reimbursement policies. For the other policies, we noted the following:

The Purchasing policy does not address formally how vendors are added to the vendor list. Also, the policy does not formally address the preparation and approval process of purchase requisitions and purchase orders. However, procedures have been documented to exist and be in place regarding adding vendors and preparing and approving purchase requisitions.

There is no formal policy for processing, reviewing and approving Disbursements. However, procedures have been documented to exist and be in place regarding Disbursements.

There is no separately written internal policy for Receipts; however, procedures have been documented to exist and be in place regarding Receipts.

The Payroll policy does not formally address the review and approval of time and attendance records, including leave and overtime worked. However, procedures have been documented to exist and be in place regarding time and attendance records.

The Contracting policy does not formally address, standard terms and conditions, legal review, or monitoring process. However, procedures have been documented to exist and be in place regarding the contracting process.

The Credit Card policy does not formally address the allowable uses of credit cards. However, procedures have been documented to exist and be in place regarding allowable uses of credit cards during the reconciliation process.

The Ethics policy does not formally address (1) a system to monitor possible ethics violations. Also, the policy does not have a requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

The Debt Service policy does not formally address (1) the Electronic Municipal Market Access (EMMA) reporting requirements, (2) the debt reserve requirements, and (3) the debt service requirements. However, procedures have been documented to exist and be in place regarding debt service.

The Disaster Recovery/Business Continuity policy does not formally address the identification of personnel, processes, and tools needed to recover operations after a critical event.

Board (or Finance Committee, if applicable)

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) We observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) We observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements for major proprietary funds.
 - c) We obtained the prior year audit report and observed the unrestricted fund balance in the general fund.

Comment: *No exceptions were identified in the procedures performed.*

Bank Reconciliations

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. After asking management to identify the entity's main operating account, we selected the entity's main operating account and randomly selected four additional accounts. We then randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected each account and observed that:
 - a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date;
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation; and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Comment: *One exception was identified for a bank account reconciliation not being prepared within 2 months of the related statement closing date.*

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

4. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We then randomly selected five locations (or all locations if less than 5).

Comment: We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected five (5) locations.

5. For each location selected under #4 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We then obtained written policies and procedures relating to employee job duties and observed that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Comment: *We identified three locations that did not have at least two employees involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.*

- b) At least two employees are involved in processing and approving payments to vendors.

Comment: *We identified two locations that did not have at least two employees involved in processing and approving payments to vendors.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Comment: *We identified four locations where employees responsible for processing payments is not prohibited from adding/modifying vendor files.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Comment: *We identified one instance where the employee/official responsible for signing checks mails the checks.*

- 6. For each location selected under #4 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We then randomly selected five disbursements for each location, obtained supporting documentation for each transaction and:

- a) Observed that the disbursement matched the related original invoice/billing statement.

Comment: *No exceptions identified in performing the procedure above.*

- b) Observed that the disbursement documentation included evidence of segregation of duties under #5, as applicable.

Comment: *We identified two exceptions regarding evidence of segregation of duties in the procedures above.*

Ethics (excluding nonprofits)

- 7. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete:

Comment: *We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete.*

- a) Observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- b) Observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Comment: *No exceptions identified in performing the procedure above.*

Other

8. Obtain a listing of misappropriation of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Comment: *We obtained a listing of misappropriation of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected the one (1) misappropriation on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation to the legislative auditor and the district attorney.*

9. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Comment: *No exceptions identified in performing the procedure above.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the board and management of the City of Monroe School Board and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

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

CARR, RIGGS, & INGRAM, LLC
Shreveport, Louisiana
February 14, 2020



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February 14, 2020

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Re: Management Response to Agreed-Upon Procedures

The City of Monroe School Board's management has reviewed the Independent Accountants' Report on Applying Agreed-upon Procedures. Management is in agreement with the report as provided by Carr, Riggs & Ingram, LLC. In addition, the City of Monroe School Board has implemented changes/additions to policies and/or procedures where necessary to meet the expectations in the report.

Respectfully,

DaVona Howard
Chief Financial Officer