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

**Financial Report
For the Year Ended June 30, 2002**

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

Release Date 2/5/03

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

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2002

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

FINANCIAL REPORT

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

FINANCIAL REPORT

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Independent Auditors' Report

City of Monroe School Board Monroe, Louisiana

We have audited the accompanying general purpose financial statements of the **City of Monroe School Board** (the School Board) as of and for the year ended June 30, 2002, as listed in the accompanying Table of Contents. These general purpose financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as noted in the following paragraph, we conducted our audit 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 *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Because of the inadequacy of the accounting records due to a failed computer software conversion for the year ended June 30, 2002, we were unable to form an opinion regarding the financial activities of equipment and furniture acquisitions and dispositions included in the General Fixed Asset Account Group column included in the accompanying general purpose financial statements.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the activities of the General Fixed Asset Account Group, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the School Board as of June 30, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

City of Monroe School Board
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2002 on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As further discussed in Note 15, the School Board has suffered recurring losses for the past three years in the General Fund and the School Food Service Special Revenue Fund. These funds have deficit fund balances of approximately \$1.7 million and \$510,000, respectively. The impact on the School Board's ability to continue to meet its obligations is dependent upon successful execution of its deficit reduction plan. The accompanying financial statements contain no adjustments which might be required, if any, from the outcome of this uncertainty.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the School Board taken as a whole. The accompanying financial information listed as Schedules in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The financial information for the previous year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the School Board.



(A Professional Accounting Corporation)

December 13, 2002

**GENERAL PURPOSE FINANCIAL STATEMENTS
COMBINED STATEMENTS - OVERVIEW**

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash and Cash Equivalents	\$ 210,615	\$ -	\$ 6,380,999	\$ 16,251,413
Investments	250,000	-	-	-
Accounts Receivable	145,043	3,223,104	16,655	-
Due From Other Governments:				
Due From Federal Sources	-	3,271,405	-	-
Due From State Sources	228,746	662,489	-	-
Due From Other Funds	5,064,397	1,660,280	31,365	29,412
Inventory and Prepaid Expenses	20,665	181,664	-	-
General Fixed Assets	-	-	-	-
Amount Available in Debt Service Fund	-	-	-	-
Amount to be Provided for the Retirement of General Long-Term Obligations	-	-	-	-
TOTAL ASSETS	<u>\$ 5,919,466</u>	<u>\$ 8,998,942</u>	<u>\$ 6,429,019</u>	<u>\$ 16,280,825</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Bank Overdraft	\$ -	\$ -	\$ -	\$ -
Accounts Payable	105,971	191,780	-	939
Retainage Payable	-	-	-	65,744
Salaries and Wages Payable	5,827,103	1,911,668	-	5,736
Due to Other Funds	1,679,339	4,952,629	18,280	135,206
Amounts Held for Other Organizations	-	-	-	-
General Obligation Bonds Payable	-	-	-	-
Sales Tax School Bonds Payable	-	-	-	-
Certificates of Indebtedness Payable	-	-	-	-
Obligation for Compensated Absences	-	-	-	-
Total Liabilities	<u>7,612,413</u>	<u>7,056,077</u>	<u>18,280</u>	<u>207,625</u>
Fund Equity				
Investment in General Fixed Assets	-	-	-	-
Fund Balance (Deficit):				
Reserved for Capital Improvements	-	-	-	16,073,200
Reserved for Debt Service	-	-	6,410,739	-
Reserved for Salaries and Wages	-	1,772,578	-	-
Reserved for Prepaid Expenses & Inventories	20,665	181,664	-	-
Unreserved/Undesignated	(1,713,612)	(11,377)	-	-
Total Fund Equity (Deficit)	<u>(1,692,947)</u>	<u>1,942,865</u>	<u>6,410,739</u>	<u>16,073,200</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 5,919,466</u>	<u>\$ 8,998,942</u>	<u>\$ 6,429,019</u>	<u>\$ 16,280,825</u>

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

Fiduciary Fund Type	Account Groups		Total	
	General	General	(Memorandum Only)	
	Fixed Assets (Un-Audited)	Long-Term Obligations	June 30, 2002	June 30, 2001
\$ 604,225	\$ -	\$ -	\$ 23,447,252	\$ 5,393,140
10,815	-	-	260,815	866,937
-	-	-	3,384,802	1,550,111
-	-	-	3,271,405	3,218,126
-	-	-	891,235	585,241
-	-	-	6,785,454	9,210,118
-	-	-	202,329	156,440
-	73,126,754	-	73,126,754	71,940,833
-	-	6,410,739	6,410,739	3,976,681
-	-	62,002,580	62,002,580	49,007,802
<u>\$ 615,040</u>	<u>\$ 73,126,754</u>	<u>\$ 68,413,319</u>	<u>\$ 179,783,365</u>	<u>\$ 145,905,429</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,903,926
-	-	-	298,690	594,583
-	-	-	65,744	184,171
-	-	-	7,744,507	5,355,698
-	-	-	6,785,454	9,210,118
615,040	-	-	615,040	519,163
-	-	46,960,000	46,960,000	49,415,000
-	-	18,000,000	18,000,000	-
-	-	1,125,000	1,125,000	1,255,000
-	-	2,328,319	2,328,319	2,314,483
<u>615,040</u>	<u>-</u>	<u>68,413,319</u>	<u>83,922,754</u>	<u>70,752,142</u>
-	73,126,754	-	73,126,754	71,940,833
-	-	-	16,073,200	697,794
-	-	-	6,410,739	3,976,681
-	-	-	1,772,578	1,870,961
-	-	-	202,329	156,440
-	-	-	(1,724,989)	(3,489,422)
<u>-</u>	<u>73,126,754</u>	<u>-</u>	<u>95,860,611</u>	<u>75,153,287</u>
<u>\$ 615,040</u>	<u>\$ 73,126,754</u>	<u>\$ 68,413,319</u>	<u>\$ 179,783,365</u>	<u>\$ 145,905,429</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001**

	General	Special Revenue	Debt Service	Capital Project	Total (Memorandum Only)	
					June 30, 2002	June 30, 2001
Revenues						
Local Sources:						
Taxes:						
Ad Valorem	\$ 7,709,542	\$ -	\$ 5,686,408	\$ -	\$ 13,395,950	\$ 13,027,677
Sales and Use Taxes	-	19,821,735	-	-	19,821,735	10,006,856
Earnings on Investments	52,942	55,708	131,796	248,190	488,636	170,797
Other	404,009	326,448	-	-	730,457	539,411
State Sources:						
Unrestricted Grants-in-Aid	26,731,964	400,039	-	-	27,132,003	26,522,116
Restricted Grants-in-Aid	744,943	740,431	-	-	1,485,374	1,481,492
State Contributions to Retirement Systems	396,016	-	-	-	396,016	43,392
Federal Sources:						
Restricted Grants-in-Aid:						
Direct	72,966	-	-	-	72,966	1,154,071
Subgrants	-	10,314,405	-	-	10,314,405	9,049,444
Total Revenues	<u>36,112,382</u>	<u>31,658,766</u>	<u>5,818,204</u>	<u>248,190</u>	<u>73,837,542</u>	<u>61,995,256</u>
Expenditures						
Current:						
Instruction:						
Regular Programs	14,901,572	10,003,375	-	-	24,904,947	19,487,213
Special Programs	6,357,675	6,560,287	-	-	12,917,962	12,372,201
Support Services:						
Student Services	1,670,694	5,974,716	-	-	7,645,410	6,871,822
Instructional Staff	1,290,610	3,261,093	-	-	4,551,703	1,360,019
General Administration	5,027,644	192,123	178,285	-	5,398,052	4,965,438
School Administration	683,452	690,100	-	-	1,373,552	2,098,945
Business Services	752,737	79,196	-	-	831,933	828,495
Plant Services	2,774,959	2,224,026	-	-	4,998,985	5,045,966
Transportation	1,707,278	356,914	-	-	2,064,192	1,907,261
Other Support	216,098	251,250	-	-	467,348	908,862
Capital Outlay	27,930	487,268	-	1,321,614	1,836,812	3,547,169
Debt Service	134,087	-	5,191,156	-	5,325,243	5,407,510
Total Expenditures	<u>35,544,736</u>	<u>30,080,348</u>	<u>5,369,441</u>	<u>1,321,614</u>	<u>72,316,139</u>	<u>64,800,901</u>
Excess (Deficiency) of Revenues Over Expenditures	567,646	1,578,418	448,763	(1,073,424)	1,521,403	(2,805,645)
Other Financing Sources (Uses)						
Operating Transfers In	357,114	735,316	434,125	-	1,526,555	1,022,914
Operating Transfers (Out)	(308,434)	(1,218,121)	-	-	(1,526,555)	(1,022,914)
Transfer of Indirect Cost	382,070	(382,070)	-	-	-	-
Proceeds of Sales Tax Bonds	-	-	1,551,170	16,448,830	18,000,000	-
Proceeds of Refunding Debt	-	-	-	-	-	22,565,000
Payment to Refunded Debt Escrow Agent	-	-	-	-	-	(22,565,000)
Total Other Financing Sources (Uses)	<u>430,750</u>	<u>(864,875)</u>	<u>1,985,295</u>	<u>16,448,830</u>	<u>18,000,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	998,396	713,543	2,434,058	15,375,406	19,521,403	(2,805,645)
Fund Balance (Deficit) at Beginning of Year	<u>(2,691,343)</u>	<u>1,229,322</u>	<u>3,976,681</u>	<u>697,794</u>	<u>3,212,454</u>	<u>6,018,099</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ (1,692,947)</u>	<u>\$ 1,942,865</u>	<u>\$ 6,410,739</u>	<u>\$ 16,073,200</u>	<u>\$ 22,733,857</u>	<u>\$ 3,212,454</u>

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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>General Fund</u>		Variance - Favorable (Unfavorable)
	<u>Actual</u>	<u>Budget</u>	
Revenues			
Local Sources:			
Ad Valorem Taxes	\$ 7,709,542	\$ 7,709,542	\$ -
Earnings on Investments	52,942	35,000	17,942
Other	404,009	318,554	85,455
State Sources:			
Unrestricted Grants-in-Aid	26,731,964	27,158,908	(426,944)
Restricted Grants-in-Aid	744,943	589,900	155,043
Other State Revenue	396,016	513,300	(117,284)
Federal Sources:			
Restricted Grants-in-Aid:			
Direct	72,966	66,400	6,566
Total Revenues	<u>36,112,382</u>	<u>36,391,604</u>	<u>(279,222)</u>
Expenditures			
Current:			
Instruction:			
Regular Programs	14,901,572	14,914,716	13,144
Special Programs	6,357,675	6,225,374	(132,301)
Support Services:			
Student Services	1,670,694	1,640,663	(30,031)
Instructional Staff	1,290,610	1,311,949	21,339
General Administration	5,027,644	5,225,997	198,353
School Administration	683,452	708,525	25,073
Business Services	752,737	752,027	(710)
Plant Services	2,774,959	2,743,051	(31,908)
Transportation	1,707,278	1,721,294	14,016
Other Support	216,098	234,190	18,092
Capital Outlay	27,930	20,000	(7,930)
Debt Service	134,087	85,000	(49,087)
Total Expenditures	<u>35,544,736</u>	<u>35,582,786</u>	<u>38,050</u>
Excess (Deficiency) of Revenues Over Expenditures	567,646	808,818	(241,172)
Other Financing Sources (Uses)			
Operating Transfers In	357,114	255,000	102,114
Operating Transfers (Out)	(308,434)	(589,000)	280,566
Transfer of Indirect Cost	382,070	250,000	132,070
Total Other Financing Sources (Uses)	<u>430,750</u>	<u>(84,000)</u>	<u>514,750</u>
Excess (Deficiency) of Revenues Over Expenditures and other Financing Sources (Uses)	998,396	724,818	273,578
Fund Balance (Deficit) at Beginning of Year	<u>(2,691,343)</u>	<u>(2,691,343)</u>	<u>-</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ (1,692,947)</u>	<u>\$ (1,966,525)</u>	<u>\$ 273,578</u>

The accompanying notes are an integral part of this financial statement

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>Special Revenue Funds</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues			
Local Sources:			
Sales and Use Taxes	\$ 19,821,735	\$ 19,565,136	\$ 256,599
Earnings on Investments	55,708	53,027	2,681
Other	326,448	314,448	12,000
State Sources:			
Unrestricted Grants-in-Aid	400,039	325,305	74,734
Restricted Grants-in-Aid	740,431	876,777	(136,346)
Federal Sources:			
Restricted Grants-in-Aid:			
Direct		-	-
Subgrants	10,314,405	11,256,805	(942,400)
Total Revenues	<u>31,658,766</u>	<u>32,391,498</u>	<u>(732,732)</u>
Expenditures			
Current:			
Instruction:			
Regular Programs	10,003,375	10,649,984	646,609
Special Programs	6,560,287	7,587,186	1,026,899
Support Services:			
Student Services	1,470,103	1,642,575	172,472
Instructional Staff	3,261,093	2,668,930	(592,163)
General Administration	192,123	419,692	227,569
School Administration	690,100	698,791	8,691
Business Services	79,196	103,125	23,929
Plant Services	2,224,026	2,257,218	33,192
Transportation	356,914	377,086	20,172
Other Support	4,755,918	4,846,110	90,192
Capital Outlay	487,268	316,000	(171,268)
Debt Service	-	-	-
Total Expenditures	<u>30,080,403</u>	<u>31,566,697</u>	<u>1,486,294</u>
Excess (Deficiency) of Revenues Over Expenditures	1,578,363	824,801	753,562
Other Financing Sources (Uses)			
Operating Transfers In	735,316	774,561	(39,245)
Operating Transfers (Out)	(1,218,121)	(694,725)	(523,396)
Transfer of Indirect Cost	(382,070)	(457,388)	75,318
Total Other Financing Sources (Uses)	<u>(864,875)</u>	<u>(377,552)</u>	<u>(487,323)</u>
Excess (Deficiency) of Revenues Over Expenditures and other Financing Sources (Uses)	713,488	447,249	266,239
Fund Balance at Beginning of Year	<u>1,229,322</u>	<u>1,229,322</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,942,810</u>	<u>\$ 1,676,571</u>	<u>\$ 266,239</u>

The accompanying notes are an integral part of this financial statement

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

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 system is composed of a central office, 20 schools and 2 support facilities. The school system serves approximately 11,000 students. The School Board employs approximately 1,450 persons of which over 800 are directly involved in the instructional process. The remainder provide ancillary support such as general administration, repair and maintenance, bus transportation and food service. The regular school term normally begins during the latter half of August and runs until the end of May.

REPORTING ENTITY

The School Board is the basic level of government which has oversight responsibility and control over all activities related to public school education in the city of Monroe. The School Board receives funding from Federal, state and local sources and must comply with the requirements of those funding source entities. However, the School Board is not included in any other governmental reporting entity as defined by Governmental Accounting Standards Board (GASB) Statement No. 14 *The Reporting Entity*, since the members of the School Board are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

A. Fund Accounting

The accounts of the School Board are organized on the basis of funds and account groups, 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 comprise its assets, liabilities, fund equity, revenue and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

Funds and account groups used in this report as compared to School Board terminology are as follows:

<u>This Report</u>	<u>School Board Terminology</u>
General Fund	General Fund Payroll Fund Insurance Funds
Special Revenue Funds	Title I, II, IV and VI Grant Programs Special Education Grant Programs Vocational and Adult Education Funds School Food Service Funds Sales Tax Funds State Grant Funds Magnet School Fund Other Special Revenue Funds
Capital Projects Fund	Construction Fund I Construction Fund II
Debt Service Funds	Bond Redemption Fund Loan Repayment Fund Sales Tax Bond Fund
Fiduciary Fund Type - Agency	School Activity Funds
General Fixed Assets Account Group	Real Property, Furniture, Fixtures and Equipment Accounts
General Long-Term Debt Account Group	Accumulated Compensated Absences, Bonds and Certificates of Indebtedness

Governmental resources are allocated to and accounted for in the individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds are grouped into the following generic fund types:

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

GOVERNMENTAL FUNDS

All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

The School Board uses the following governmental fund types:

General Fund - The General Fund is the general operating fund of the School Board. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted for specific expenditure purposes, as follows:

Title I of the Elementary and Secondary Education Act (ESEA) is a Federally-financed program for educationally deprived school children residing in areas having high concentrations of children from low-income families. The Title I services are provided through various projects which are designed to meet the special needs of educationally deprived children. The activities supplement rather than replace state and locally mandated activities.

Title II (Eisenhower Professional Development) of ESEA is a Federal program which provides funds for math and science related programs.

Title IV of ESEA are used for raising the drug abuse awareness of students and to provide an atmosphere for a drug-free learning environment.

Title VI of ESEA is a Federal program which provides funds to the School Board for equipment, books, supplies and other approved grant items.

Special Education Programs include Federally financed programs established under various public laws to provide free appropriate education for all identified

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handicapped children from preschool to 21 years of age in the least restrictive environment.

Vocational and Adult Education Funds are used to more fully develop the academic and occupational skills of students to enhance their ability to compete in a technologically advancing workplace.

School Food Services is used to account for the activities of school food services, breakfast and lunch revenues and expenditures incurred in providing services to pupils.

The Sales Tax Funds account for the collection and distribution of the sales tax levies for the School Board. All of the sales taxes collected under the pre-1994 tax is dedicated to supplement other revenues available to the School Board for the payment of salaries of teachers and other School Board personnel. Of the tax passed by the voters in 1994, seventy percent of the tax collected is dedicated for similar purposes, with the balance dedicated for instructional purposes. The sales tax passed in 2001 is to provide additional support to the school system to include funding of capital improvements and employee salaries.

State Grant Funds are used to account for the proceeds of specific state grants supporting the Supplemental Instruction Program, Textbooks, Model Early Childhood, Gifted/Talented and other specific programs.

The Other Special Revenue Funds account for various grants provided to the School Board by government, corporate and other grantors.

Debt Service Funds - The Debt Service Funds are used to accumulate resources used for the payment of long-term indebtedness principal, interest and related fiscal charges.

Capital Projects Funds - This fund is used to account for resources accumulated and expended for the acquisition or construction of general fixed assets.

FIDUCIARY FUNDS

Agency Funds - These funds are used to account for assets held by the School Board in a trustee capacity or as an agent for individuals, private organizations or 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

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School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

ACCOUNT GROUPS

Account groups are not "funds". Rather, they are concerned only with the measurement of financial position related to noncurrent assets (general fixed assets) and noncurrent liabilities (general long-term obligations). They are not involved with measurement of results of operations. The School Board uses the following account groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the School Board except those reported in the City of Monroe, Louisiana, financial statements.

General Long-Term Debt Account Group - This account group is established to account for all long-term obligations of the School Board, including compensated absences and bond obligations.

B. Total Columns on Combined Statements-Overview

Total columns on the Combined Statements-Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis and do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental and agency funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

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D. Budgets

Annual appropriated budgets are adopted by the School Board on the General Fund, all Special Revenue Funds, the Capital Projects Fund and the Debt Service Fund. Budgets are prepared on the modified accrual basis of accounting. Budget amounts included in the accompanying general purpose financial statements include the original adopted budget plus all amendments. The School Board follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Superintendent submits to the School Board a proposed consolidating General Fund operating budget for the succeeding year.
2. This proposed consolidating budget is adopted by the School Board no later than September 15 of that succeeding year, with the final amended budget for the current year being adopted in June.
3. A public hearing is scheduled by the School Board after allowing for at least ten days notice to the public at the time the proposed budget is initially submitted to the Board.
4. Any revision requiring alteration of levels of expenditures or transfers between funds must be approved by the School Board.
5. Operating appropriations, to the extent not expended, lapse at year end.

E. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Outstanding encumbrances are reversed at year end, resulting in liabilities and expenditures in the individual funds.

F. Investments

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

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G. Inventories

Inventory of the School Food Service Fund consists of food and supplies. The inventories are recorded as an expenditure as they are 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.

H. General Fixed Assets and Long-Term Liabilities

General Fixed Assets - General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the General Fixed Assets Account Group (GFAAG). Donated assets are recorded at fair market value on the date of the donation. Where historical cost and other relevant data are unavailable, various equipment and structures on school premises have been stated at estimated historical cost as determined by applying construction cost indexes to estimated replacement cost as permitted by National Council on Governmental Accounting Statement 1, Paragraph 47.

General fixed asset values determined by use of estimates is less than 20%. No depreciation has been provided on general fixed assets.

Long-Term Debt - Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from available spendable resources is reported as a fund liability of a governmental fund. The remaining portion is reported in the General Long-Term Debt Account Group (GLTDAG). The School Board reports accumulated sick leave, outstanding bond indebtedness and other long-term debt obligations in the GLTDAG.

I. Fund Reserves

Fund reserves are portions of fund equity that are legally restricted for future use and are therefore not available for current operations. The fund balance reserved for inventories represents the cost of inventories on hand and is, therefore, not available for expenditures.

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J. Compensated Absences

All employees receive ten sick days each year, with the unused portion being accumulated and 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. Effective July 1, 1994 the School Board revised its policy regarding payment of accumulated vacation days 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 being grandfathered in at their current accumulation up to 45 days.

K. Sales and Use Taxes

The voters of Ouachita Parish authorized the City of Monroe School Board and the Ouachita Parish School Board to jointly levy and collect a 1/2 of 1% 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 is to be used for the payment of the salaries for teachers, as defined by the Louisiana State Department of Education and 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 a 1/2 of 1% sales and use tax effective July 1, 1994. 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. The citizens of the City of Monroe on July 21, 2001, approved a 1% sales tax for additional support to the public school system of the City of Monroe. This sales tax went into effect in October 2001.

L. Comparative Total Data

Comparative total data for the prior year have been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the School Board's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand. Various reclassifications have been made to the prior year financial statements to make them comparable to current year presentation.

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M. 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.

N. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* which will dramatically affect the School Board's financial accounting and reporting procedures and the appearance of the School Board's financial statements. The City of Monroe School Board is required to implement Statement No. 34 for the year ended June 30, 2003.

Note 2 - Deficit Fund Balances

A deficit unreserved/undesignated fund balance of approximately \$1.7 million exists in the General Fund, and the School Food Services Special Revenue Fund has a deficit of approximately \$510,000. It is expected that these deficits will be cleared by future revenues and operational changes within the school system (See Note 15).

Note 3 - Cash and Certificates of Deposit

The School Board's cash and certificates of deposit consist of deposits with financial institutions. The certificates of deposit have varying maturities. 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. 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

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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.

The following is a schedule of the School Board's cash and certificates of deposit at June 30, 2002. Differences between School Board and bank balances arise because of the net effect of deposits in transit and outstanding checks.

	School Board Balance	Bank Balance
Cash on Deposit	\$ 2,544,477	\$ 3,808,062
Cash Equivalents:		
LAMP Investments	20,298,550	20,298,550
Certificates of Deposit	250,000	250,000
TOTAL	\$ 23,093,027	\$ 24,356,612

The School Board's investments and deposits at June 30, 2002 are categorized below to give an indication of the level of risk assumed by the School Board at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School Board or its safekeeping agent in the School Board's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or safekeeping agent in the School Board's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution, or by its trust department or safekeeping agent but not in the School Board's name. Per Louisiana State law, collateral is not required for funds invested in LAMP.

	Risk Category 1
Insured Deposits	\$ 300,000
Uninsured Deposits:	
Collateralized	3,758,062
Total Deposits	\$ 4,058,062

Investments of the School Board as of June 30, 2002 consisting of a certificate of deposit with a carrying and market value of \$250,000 is held by the School Board's agent in the

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School Board's name, and is considered collateralized (Risk Category 1).

Note 4 - Ad Valorem Taxes

The Ouachita Parish Tax Collector bills and collects property taxes for the School Board using the assessed values determined by the tax assessor of Ouachita Parish. For the year ended June 30, 2002, taxes of 46.84 mills were levied on property with assessed valuations totaling \$279,130,927 and were dedicated as follows:

School Operations, Maintenance, Aid and Support	26.59 mills
Series 1994 & Series 1995 Bonds Debt Service	20.25 mills
	46.84 mills

The School Board's portion of the total taxes originally levied was \$15,110,007 of which \$13,074,493 was assessed on property owners and \$2,035,514 was assessed under Homestead Exemption. The School Board collected \$13,395,950 through June 30, 2002 of which \$151,254 from City of Monroe and a nominal amount from Ouachita Parish Sheriff's office was for prior year(s) levies. Approximately 86% of the homestead exemption is not appropriated by the state of Louisiana and therefore is not collected.

Property Tax Calendar

Millage Rates Adopted	September 19, 2001
Levy Date	November 3, 2001
Tax Bills Mailed	November 3, 2001
Total Taxes Are Due	December 31, 2001
Lien Date	January 1, 2002

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

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Note 5 - General Fixed Assets (Unaudited)

A summary of changes in general fixed assets for the year ended June 30, 2002, follows:

	Balance July 1, 2001	Additions	Retirements	Balance June 30, 2002
Land	\$ 1,345,809	\$ -	\$ -	\$ 1,345,809
Buildings And Other Improvements	60,109,006	61,162	-	60,170,168
Equipment & Furniture	10,458,259	495,077	-	10,953,336
Construction in Progress	27,759	690,844	61,162	657,441
TOTAL	<u>\$ 71,940,833</u>	<u>\$ 1,247,083</u>	<u>\$ 61,162</u>	<u>\$ 73,126,754</u>

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.

Note 7 - Pension and Retirement Plans

State-sponsored Plans:

Substantially all employees of the School Board are members of two statewide retirement systems which are multiple-employer, cost-sharing public employee retirement systems. In general, professional employees such as teachers, principals and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus operators, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service.

Under the TRS Regular Plan, there are two retirement formulae: the 2% formula and the 2.5% formula. Participants may retire under the 2% formula at age 60 with at least 10 years of service credit or at any age with 20 years of service credit. Under the 2.5% formula, participants may retire at age 65 with 20 years of service credit; at age 55 with

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25 years of service credit; or at any age with 30 years of service credit. The retirement benefit formula is based on the average salary of the 36 highest consecutive months times the applicable retirement percentage formula.

Under the TRS-Plan A, normal retirement is generally at any age with 30 or more years credited service, and at the age of 55 with at least 25 years of credited service and at age 60 with at least 10 years of credited service. The retirement benefit formula is generally 3% times the average salary of the 36 highest successive months.

Funding Policy: As provided by statute, the School Board's employer contributions to the TRS are funded by the State of Louisiana through expenditures by the School Board of state Minimum Foundation Program (MFP) funds and local ad valorem and sales taxes. State statutes also require covered employees to contribute a percentage of their salaries to the system. As further provided by statute, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the systems's prior fiscal year. The School Board's contributions to the TRS plans for the years ended June 30, 2002, 2001 and 2000 were \$4,888,063; \$4,191,859 and \$4,425,424, respectively, equal to the statutorily required contributions in each year.

The TRS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Teachers' Retirement System, P.O. Box 94123, Baton Rouge, Louisiana 70804-9123 or by calling (504) 925-6446.

Employees participating in the LSERS are eligible for normal retirement after 30 years of service at any age, 25 years of service at age 55, or 10 years of service at age 60. The maximum retirement allowance is computed at 2.5% times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

Funding Policy: As provided by statute, the School Board's employer contributions to the LSERS are funded by the State of Louisiana through expenditures by the School Board of state MFP funds and local ad valorem and sales taxes. State statutes also require covered employees to contribute a percentage of their salaries to the system. As further provided by statute, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the systems's prior fiscal year. The School Board's contributions to the LSERS plans for the years ended June 30, 2002, 2001 and 2000 were nil; \$7,457 and nil, respectively,

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equal to the statutorily required contributions in each year.

The LSERS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Louisiana School Employees' Retirement System, P.O. Box 44516, Capitol Station, Baton Rouge, Louisiana 70804 or by calling (504) 925-6484.

School Board-Sponsored Plan

During fiscal 1996, the School Board 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 the 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 \$242,916 at June 30, 2002.

Note 8 - Other Employee and Postemployment Benefits

The School Board offers a cafeteria plan fringe benefit program under the Internal Revenue Code Section 125 for all employees who elect to participate. The Plan covers the employees' 50% share of the cost of group health coverage.

Group health and life insurance is provided to participating employees and retirees through the State Employee Group Benefits Program. In fiscal 2002, the School Board paid \$4,908,648 in connection with providing these benefits, including \$1,850,022 attributable to 410 retirees.

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Note 9 - General Long-Term Obligations

The following is a summary of changes in General Long-Term Obligations for the year ended June 30, 2002:

	Balance July 1, 2001	Increases	Decreases	Balance June 30, 2002
General Obligation Bonds	\$ 49,415,000	-	\$ 2,455,000	\$ 46,960,000
Sales Tax Bonds	-	18,000,000	-	18,000,000
Certificates of Indebtedness	1,255,000	-	130,000	1,125,000
Compensated Absences, Net	2,314,483	2,462,045	2,448,209	2,328,319
TOTAL	\$ 52,984,483	\$ 20,462,045	\$ 5,033,209	\$ 68,413,319

Long-term obligations outstanding at June 30, 2002 are comprised of the following:

	Issue	Maturity Date	Interest Rate	Amount Outstanding
<u>General Obligation Bonds</u>				
School Bonds, Series 1994	1994	3/1/2014	5.50 - 7.00	\$ 2,875,000
School Bonds, Series 1995	1995	3/1/2015	5.35 - 9.00	21,670,000
School Refunding Bonds, Series 2001	2001	3/1/2014	4.00 - 4.625	<u>22,415,000</u>
Total General Obligation Bonds				<u>46,960,000</u>
<u>Sales Tax Bonds</u>				
Sales Tax Bonds, Series 2001	2001	10/1/2021	3.875 - 5.00	12,000,000
Sales Tax Bonds, Series 2002	2002	10/1/2021	4.25 - 4.75	6,000,000
<u>Certificate of Indebtedness</u>	1998	7/1/2008	4.70 - 4.95	<u>1,125,000</u>
Total Bonds and Certificate of Indebtedness				<u>\$66,085,000</u>

Debt service requirements to maturity on all School Board General Obligation Bonds and certificates of indebtedness outstanding at June 30, 2002, including interest of \$24,439,639 is as follows:

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Year Ending June 30,	Total Principal & Interest Due
2003	\$ 5,988,548
2004	6,055,319
2005	6,307,040
2006	6,370,890
2007	6,428,178
2008-2012	32,504,705
2013-2017	19,870,224
2018-2022	6,999,735
TOTAL	\$ <u>90,524,639</u>

During fiscal year 2002, the School Board issued \$12,000,000 (Series 2001) and \$6,000,000 (Series 2002) in Sales Tax School Bonds with average interest rates of 4.607% and 4.625% respectively. These bonds will mature in the year 2021 and are secured by the undedicated portion of the 1% sales tax authorized at an election on July 21, 2001. The proceeds of these bonds will be used to make capital improvements in the school system.

Note 10 - Lease Commitments and Rental Expense

Operating Leases

The School Board leases various items of equipment and facilities under lease agreements which are subject to annual reappropriation clauses. Generally, as equipment leases expire, they are replaced with other leases.

Total Rent Expense for the year ending June 30, 2002 amounted to \$54,300.

Note 11 - Interfund Receivables and Payables

Individual balances due to/from other funds at June 30, 2002, are as follows:

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	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Governmental Funds:		
General Fund	\$ 5,064,397	\$ 1,679,339
Debt Service Funds	31,365	18,280
Capital Project Fund	29,412	135,206
Special Revenue Funds:		
ESEA Title I	-	1,050,244
ESEA Title II	-	37,859
Title IV	-	28,088
Title VI	-	505,433
Special Education	-	332,831
Vocational/Adult Education	-	233,077
School Food Services	12,306	732,388
Sales Tax	1,647,974	1,228,179
State Grant	-	505,944
Magnet Schools	-	192,869
Other Special Revenue	-	105,717
TOTAL	\$ <u>6,785,454</u>	\$ <u>6,785,454</u>

Note 12 - Interfund Transfers

Transfers to/from other funds for the year ended June 30, 2002 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Government Funds:		
General Fund	\$ 414,611	\$ 308,434
Debt Service Funds	434,125	-
Special Revenue Funds:		
School Food Service	659,649	-
Sales Tax Funds	-	1,218,121
State Grants	17,575	-
Other Grants	596	-
Total	\$ <u>1,526,555</u>	\$ <u>1,526,555</u>

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Certain Special Revenue funds transferred to the General Fund reimbursements of indirect costs totaling \$382,070 according to rates approved by various grantor agencies.

Note 13 - Risk Financing Activities

The School Board manages its exposure under general liability, fleet, and errors and omissions through the purchase of commercial insurance. Qualifying employees and retirees may participate in the state group medical and life insurance plan. 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, 2002, the School Board incurred and paid claims under the worker's compensation plan of approximately \$295,000 net of reimbursements. There were no material claims outstanding at June 30, 2002 or 2001.

Note 14 - 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 materially affect the School Board's financial position.

Note 15 – Deficit Reduction Plan (Unaudited)

Monroe City Schools began fiscal year 2001-2002 with a deficit in the General Fund of \$2,691,343. Additionally, the School Food Service Fund began the same fiscal year with a deficit of \$647,201, for a combined deficit of \$3,338,544. In past years, the School District had developed Deficit Elimination Plans that produced limited results for the District. Previous plans called for eliminating the deficit through reductions in expenditures. The District soon found that this alone was not the solution, as the district was able to cut in one area, only to see increases in another area. After much reflection on this matter, officials determined that insufficient revenue was the most significant part of the problem, with a new stream of revenue part of the solution. This

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strategy, coupled with elimination of staffing where appropriate contributes to the solution to eliminate the deficit.

Having come to this conclusion, school officials decided to go to the public with a one cent sales tax proposition. On July 21, 2001, the voters of the district overwhelmingly passed the one cent sales tax, which will generate an additional \$12 million per year for Monroe City Schools once fully funded. Of this one cent sales tax, only 45% or \$5.4 million is dedicated. The remaining 55% or \$6.6 million, is to be used for general operations, which will provide relief to the general fund, thereby eliminating the deficit.

The district anticipated that the 2001-2002 fiscal year would be somewhat of a "bridge" year for the District, as the new sales tax was initiated in the second quarter of the fiscal year. Sales tax collections for fiscal year 2001-2002 were approximately \$9,000,000, with no additional MFP money resulting from increased effort for this fiscal year. The District anticipated that the bridge year would produce limited results in reducing the overall deficit, and would serve as a stabilizing period where for the first time in many years, the deficit would not increase.

The actual results of fiscal operations for 2001- 2002 were much more than the anticipated stabilizing period. In fact, the General Fund deficit was reduced by approximately \$1,000,000. Additionally, the School Food Service Fund deficit was reduced by approximately \$140,000, reducing the combined deficit at year end to \$2,203,850.

To show our commitment to stabilizing fiscal operations, the district started an assessment of district employees in the spring of 2002. This allowed the District to look at student population and to allocate staff based on those numbers. This assessment resulted in the elimination of approximately 40 instructional staff members from the General Fund, as well as a number of reductions in support staff. This major step, along with careful monitoring, will insure that we achieve our desired deficit reduction for the current year. The budget for fiscal year 2002-2003 projects an additional reduction in the General Fund deficit of approximately \$1,000,000. The General Fund deficit at fiscal year end will be slightly over \$500,000.

During fiscal year 2002-2003, the School Board will receive increased funding through MFP because of increased effort on the School District's part. Current Legislation requires that half of any MFP growth be allocated to teachers' salaries and benefits. The remainder of these funds will go toward eliminating the deficit.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

The increase in revenue, coupled with significant reductions in expenses will enable the School Board to significantly reduce, if not eliminate the General Fund deficit in the near future. Immediately upon elimination of the deficit, the School Board will continue to dedicate funds to build an operating fund balance of approximately \$4.5 million.

Note 16 – Subsequent Events

The School Board is currently being audited by Teachers Retirement System of Louisiana (TRSL). The outcome of the audit is unknown at this time thus, additional liability, if any, cannot be estimated at this time.

**SUPPLEMENTARY SCHEDULES -
FINANCIAL SCHEDULES OF INDIVIDUAL FUNDS**

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

SPECIAL REVENUE FUNDS

As of and for the Year Ended June 30, 2002

- A. Title I of the Elementary and Secondary Education Act (ESEA) is a Federally- financed program for meeting the needs of educationally deprived school children residing in areas having high concentrations of children from low-income families. The activities supplement rather than replace state and locally mandated activities.
- B. Title II (Eisenhower Professional Development) of ESEA is a Federal program which provides funds for mathematics and science related programs.
- C. Title IV of ESEA funds are used for raising the awareness of students to the dangers of drug abuse and to promote an atmosphere for a drug-free learning environment.
- D. Title VI of ESEA is a program by which the Federal government provides funds to the School Board for equipment and other items approved under the grant contract.
- E. Special Education funds are Federally-financed programs providing free appropriate education for all identified handicapped children from 3 to 21 years of age in the least restrictive environment.
- F. Vocational and Adult Education funds are used to more fully develop the academic and occupational skills of students to enhance their ability to compete in a technologically advancing workplace.
- G. School Food Services is used to account for the Revenues and Expenditures incurred, in providing to pupils, breakfast and lunch services during the school year and in the Summer Feeding program.
- H. The Sales Tax Funds account for the collection and distribution of the sales tax levies for the School Board. All of the sales taxes collected under the pre-1994 tax is dedicated to supplement other revenues available to the School Board for the payment of salaries of teachers and other School Board personnel. Of the tax passed by the voters in 1994, seventy percent of the tax collected is dedicated for similar purposes, with the balance dedicated for instructional purposes. The sales tax passed in 2001 is to provide additional support to the school system to include capital improvements and employee salaries.
- I. The State Grant Funds account for Louisiana Department of Education grants for programs such as the Model Early Childhood, the Supplemental Instruction Program, and Gifted/Talented.
- J. Other Special Revenue Funds account for the revenues and expenditures associated with grants provided to the School Board by other governmental entities, including the United States Department of Education and Louisiana Department of Education.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR JUNE 30, 2001**

	Elementary and Secondary Education Act				Special Education Funds
	Title I Funds	Title II Funds	Title IV Funds	Title VI Funds	
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	1,337,787	43,859	30,149	602,977	358,628
Due From Other Governments:					
<i>Due From Federal Sources</i>	-	-	-	-	-
<i>Due From State Sources</i>	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid Expenditures	-	-	-	-	-
TOTAL ASSETS	<u>\$ 1,337,787</u>	<u>\$ 43,859</u>	<u>\$ 30,149</u>	<u>\$ 602,977</u>	<u>\$ 358,628</u>
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts Payable	11,877	6,000	101	-	8,236
Deferred Revenues	-	-	-	-	-
Salaries and Wages Payable	275,666	-	1,960	97,544	17,561
Due to Other Funds	<u>1,050,244</u>	<u>37,859</u>	<u>28,088</u>	<u>505,433</u>	<u>332,831</u>
Total Liabilities	1,337,787	43,859	30,149	602,977	358,628
Fund Equity					
Fund Balances:					
Reserved for Inventory and Prepaids	-	-	-	-	-
Reserved for Salaries and Benefits	-	-	-	-	-
Unreserved-Undesignated	-	-	-	-	-
Total Fund Balances (Deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,337,787</u>	<u>\$ 43,859</u>	<u>\$ 30,149</u>	<u>\$ 602,977</u>	<u>\$ 358,628</u>

Vocational & Adult Ed Funds	School Food Services Funds	Sales Tax Funds	State Grant Funds	Magnet Schools	Other Special Revenue Funds	Total	
						2002	2001
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,483,630
284,023	366,601	3,194,863	610,863	195,228	132,020	7,156,998	821,645
-	-	-	-	-	-	-	3,218,126
-	-	-	-	-	-	-	585,241
-	12,306	1,647,974	-	-	-	1,660,280	548,240
-	181,664	-	-	-	-	181,664	140,749
-	-	-	-	-	-	-	-
<u>\$ 284,023</u>	<u>\$ 560,571</u>	<u>\$ 4,842,837</u>	<u>\$ 610,863</u>	<u>\$ 195,228</u>	<u>\$ 132,020</u>	<u>\$ 8,998,942</u>	<u>\$ 7,797,631</u>
19,887	54,816	40,188	50,244	431	-	191,780	399,204
-	-	-	-	-	-	-	-
31,059	258,654	1,151,880	51,025	1,928	24,391	1,911,668	1,602,717
233,077	732,388	1,228,179	505,944	192,869	105,717	4,952,629	4,566,388
<u>284,023</u>	<u>1,045,858</u>	<u>2,420,247</u>	<u>607,213</u>	<u>195,228</u>	<u>130,108</u>	<u>7,056,077</u>	<u>6,568,309</u>
-	181,664	-	-	-	-	181,664	147,748
-	-	1,772,578	-	-	-	1,772,578	1,870,961
-	(666,951)	650,012	3,650	-	1,912	(11,377)	(789,387)
-	<u>(485,287)</u>	<u>2,422,590</u>	<u>3,650</u>	<u>-</u>	<u>1,912</u>	<u>1,942,865</u>	<u>1,229,322</u>
<u>\$ 284,023</u>	<u>\$ 560,571</u>	<u>\$ 4,842,837</u>	<u>\$ 610,863</u>	<u>\$ 195,228</u>	<u>\$ 132,020</u>	<u>\$ 8,998,942</u>	<u>\$ 7,797,631</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001**

	Elementary and Secondary Education Act				Special Education Funds
	Title I Funds	Title II Funds	Title IV Funds	Title VI Funds	
Revenues					
Local Sources:					
Sales & Use Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Other	-	-	-	-	-
State Sources:					
Unrestricted Grants-in-aid					
Restricted Grants-in-Aid	-	-	-	-	42,048
Federal Sources:					
Restricted Grants-in-Aid	3,749,529	88,020	54,656	911,124	1,135,619
Total Revenues	<u>3,749,529</u>	<u>88,020</u>	<u>54,656</u>	<u>911,124</u>	<u>1,177,667</u>
Expenditures					
Current:					
Instructional:					
Regular Programs	-	-	-	-	-
Special Programs	2,626,392	-	-	-	989,963
Support Services:					
Student Services	-	-	-	-	-
Instructional Staff	754,618	82,333	50,486	878,779	-
General Administration	11,901	-	-	-	-
School Administration	-	-	-	-	-
Business Services	-	-	-	-	603
Plant Services	68,530	-	-	-	773
Transportation	840	-	258	-	-
Other Support Services	-	-	-	-	-
Capital Outlay	31,983	-	-	3,219	116,739
Total Expenditures	<u>3,494,264</u>	<u>82,333</u>	<u>50,744</u>	<u>881,998</u>	<u>1,108,078</u>
Excess (Deficiency) of Revenues Over Expenditures	255,265	5,687	3,912	29,126	69,589
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-
Transfer of Indirect Cost	(255,265)	(5,687)	(3,912)	(29,126)	(69,589)
Total Other Financing Sources (Uses)	<u>(255,265)</u>	<u>(5,687)</u>	<u>(3,912)</u>	<u>(29,126)</u>	<u>(69,589)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balance (Deficit) at Beginning of Year	-	-	-	-	-
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Vocational & Adult Ed Funds	School Food Services Funds	Sales Tax Funds	State Grant Funds	Magnet Schools	Other Special Revenue Funds	Total	
						2002	2001
\$ -	\$ -	\$ 19,821,735	\$ -	\$ -	\$ -	\$ 19,821,735	\$ 10,006,856
-	-	55,708	-	-	-	55,708	81,097
-	326,448	-	-	-	-	326,448	301,388
-	400,039	-	-	-	-	400,039	568,500
13,517	-	-	682,292	-	-	737,857	725,886
<u>387,931</u>	<u>3,304,663</u>	<u>-</u>	<u>-</u>	<u>263,619</u>	<u>421,818</u>	<u>10,316,979</u>	<u>10,131,873</u>
<u>401,448</u>	<u>4,031,150</u>	<u>19,877,443</u>	<u>682,292</u>	<u>263,619</u>	<u>421,818</u>	<u>31,658,766</u>	<u>21,815,600</u>
171,819	-	9,818,410	13,146	-	-	10,003,375	6,218,332
137,043	-	1,730,813	724,436	-	351,640	6,560,287	6,956,612
-	4,504,613	1,470,103	-	-	-	5,974,716	5,489,511
-	-	1,205,212	-	263,619	26,046	3,261,093	1,063,518
-	-	180,222	-	-	-	192,123	113,656
-	-	690,100	-	-	-	690,100	374,409
-	-	78,593	-	-	-	79,196	40,364
-	6,134	2,148,589	-	-	-	2,224,026	357,106
-	-	355,816	-	-	-	356,914	157,817
-	-	249,870	1,380	-	-	251,250	435,632
90,723	18,139	179,964	1,422	-	45,079	487,268	411,340
<u>399,585</u>	<u>4,528,886</u>	<u>18,107,692</u>	<u>740,384</u>	<u>263,619</u>	<u>422,765</u>	<u>30,080,348</u>	<u>21,618,297</u>
1,863	(497,736)	1,769,751	(58,092)	-	(947)	1,578,418	197,303
-	659,649	-	58,092	-	17,575	735,316	319,552
-	-	(1,218,121)	-	-	-	(1,218,121)	(237,929)
(1,863)	-	-	-	-	(16,628)	(382,070)	(216,863)
<u>(1,863)</u>	<u>659,649</u>	<u>(1,218,121)</u>	<u>58,092</u>	<u>-</u>	<u>947</u>	<u>(864,875)</u>	<u>(135,240)</u>
-	161,913	551,630	-	-	-	713,543	62,063
-	(647,200)	1,870,960	3,650	-	1,912	1,229,322	1,167,259
<u>\$ -</u>	<u>\$ (485,287)</u>	<u>\$ 2,422,590</u>	<u>\$ 3,650</u>	<u>\$ -</u>	<u>\$ 1,912</u>	<u>\$ 1,942,865</u>	<u>\$ 1,229,322</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULES OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
TITLE I SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2002**

	Title I 01-02 (37)	Title I 00-01 4/1 - 9/30 (32)	Title I C/O (8)	Total
Revenues				
Federal Sources:				
Restricted Grants-in-Aid Subgrants	\$ 2,940,318	\$ 475,053	\$ 334,158	\$ 3,749,529
Total Revenue	<u>2,940,318</u>	<u>475,053</u>	<u>334,158</u>	<u>3,749,529</u>
Expenditures				
Current:				
Instructional				
Special Programs	1,982,438	334,359	309,595	2,626,392
Support Services:				-
Instructional Staff	673,611	81,007	-	754,618
General Administration	11,901	-	-	11,901
Transportation	840	-	-	840
Plant Services	56,882	11,648	-	68,530
Capital Outlay	-	31,983	-	31,983
Total Expenditures	<u>2,725,672</u>	<u>458,997</u>	<u>309,595</u>	<u>3,494,264</u>
Excess of Revenues Over Expenditures	214,646	16,056	24,563	255,265
Other Financing Sources (Uses)				
Transfer of Indirect Cost	(214,646)	(16,056)	(24,563)	(255,265)
Total Other Financing Sources (Uses)	<u>(214,646)</u>	<u>(16,056)</u>	<u>(24,563)</u>	<u>(255,265)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
TITLE II SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>Title II 01-02 (35)</u>	<u>Title II 00-01 (46)</u>	<u>Title II C/O (34)</u>	<u>TOTAL</u>
Revenues				
Federal Sources:				
Restricted Grants-in-Aid Subgrants	\$ 63,533	\$ 20,681	\$ 3,806	\$ 88,020
Total Revenue	<u>63,533</u>	<u>20,681</u>	<u>3,806</u>	<u>88,020</u>
Expenditures				
Support Services:				
Instructional Staff	58,863	19,944	3,526	82,333
Total Expenditures	<u>58,863</u>	<u>19,944</u>	<u>3,526</u>	<u>82,333</u>
Excess of Revenues Over Expenditures	4,670	737	280	5,687
Other Financing Sources and (Uses)				
Transfer of Indirect Cost	(4,670)	(737)	(280)	(5,687)
Total Other Financing Sources (Uses)	<u>(4,670)</u>	<u>(737)</u>	<u>(280)</u>	<u>(5,687)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
TITLE IV SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002**

	Title IV 01-02 (15)	Title IV 00-01 (30)	Title IV C/O (18)	TOTAL
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues				
Federal Sources:				
Restricted Grants-in-Aid Subgrants	\$ 47,653	\$ 1,437	\$ 5,566	\$ 54,656
Total Revenue	<u>47,653</u>	<u>1,437</u>	<u>5,566</u>	<u>54,656</u>
Expenditures				
Support Services:				
Instructional Staff	43,892	1,437	5,157	50,486
Transportation	258			258
Total Expenditures	<u>44,150</u>	<u>1,437</u>	<u>5,157</u>	<u>50,744</u>
Excess of Revenues Over Expenditures	3,503	-	409	3,912
Other Financing Sources and (Uses)				
Transfer of Indirect Cost	<u>(3,503)</u>	<u>-</u>	<u>(409)</u>	<u>(3,912)</u>
Total Other Financing Sources (Uses)	<u>(3,503)</u>	<u>-</u>	<u>(409)</u>	<u>(3,912)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
TITLE VI-ESEA SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>Title VI Class Size Reduction (56)</u>	<u>Title VI Class Size Reduction C/O 2001 (57)</u>	<u>Title VI Class Size Reduction C/O 2000 (33)</u>	<u>Title VI 01-02 (29)</u>	<u>Title VI C/O (50)</u>	<u>TOTAL</u>
Revenues						
Federal Sources:						
Restricted Grants-in-Aid Subgrants	\$ 723,912	\$ 108,209	\$ 9,268	\$ 62,691	\$ 7,044	\$ 911,124
Total Revenue	<u>723,912</u>	<u>108,209</u>	<u>9,268</u>	<u>62,691</u>	<u>7,044</u>	<u>911,124</u>
Expenditures						
Support Services:						
Instructional Staff	702,827	105,057	9,268	58,083	3,544	878,779
Capital Outlay	-	-	-	-	3,219	3,219
Total Expenditures	<u>702,827</u>	<u>105,057</u>	<u>9,268</u>	<u>58,083</u>	<u>6,763</u>	<u>881,998</u>
Excess of Revenues Over Expenditures	21,085	3,152	-	4,608	281	29,126
Other Financing Sources (Uses)						
Transfer of Indirect Cost	<u>(21,085)</u>	<u>(3,152)</u>	<u>-</u>	<u>(4,608)</u>	<u>(281)</u>	<u>(29,126)</u>
Total Other Financing Uses	<u>(21,085)</u>	<u>(3,152)</u>	<u>-</u>	<u>(4,608)</u>	<u>(281)</u>	<u>(29,126)</u>
Excess of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
SPECIAL EDUCATION SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

	IDEA 2000 C/O (20)	IDEA 01-02 (19)	IDEA B 2001 99-FT-65 (48)	Part C Direct Services (64)	IDEA Part C Infant and Families CITS-65 (26)	Part C Evaluations (25)	Preschool 2000 C/O (21)	Preschool 00-01 01-PP-65 (49)	Preschool 01-02 (09)	Childnet (28)	ESYP-65 (27)	Total
Revenues												
State Sources:												
Restricted Grants-Aid Subgrants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,939	\$ 38,109	\$ 42,048
Federal Sources:												
Restricted Grants-in-Aid Subgrants	18,853	909,098	58,825	10,869	40,475	7,145	28,524	13,470	48,360	-	-	1,135,619
Total Revenues	18,853	909,098	58,825	10,869	40,475	7,145	28,524	13,470	48,360	3,939	38,109	1,177,667
Expenditures												
Current:												
Instructional												
Special Programs	13,618	772,089	51,960	10,070	36,503	6,620	1,547	13,477	42,031	3,939	38,109	989,963
Support Services:												
Business Services	-	-	603	-	-	-	-	-	-	-	-	603
Plant Services	-	-	773	-	-	-	-	-	-	-	-	773
Capital Outlay	4,725	75,751	5,487	-	997	-	26,920	-	2,859	-	-	116,739
Total Expenditures	18,343	847,840	58,823	10,070	37,500	6,620	28,467	13,477	44,890	3,939	38,109	1,108,078
Excess of Revenues Over Expenditures	510	61,258	2	799	2,975	525	57	(7)	3,470	-	-	69,589
Other Financing Sources (Uses)												
Transfer of Indirect Cost	(510)	(61,258)	(2)	(799)	(2,975)	(525)	(57)	7	(3,470)	-	-	(69,589)
Total Other Financing Sources (Uses)	(510)	(61,258)	(2)	(799)	(2,975)	(525)	(57)	7	(3,470)	-	-	(69,589)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULES OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
VOCATIONAL/ADULT ED SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2001**

	<u>Pre-GED (63)</u>	<u>J.A.G. (14)</u>	<u>Vocational (16)</u>	<u>Adult Education (23)</u>	<u>Adult Education C/O (85)</u>	<u>Total</u>
Revenues						
State Sources:						
Restricted Grants-in Aid Subgrants	\$ -	\$ -	\$ -	\$ 13,517	\$ -	\$ 13,517
Federal Sources:						
Restricted Grants-in Aid Subgrants	113,460	23,583	209,192	39,122	2,574	387,931
Total Revenue	<u>113,460</u>	<u>23,583</u>	<u>209,192</u>	<u>52,639</u>	<u>2,574</u>	<u>401,448</u>
Expenditures						
Instructional:						
Regular Programs	-	-	118,469	50,776	2,574	171,819
Special Programs	113,460	23,583	-	-	-	137,043
Capital Outlay	-	-	90,723	-	-	90,723
Total Expenditures	<u>113,460</u>	<u>23,583</u>	<u>209,192</u>	<u>50,776</u>	<u>2,574</u>	<u>399,585</u>
Excess of Revenues Over Expenditures	-	-	-	1,863	-	1,863
Other Financing Sources (Uses)						
Transfer of Indirect Cost	-	-	-	(1,863)	-	(1,863)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,863)</u>	<u>-</u>	<u>(1,863)</u>
Excess of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-	-	-
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
SCHOOL FOOD SERVICES SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002**

	School Food Services (4)	Summer Feeding (5)	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Local Sources:			
School Food Service Payment for Meals	\$ 326,448	\$ -	\$ 326,448
State Sources:			
Unrestricted Grants-in-aid	400,039	-	400,039
Federal Sources:			
Restricted Grants-in-Aid Subgrants	<u>3,203,405</u>	<u>101,258</u>	<u>3,304,663</u>
Total Revenues	<u>3,929,892</u>	<u>101,258</u>	<u>4,031,150</u>
 Expenditures			
Support Services:			
Student Food Service	4,428,064	76,549	4,504,613
Plant Services	3,677	2,457	6,134
Capital Outlay	<u>15,609</u>	<u>2,530</u>	<u>18,139</u>
Total Expenditures	<u>4,447,350</u>	<u>81,536</u>	<u>4,528,886</u>
 Excess (Deficiency) of Revenues Over Expenditures	 (517,458)	 19,722	 (497,736)
 Other Financing Sources			
Operating Transfers In	<u>659,649</u>	<u>-</u>	<u>659,649</u>
 Excess of Revenues Over Expenditures and Other Financing Sources	 142,191	 19,722	 161,913
 Fund Balance (Deficit) at Beginning of Year	 <u>(653,094)</u>	 <u>5,894</u>	 <u>(647,200)</u>
 FUND BALANCE (DEFICIT) AT END OF YEAR	 <u>\$ (510,903)</u>	 <u>\$ 25,616</u>	 <u>\$ (485,287)</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
SALES TAX SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>12%</u> <u>(10)</u>	<u>88%</u> <u>(11)</u>	<u>1994</u> <u>(12)</u>	<u>Sales Tax</u> <u>#3</u> <u>(90)</u>	<u>TOTAL</u>
Revenues					
Local Sources:					
Sales and Use Taxes	\$ 537,503	\$ 3,941,690	\$ 5,976,962	\$ 9,365,580	\$ 19,821,735
Interest Income	1,883	25,603	25,195	3,027	55,708
Total Revenues	<u>539,386</u>	<u>3,967,293</u>	<u>6,002,157</u>	<u>9,368,607</u>	<u>19,877,443</u>
Expenditures					
Current:					
Instructional:					
Regular Programs	-	3,197,910	2,618,631	4,001,869	9,818,410
Special Programs	103,843	38,523	735,868	852,579	1,730,813
Support Services:					
Student Services	23,185	421,171	850,505	175,242	1,470,103
Instructional Staff	225	5,170	729,253	470,564	1,205,212
General Administration	8,923	27,926	44,374	98,999	180,222
School Administration	27,489	135,413	299,044	228,154	690,100
Business Services	4,236	217	36,291	37,849	78,593
Plant Services	134,764	-	138,963	1,874,862	2,148,589
Transportation	80,390	-	83,532	191,894	355,816
Other Support Services	21,260	21,113	207,497	-	249,870
Capital Outlay	-	-	96,753	83,211	179,964
Total Expenditures	<u>404,315</u>	<u>3,847,443</u>	<u>5,840,711</u>	<u>8,015,223</u>	<u>18,107,692</u>
Excess of Revenues Over Expenditures	135,071	119,850	161,446	1,353,384	1,769,751
Other Financing Sources (Uses)					
Operating Transfers (Out)	<u>(121,843)</u>	-	<u>(90,978)</u>	<u>(1,005,300)</u>	<u>(1,218,121)</u>
Total Other Financing Sources (Uses)	<u>(121,843)</u>	-	<u>(90,978)</u>	<u>(1,005,300)</u>	<u>(1,218,121)</u>
Excess of Revenues Over Expenditures and Other Financing Sources (Uses)	13,228	119,850	70,468	348,084	551,630
Fund Balance at Beginning of Year	<u>79,763</u>	<u>333,111</u>	<u>1,458,086</u>	<u>-</u>	<u>1,870,960</u>
FUND BALANCE AT END OF YEAR	<u>\$ 92,991</u>	<u>\$ 452,961</u>	<u>\$ 1,528,554</u>	<u>\$ 348,084</u>	<u>\$ 2,422,590</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
STATE GRANT SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002**

	LA Teacher/ Assistance & Assessment Program (68)	English Proficiency (22)	Leverage Lighthouse (44)	Gifted and Talented (47)	Early Childhood (51)	Textbooks (54)	LEAP 21 Tutoring (59)	Learn and Serve and Serve (62)
Revenues								
State Sources:								
Restricted Grants-in- Aid Subgrants	\$ 19,983	\$ -	\$ 5,000	\$ -	\$ 109,690	\$ 13,146	\$ 69,606	\$ 7,000
Total Revenues	19,983	-	5,000	-	109,690	13,146	69,606	7,000
Expenditures								
Current:								
Instructional:								
Regular Programs	-	-	-	-	-	13,146	-	-
Special Programs	19,983	38,308	4,173	19,189	109,690	-	69,606	5,620
Support Services:								
Other Support Services	-	-	-	-	-	-	-	1,380
Capital Outlay								
Total Expenditures	19,983	38,308	5,595	19,189	109,690	13,146	69,606	7,000
Excess (Deficiency) of Revenues Over Expenditures	-	(38,308)	(595)	(19,189)	-	-	-	-
Other Financing Sources (Uses)								
Operating Transfers In	-	38,308	595	19,189	-	-	-	-
Operating Transfer Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	38,308	595	19,189	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-	-	-	-	3,650
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,650

(Continued)

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONCLUDED)
STATE GRANT SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

	LEAP Remediation 4th/8th Grade (66)	K-3 Reading Initiative (72)	Clara's Club Afterschool (73)	Supplemental Instruction (74)	Accelerated Schools (79)	Total
Revenues						
State Sources:						
Restricted Grants-in Aid	\$ 178,564	\$ 195,573	\$ 32,597	\$ 46,564	\$ 4,569	\$ 682,292
Total Revenues	<u>178,564</u>	<u>195,573</u>	<u>32,597</u>	<u>46,564</u>	<u>4,569</u>	<u>682,292</u>
Expenditures						
Current:						
Instructional:						
Regular Programs	-	-	-	-	-	13,146
Special Programs	178,564	195,573	32,597	46,564	4,569	724,436
Support Services:	-	-	-	-	-	1,380
Other Support Services	-	-	-	-	-	1,422
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>178,564</u>	<u>195,573</u>	<u>32,597</u>	<u>46,564</u>	<u>4,569</u>	<u>740,384</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	(58,092)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	58,092
Operating Transfer Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,092</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-	-	3,650
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,650</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002**

	Chase Grant (13)	Starting Point (42)	School To Career (43)	LEAP Remediation (65)	Technology Literacy Challenge Grant 00-01 (81)	Technology Literacy Challenge Grant 01-02 (82)	Technology Literacy High School Leadership (76)	Total
Revenues								
Federal Sources:								
Restricted Grants-in-Aid Subgrants	\$ -	\$ 118,954	\$ 10,848	\$ -	\$ 42,509	\$ 203,938	\$ 45,569	\$ 421,818
Expenditures								
Current:								
Instructional:								
Special Programs	-	118,954	10,848	17,575	-	188,947	15,316	351,640
Support Services:								
Instructional Staff	-	-	-	-	26,046	-	-	26,046
Capital Outlay	-	-	-	-	15,708	-	29,371	45,079
Total Expenditures	-	118,954	10,848	17,575	41,754	188,947	44,687	422,765
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	(17,575)	755	14,991	882	(947)
Other Financing Sources (Uses)								
Operating Transfer In	-	-	-	17,575	-	-	-	17,575
Transfer of Indirect Cost	-	-	-	-	(755)	(14,991)	(882)	(16,628)
Total Other Financing Sources (Uses)	-	-	-	17,575	(755)	(14,991)	(882)	947
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	-	-	-	-	-	-	-	-
Fund Balance at Beginning of Year	1,912	-	-	-	-	-	-	1,912
FUND BALANCE AT END OF YEAR	\$ 1,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,912

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

DEBT SERVICE FUNDS

As of and for the Year Ended June 30, 2002

The Debt Service Funds are used to account for the accumulation of resources for repayment of Series 1994 and 1995 School Improvement Bonds, Series 2001 School Refunding Bonds, Series 1998 Certificates of Indebtedness and Series 2001 and 2002 Sales Tax School Bonds.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
JUNE 30, 2002**

	Bond Redemption (61)	Loan Repayment (6)	Sales Tax Bonds (71)	Total
Assets				
Cash and Cash Equivalents	\$ 4,519,514	\$ -	\$ 1,861,485	\$ 6,380,999
Accounts Receivable	16,655	-	-	16,655
Due from Other Funds	31,365	-	-	31,365
Total Assets	\$ 4,567,534	\$ -	\$ 1,861,485	\$ 6,429,019
Liabilities and Fund Equity				
Liabilities				
Due to Other Funds	\$ 18,280	\$ -	\$ -	\$ 18,280
Fund Equity				
Fund Balance - Reserved For Debt Service	4,549,254	-	1,861,485	6,410,739
Total Liabilities and Fund Equity	\$ 4,567,534	\$ -	\$ 1,861,485	\$ 6,429,019

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>Bond Redemption (61)</u>	<u>Loan Repayment (6)</u>	<u>Sales Tax Bonds (71)</u>	<u>Total</u>
Revenues				
Local Sources:				
Ad Valorem Taxes	\$ 5,686,408	\$ -	\$ -	\$ 5,686,408
Interest on Investments	97,345	-	34,451	131,796
Total Revenues	<u>5,783,753</u>	<u>-</u>	<u>34,451</u>	<u>5,818,204</u>
Expenditures				
Debt Service:				
General Administration	178,265	-	20	178,285
Principal	2,455,000	130,000	-	2,585,000
Interest and Fiscal Charges	2,575,785	30,371	-	2,606,156
Total Expenditures	<u>5,209,050</u>	<u>160,371</u>	<u>20</u>	<u>5,369,441</u>
Excess (Deficiency) of Revenues Over Expenditures	574,703	(160,371)	34,431	448,763
Other Financing Sources				
Bond Proceeds	-	-	1,551,170	1,551,170
Operating Transfers In	-	158,241	275,884	434,125
Total Other Financing Sources	<u>-</u>	<u>158,241</u>	<u>1,827,054</u>	<u>1,985,295</u>
Excess of (Deficiency) of Revenues Over Expenditures and Other Financing Sources	574,703	(2,130)	1,861,485	2,434,058
Fund Balance at Beginning of Year	<u>3,974,551</u>	<u>2,130</u>	<u>-</u>	<u>3,976,681</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,549,254</u>	<u>\$ -</u>	<u>\$ 1,861,485</u>	<u>\$ 6,410,739</u>

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

CAPITAL PROJECT FUNDS

As of and for the Year Ended June 30, 2002

The Capital Project Funds are used to account for resources accumulated and expended for improvements, acquisition and construction of school board facilities.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2002**

	<u>Capital Projects (60)</u>	<u>Capital Projects (70)</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ -	\$ 16,251,413	\$ 16,251,413
Due from Other Funds	-	29,412	29,412
	-	16,280,825	16,280,825
Total Assets	\$ -	\$ 16,280,825	\$ 16,280,825
Liabilities and Fund Equity			
Liabilities			
Due to Other Funds	\$ 135,206	\$ -	\$ 135,206
Accounts Payable	125	814	939
Retainage Payable	-	65,744	65,744
Salaries and Wages Payable	5,736	-	5,736
	141,067	66,558	207,625
Fund Equity			
Fund Balance (Deficit):			
Reserved For Capital Outlay	(141,067)	16,214,267	16,073,200
	-	16,280,825	16,280,825
Total Liabilities and Fund Equity	\$ -	\$ 16,280,825	\$ 16,280,825

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

	Capital Projects (60)	Capital Projects (70)	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Interest on Investments	\$ 12,496	\$ 235,694	\$ 248,190
Expenditures			
Capital Outlay	<u>851,357</u>	<u>470,257</u>	<u>1,321,614</u>
Excess (Deficiency) of Revenues Over Expenditures	(838,861)	(234,563)	(1,073,424)
Other Financing Sources			
Bond Proceeds	<u>-</u>	<u>16,448,830</u>	<u>16,448,830</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources	(838,861)	16,214,267	15,375,406
Fund Balance at Beginning of Year	<u>697,794</u>	<u>-</u>	<u>697,794</u>
FUND BALANCE AT END OF YEAR	<u>\$ (141,067)</u>	<u>\$ 16,214,267</u>	<u>\$ 16,073,200</u>

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

FIDUCIARY FUNDS

As of and for the Year Ended June 30, 2002

School Activities Fund

The School Activities Fund accounts for all individual school activity funds. While these funds are under 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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND TYPE - AGENCY FUNDS
SCHOOL ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2002</u>
Cash & Cash Equivalents	\$ 508,410	\$ 2,348,543	\$ (2,252,728)	\$ 604,225
Certificates of Deposit	<u>10,753</u>	<u>262</u>	<u>(200)</u>	<u>10,815</u>
TOTAL ASSETS	<u>\$ 519,163</u>	<u>\$ 2,348,805</u>	<u>\$ (2,252,928)</u>	<u>\$ 615,040</u>
Amounts Held for Other Organizations	<u>\$ 519,163</u>	<u>\$ 2,348,805</u>	<u>\$ (2,252,928)</u>	<u>\$ 615,040</u>
TOTAL LIABILITIES	<u>\$ 519,163</u>	<u>\$ 2,348,805</u>	<u>\$ (2,252,928)</u>	<u>\$ 615,040</u>

OTHER SUPPLEMENTARY DATA

This section contains information that is presented as additional analytical data.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>District</u>	<u>Compensation</u>
Victoria Dayton	1	\$ 9,600
Tony Cain	2	9,600
Mickey Traweek	3	9,600
Jessie Handy	4	9,600
Curtis Armand, President	5	10,800
Stephanie Smith	6	9,600
Brenda Shelling	7	9,600
		<u>9,600</u>
		\$ <u>68,400</u>

SUPPLEMENTARY INFORMATION –GRANT ACTIVITY



Francis I. Huffman, CPA
L. Fred Monroe, CPA
Esther Atterberry, CPA

John L. Luffey, MBA, CPA (1963-2002)

**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the general purpose financial statements of **City of Monroe School Board** (the School Board) as of and for the year ended June 30, 2002, and have issued our report thereon dated December 13, 2002. Our report contained a disclaimer regarding the General Fixed Asset Account Group. We conducted our audit 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 *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Compliance

As part of obtaining reasonable assurance about whether the School Board's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned Costs as item 02-04.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the School Board's

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

ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as item 02-01, 02-02, 02-03 and 02-04.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider items 02-01, 02-03 and 02-04 described above to be material weaknesses.

This report is intended for the information of management of the School Board, Federal awarding agencies and pass-through entities, other entities granting funds to the School Board and the Legislative Auditor for the state of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.



(A Professional Accounting Corporation)

December 13, 2002



Francis I. Huffman, CPA
L. Fred Monroe, CPA
Esther Atterberry, CPA

John L. Luffey, MBA, CPA (1963-2002)

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

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

Compliance

We have audited the compliance of the **City of Monroe School Board** (the School Board) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2002. The School Board's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

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

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2002.

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

Internal Control Over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management of the School Board, Federal awarding agencies and pass-through entities, other entities granting funds to the School Board and the Legislative Auditor for the state of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.



(A Professional Accounting Corporation)

December 13, 2002

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C.F.D.A. NUMBER	GRANT NUMBER	CURRENT YEAR EXPENDITURES
DIRECT PROGRAMS;			
U.S. DEPARTMENT OF DEFENSE			
R.O.T.C.	N/A	Not Available	\$ 37,713
U.S. DEPARTMENT OF EDUCATION			
Impact Aid	84.041	28-LA-2000-2701	35,384
Magnet Schools Assistance Program	84.165	S165A980035-99	263,619
Total U.S. Dept of Education			<u>299,003</u>
Total Direct Programs			336,716
PASS THROUGH PROGRAMS:			
U. S. DEPARTMENT OF EDUCATION			
<i>Passed through Louisiana Department of Education:</i>			
Title I of ESEA-Educationally Deprived			
Children-Local Educational Agencies			
2002 Regular Program	84.010	S010A010018	2,940,318
2001 Regular Program	84.010	01-T1-65-1	475,053
2001 Carryover	84.010	01-T1-65 CO	334,158
Total Title I			<u>3,749,529</u>
SPECIAL EDUCATION CLUSTER:			
Special Education-Individuals With			
Disabilities Education Act IDEA B			
Preschool and School Programs:			
IDEA B 2002	84.027A	H027A010033	909,098
IDEA B 2001	84.027A	01-B1-65	58,825
Preschool 2001-02	84.173A	H173A010082	48,360
Preschool 2000-01	84.173A	01-P1-65	13,470
Preschool Carryover	84.173A	28-01-P1-65	28,524
Total Special Education Cluster			<u>1,058,277</u>
IDEA Part C Evaluation		H181A010086	7,145
IDEA Part C Direct Services	84.181A	01-H3-65	40,475
IDEA Part C Carryover	84.181A	20-01-B1-65	18,853
Grants for Infants & Families with Disabilities	84.181A	H181A000086	10,869
Part C/Direct Services-LEA's			<u>77,342</u>
Total Special Education			1,135,619
Title VI of ESEA - Federal, State and			
Local Partnership Educational Improvement			
2002 Regular Program	84.298A	S298A010018	62,691
2001 Carryover	84.298A	00-00-65-C	7,044
Class Size Reduction - 2002 Regular	84.340A	S340A010019	723,912
Class Size Reduction - 2001 Carryover	84.340	00-01-65-6	108,209
Class Size Reduction - 2000 Carryover	84.340		9,268
Total Title VI			<u>911,124</u>
Title II of ESEA - Eisenhower Mathematics			
and Science Education			
2002 Regular	84.281A	S281A010018	63,533
2001 Regular	84.281A	01-50-65	20,682
2001 Carryover	84.281A	01-50-65C	3,805
Total Title II			<u>88,020</u>

(Continued)

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2002

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C.F.D.A. NUMBER	GRANT NUMBER	CURRENT YEAR EXPENDITURES
Title IV of ESEA -			
Drug Free Schools 2002 Regular	84.186A	S186A010019	\$ 47,653
Drug Free Schools 2001 Regular	84.186	01-70-65	1,437
Drug Free Schools 2001 Carryover	84.186	01-70-65C	5,566
Total Title IV			<u>54,656</u>
Adult Education -			
State Administered Basic Grant 2001	84.002A	V002A010018	39,122
State Administered Basic Grant 2000 Carryover	84.002A	V002A990019	2,574
Total Adult Education Basic Grant			<u>41,696</u>
Technology Literacy Challenge Fund State Grants:			
Technology Literacy High School Leadership Awards	84.318X	S318X010018	45,569
Technology Literacy Challenge Grant 2002	84.318	280114-65	203,938
Technology Literacy Challenge Grant 2001	84.318	280114-65	42,509
Total Technology Literacy Grant			<u>292,016</u>
Vocational Education	84.048A	V048A010018	209,192
Passed through Monroe Chamber of Commerce:			
School to Career	84.278	Not Available	10,848
Total U.S. Dept. of Education			<u>6,492,700</u>
U.S. DEPARTMENT OF AGRICULTURE (USDA)			
Passed through State Department of Education:			
CHILD NUTRITION CLUSTER:			
School Breakfast Program	10.553	Not Available	852,544
School Lunch Program	10.555	Not Available	2,158,784
Summer Feeding Program	10.559	Not Available	81,536
Total Child Nutrition Cluster			<u>3,092,864</u>
Total U.S. Dept. of Agriculture			<u>3,092,864</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (USDHHS)			
Passed through Louisiana Department of Education:			
Starting Point	93.575	G0001LACCDF	118,954
Pre-GED Skills Option	93.558	G010LATANF	113,460
Total U.S. Dept. of Health and Human Services			<u>232,414</u>
TOTAL PASS THROUGH PROGRAMS			<u>9,817,978</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 10,154,694</u>

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, 2002**

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 general purpose financial statements.

C. Relationship to Special Revenue Funds

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, 2002:

	<u>Title I</u>	<u>Title II</u>	<u>Title VI</u>	<u>Special Education</u>	<u>Title IV</u>
Total Expenditures	\$ 3,494,264	\$ 82,333	\$ 881,998	\$ 1,066,030	\$ 50,744
Transfer of Indirect Cost Expenditures per Schedule	<u>255,265</u>	<u>5,687</u>	<u>29,126</u>	<u>69,589</u>	<u>3,912</u>
	<u>\$ 3,749,529</u>	<u>\$ 88,020</u>	<u>\$ 911,124</u>	<u>\$ 1,135,619</u>	<u>\$ 54,656</u>
	<u>Adult Ed- Vocational</u>	<u>Starting Point</u>	<u>Pre-GED</u>	<u>TLCF Grant</u>	<u>School To Career</u>
Total Expenditures	\$ 249,025	\$ 118,954	\$ 113,460	\$ 275,388	\$ 10,848
Transfer of Indirect Cost Expenditures per Schedule	<u>1,863</u>	<u>-</u>	<u>-</u>	<u>16,628</u>	<u>-</u>
	<u>\$ 250,888</u>	<u>\$ 118,954</u>	<u>\$ 113,460</u>	<u>\$ 292,016</u>	<u>\$ 10,848</u>

In addition, the School Board consumed non-cash awards in the amount of \$195,936 in the form of commodities provided by the United States Department of Agriculture.

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002

Summary of Auditors Results:

- 1) The audit report on the City of Monroe School Board (the School Board) covering the fiscal year ended June 30, 2002 contained a disclaimer as to the General Fixed Assets Account Group;
- 2) There were four instances of reportable conditions involving internal control over financial reporting disclosed by the audit of the general purpose financial statements of the School Board, three of which were considered material weaknesses and are presented as items 02-01, 02-03 and 02-04;
- 3) The audit of the financial statements disclosed one instance of noncompliance which is considered to be material to the general purpose financial statements of the School Board and is presented as item 02-04;
- 4) No reportable conditions in the internal control over major programs were reported in the audit of the School Board;
- 5) The auditors' report on the School Board's compliance with requirements applicable to each major program was unqualified;
- 6) The audit of the School Board's compliance with requirements applicable to each major program did not disclose any findings required to be reported under the provisions of OMB Circular A-133 Section .510(a);
- 7) Major Federal programs for purposes of the report on compliance with the requirements applicable to each major program were Title I of ESEA (CFDA No. 84.010); Special Education - IDEA Part B (CFDA 84.027); and the Class Size Reduction Grant (CFDA No. 84.340);
- 8) The dollar threshold used to distinguish between Type A and Type B programs was \$304,641; and,
- 9) The School Board qualified as a low-risk auditee under the provisions of OMB Circular A-133 section .530.

Findings related to the financial statements which are required to be reported under Government Auditing Standards:

(Continued)

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002

02-01 Bank Reconciliations

Finding:

During our test of cash, we noted that bank reconciliations were not prepared in a timely manner. Reconciliations as of June 30, 2002 were not completed until mid-November, 2002. Due to the fact that the school board was unable to employ a chief accountant until August, 2001, a back log developed within the accounting department. In addition, conversion to new accounting system added in the delay of timely preparation of the reconciliations.

Recommendation:

While we recognize the difficulties that the accounting department has had in the recent past and the learning curve associated with the new accounting software, we recommend that the school board maintain an accounting staff that is sufficient in size necessary to prepare and reconcile accounting records in an accurate and timely manner. Bank reconciliations should be prepared monthly for all bank accounts.

Management's Corrective Plan:

The accounting department is now fully staffed. In the future, the chief accountant will ensure that all bank reconciliations are prepared in a timely manner. All accounts will be reconciled by the end of February.

02-02 Budgetary Practices

Finding:

During our test of the school board's budgetary practices, we noted that only the General Fund, School Food Service and the Sales Tax Special Revenue Funds budgets were entered into the accounting system. In order for management and the school board to make informed decisions, it must have available, current accurate information as to funds available for expenditure as well as expected future revenues and expenditures. This is accomplished by maintaining an integrated system which reflects the status of the remaining budget at any point in time.

Recommendation:

The accounting department should enter the original and all budget amendments into the accounting system as they are adopted. In addition, the school board should be presented with budget comparisons at each meeting so that members will have the most current and accurate information concerning the status of the budget.

(Continued)

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002

Management's Corrective Action Plan:

All budgets have been entered into the general ledger system for the 2002-2003 fiscal year. Any adopted amendments will also be entered into the system.

02-03 Payroll

Finding:

Although all payroll items tested had sufficient documentation, we noted that both Human Resources and Payroll departments have access and the ability to change or alter pay rates. Sound internal controls require that duties of authorization and processing of payroll be properly segregated.

Recommendation:

We recommend that only the Human Resources Department be authorized and have access to set up new employees, to establish salary amounts and make pay rate changes per approved salary schedules. Such rates and changes should be documented in individual personnel files and copied to the payroll department. Withholding changes would still be made by the payroll department. We further recommend that a report of payroll changes for each pay period should be prepared by accounting and agreed to Human Resources documentation before payroll checks are issued.

Management's Corrective Action Plan:

A plan is currently being developed between the two departments that addresses the issues mentioned above. Job descriptions will be reviewed and/or written as needed. Factors being considered in developing the specific implementation of the plan are necessary internal controls, software design/intent, and efficient use of personnel. There will be a training and transition period for such a major change in job functions; but the goal is to make the changes in February or March, 2003.

Accounting/Payroll will use available reports to reconcile status changes for each pay period before payroll checks are issued.

(Continued)

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002

02-04 Fixed Asset Accounting

Finding:

The school board could not provide an accurate detail listing of equipment included in General Fixed Assets at June 30, 2002 and we were unable to satisfy ourselves by means of other audit procedures concerning fixed asset balances. Louisiana Revised Statute (LRS) 24:515(B)(1) and sound internal control practices require that proper accounting records be maintained for the school board's general fixed assets. With the requirement for the school board to implement GASB Statement No. 34 rapidly approaching, the school board, during the 2002 fiscal year, purchased and implemented a new fixed asset software package. Due to "bugs" in the software package, the software vendor was unsuccessful in converting the fixed assets to the new system.

Recommendation:

The school board should contact the vendor or employ other competent software professionals to resolve the problems noted. The school board should maintain accurate records of its fixed assets to include the date of acquisition, the initial cost, the disposition, if any, and the purpose of any disposition. These records should be continuously reviewed and updated to provide timely and accurate information of the fixed assets owned by the school board.

Management's Corrective Action Plan:

The software vendor has been contacted and they are aware of the problem. However, because this problem affected so many school systems they provide programs to, it was impossible to correct everyone's problems by year end. The converted data will be corrected in the current year. In addition, the software will capture purchase information based on general ledger account codes, which will greatly reduce instances of omissions.

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana
SUMMARY STATUS OF PRIOR YEAR FINDINGS

01-01 Use of Tax Collections

Funds utilized for cash flow borrowing were paid to the respective funds in February, 2002. Interest was also computed and paid to the respective funds. Subsequently, funds have been deposited into the correct accounts. The District borrowed funds from the Louisiana Public Facilities Authority to meet cash flow needs for the 2001-2002 fiscal year, as well as fiscal year 2002-2003. As the fiscal condition of the District continues to improve and the deficit is eliminated, the need for cash flow borrowing will be eliminated.

01-02 School Activity Accounting

The Business Office has received up-to-date school activity reports for the School that failed to submit reports in a timely manner for fiscal year 2000-2001. For the 2001-2002 fiscal year, School Activity reports are in place for all schools. Staff is monitoring school activity funds for compliance with District policies and procedures.

01-02 Failure to Provide Audit Report to Legislative Auditor by Due Date

The School Board now has in place a fiscal team that has made great strides in stabilizing the Business operations of Monroe City Schools. The audit report for the 2001 fiscal year was completed and submitted to the legislative Auditor in February 2002. Accounting records for fiscal year 2001-2002 are current and will allow submission to the Legislative Auditor by December 31, 2002.

01-03 Condition of Accounting Records

Much improvement has been realized in the accounting procedures and business operations. All accounting records for fiscal year 2000-2001 have been updated and the period closed out. Reports to the State Department that were submitted late for fiscal year 2000-2001 were submitted on time for fiscal year 2001-2002. We continue to work on better cross-training to improve the depth of business operations. The Chief Accountant will "catch-up" all bank reconciliations within the next three months and will keep them current after that time.

(Continued)

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana
SUMMARY STATUS OF PRIOR YEAR FINDINGS

MANAGEMENT LETTER

1. CONFERENCE COSTS

Program Directors and Supervisory Staff are closely monitoring travel to ensure that all cost associated with conferences and other business related travel is accurate and reasonable. Additionally, the Accounts Payable director is reviewing district wide travel to ensure the most cost advantageous method is used. Both Program Directors and Accounts Payables staff ensure that travel mode and arrival times corresponds reasonably to conference schedules. Supervisors and Directors approve only those travel arrangements that are reasonable and beneficial to School District operations.

2. COMPLIANCE WITH CODE OF ETHICS

The School District has discontinued all contractual arrangements with former employees and will not enter into such arrangements again. The School District is working on cross training to improve the depth of operations. With improved depth, the District will not have the need to contract with previous employees, and can continue to operate without interruption.

3. MAINTENANCE OF FIXED ASSET RECORDS

Fixed asset recording has been an area of concern in the District for a number of years. In fiscal year 2000-2001, the fixed asset listing was not updated in a timely manner and the old software system was not able to produce reports such as a listing of assets by category and date of acquisition. In 2001, the School District converted to a new software package, which included a component that could manage and account for the fixed assets of the District. The new system integrates with Accounts Payable, which automates some of the steps so that assets purchased by the District are fully accounted for from the point of purchase. For Fiscal year 2001-2002, we were able to take advantage of this feature and were able to generate a list of assets purchased for fiscal year 2001-2002.

However, we have found that we had an unsuccessful conversion of fixed assets from the old computer system and are unable to produce an accurate report that merges current year purchases with the previous year fixed asset listing. This problem was caused by a flaw in the software package and is being corrected. The software company will start over with the conversion and merge data from both 2001-2002 and 2002-2003. This problem will be corrected by the end of February, 2003.

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

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2002**

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

Release Date _____

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

AGREED-UPON PROCEDURES

FISCAL YEAR ENDED JUNE 30, 2002

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Francis I. Huffman, CPA
L. Fred Monroe, CPA
Esther Atterberry, CPA

John L. Luffey, MBA, CPA (1963-2002)

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2002**

**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 (the 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 City of Monroe 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 (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the 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,

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

- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalents as reported on the schedule and traced a random sample of 25 teachers to the

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

individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by City of Monroe School Board.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by City of Monroe School Board.

The Iowa Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by City of Monroe School Board.

We were not engaged to, and did not, perform an examination, 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.

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

This report is intended solely for the use of management of City of Monroe School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Ruffey Haffner & Assoc". The signature is written in a cursive, flowing style.

(A Professional Accounting Corporation)

December 20, 2002

SCHEDULES REQUIRED BY STATE LAW

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

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
Fiscal Year Ended June 30, 2002**

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

Classroom Teacher Salaries	\$ 24,745,325	
Other Instructional Staff Activities	2,529,245	
Employee Benefits	6,732,356	
Purchased Professional and Technical Services	23,964	
Instructional Materials and Supplies	2,655,219	
Instructional Equipment	<u>30,770</u>	
Total Teacher and Student Interaction Activities		\$ 36,716,879
Other Instructional Activities		66,279
Pupil Support Activities	2,276,699	
Less: Equipment for Pupil Support Activities	<u>1,109</u>	
Net Pupil Support Activities		2,275,590
Instructional Staff Services	1,940,958	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		1,940,958
Total General Fund Instructional Expenditures		<u>\$ 40,999,706</u>

Total General Fund Equipment Expenditures \$ 207,893

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

Constitutional Ad Valorem Taxes	\$ 1,832,363
Renewable Ad Valorem Tax	5,637,541
Debt Service Ad Valorem Tax	5,686,408
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	<u>239,637</u>
Total Local Taxation Revenue	<u>\$ 13,395,949</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	-
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	<u>\$ -</u>

State Revenue in Lieu of Taxes:

Revenue Sharing-Constitutional Tax	160,633
Revenue Sharing-Other Taxes	<u>162,135</u>
Total State Revenue in Lieu of Taxes	<u>\$ 322,768</u>

Nonpublic Textbook Revenue \$ 31,399

Schedule 2

CITY OF MONROE SCHOOL BOARD

Education Levels of Public School Staff

As of October 1, 2001

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	327	56%	94	90%	-	-	-	-
Master's Degree	133	23%	10	10%	4	15%	-	-
Master's Degree +30	124	21%	1	1%	19	73%	-	-
Specialist in Education	1	0%	-	0%	1	4%	-	-
Ph.D. or Ed.D.	4	1%	-	0%	2	8%	-	-
Total	589	100%	105	100%	26	100%	-	-

CITY OF MONROE SCHOOL BOARD
Number and Type of Public Schools
Fiscal Year Ended June 30, 2002

<u>Type</u>	<u>Number</u>
Elementary	12
Middle/Junior High	3
Secondary	3
Alternative/Expulsion (K-12)	1
Drop Out Recovery School	1
Total	20

Note: Schools opened or closed during the fiscal year are included in this schedule.

CITY OF MONROE SCHOOL BOARD
Experience of Public Principals and Full-time
Classroom Teachers
As of October 1, 2001

	Assistant Principals	Principals	Classroom Teachers	Total
0-1 Yr.	-	-	83	83
2-3 Yrs.	-	-	58	58
4-10 Yrs.	1	-	150	151
11-14 Yrs.	2	2	96	100
15-19 Yrs.	1	1	81	83
20-24 Yrs.	-	2	90	92
25+ Yrs.	3	14	136	153
Total	7	19	694	720

CITY OF MONROE SCHOOL BOARD
Experience of Public Principals and Full-time Classroom Teachers
As of June 30, 2002

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$37,933.76	\$37,922.37
Average Classroom Teachers' Salary Excluding Extra Compensation	\$37,528.54	\$37,561.82
Number of Teacher full-time Equivalents (FTEs) used in Computation of Average Salaries	682	663

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

CITY OF MONROE SCHOOL BOARD

Class Size Characteristics

As of October 1, 2001

School Type	Class Size Range											
	1 - 20		21 - 26		27 - 33		34+					
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	79.5%	1,633	19.6%	403	0.9%	18	0.0%	-	0.0%	-	0.0%	-
Elementary Activity Classes	67.3%	245	31.0%	113	1.6%	6	0.0%	-	0.0%	-	0.0%	-
Middle/Jr. High	52.6%	223	35.1%	149	10.8%	46	1.4%	6	1.4%	6	1.4%	6
Middle/Jr. High Activity Classes	35.4%	28	32.9%	26	20.3%	16	11.4%	9	11.4%	9	11.4%	9
High	66.3%	494	25.6%	191	7.5%	56	0.5%	4	0.5%	4	0.5%	4
High Activity Classes	88.4%	137	58.0%	9	4.5%	7	1.3%	2	1.3%	2	1.3%	2
Combination	-	-	-	-	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-	-	-	-	-

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

CITY OF MONROE SCHOOL BOARD
Louisiana Educational Assessment Program (LEAP) for the 21st Century
Three Fiscal Years Ended June 30, 2002

District Achievement Results	English Language Arts						Mathematics					
	2002		2001		2000		2002		2001		2000	
Students	#	%	#	%	#	%	#	%	#	%	#	%
Grade 4												
Advanced	19	2	10	1.1	10	1.3	14	2	12	1.3	13	1.6
Proficient	108	13	81	9.1	71	9.0	61	8	73	8.2	46	5.8
Basic	292	36	323	36.3	259	32.7	275	34	282	31.7	214	27.0
Approaching Basic	250	31	283	31.8	196	24.7	224	28	226	25.4	193	24.4
Unsatisfactory	136	17	194	21.8	256	32.3	231	29	296	33.3	326	41.2
Total	805		891		792		805		889		792	

District Achievement Results	English Language Arts						Mathematics					
	2002		2001		2000		2002		2001		2000	
Students	#	%	#	%	#	%	#	%	#	%	#	%
Grade 8												
Advanced	4	1	2	0	7	1.1	6	1	7	1	13	1.6
Proficient	58	9	54	8	67	10.8	15	2	13	2	46	5.8
Basic	157	25	193	28	195	31.3	158	23	222	29	214	27.0
Approaching Basic	336	54	326	48	271	43.5	235	31	215	28	193	24.4
Unsatisfactory	67	11	111	16	83	13.3	283	41	301	40	326	41.2
Total	622		686		623		697		758		792	

CITY OF MONROE SCHOOL BOARD
The Graduation Exit Exam for the 21st Century
Three Fiscal Years Ended June 30, 2002

District Achievement Results	English Language Arts						Mathematics					
	2002		2001		2000-*		2002		2001		2000-*	
Students	#	%	#	%	#	%	#	%	#	%	#	%
Grade 10												
Advanced	6	1	4	1			22	4	21	4		
Proficient	57	10	61	12			40	6	43	8		
Basic	182	33	152	30			156	25	105	21		
Approaching Basic	138	25	138	27			124	20	65	13		
Unsatisfactory	172	31	158	31			282	45	276	54		
Total	555		513				624		510			

District Achievement Results	Science						Social Studies					
	2002		2001-**		2000-*		2002		2001-**		2000-*	
Students	#	%	#	%	#	%	#	%	#	%	#	%
Grade 11												
Advanced	7	1					1	0				
Proficient	42	9					36	8				
Basic	161	34					174	37				
Approaching Basic	118	25					124	26				
Unsatisfactory	146	31					139	29				
Total	474						474					

* = was not tested in 2000

** = was not tested in 2001

CITY OF MONROE SCHOOL BOARD
The IOWA Tests
Three Fiscal Years Ended June 30, 2002

	<u>Composite</u>		
	<u>2002</u>	<u>2001</u>	<u>2000</u>
<u>Test of Basic Skills (ITBS)</u>			
Grade 3	45	37	38
Grade 5	44	44	36
Grade 6	45	41	40
Grade 7	36	36	38
<u>Tests of Educational Development (ITED)</u>			
Grade 9	39	41	37

Scores are reported by National Percentile Rank. A student's National Percentile Rank shows the student's relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. A student with a score of 72 indicates that the student scored the same or better than 72 percent of the students in the norm group.