



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

Financial Report

As of and for the Year Ended June 30, 2022

City of Monroe School Board
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Independent Auditors' Report

Board Members
City of Monroe School Board
Monroe, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Monroe School Board (the "School Board") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Monroe School Board, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Monroe School Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Monroe School Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Monroe School Board's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net OPEB liability and related ratios, schedule of employer's proportionate share of net pension liability, schedule of employer's contributions and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements.

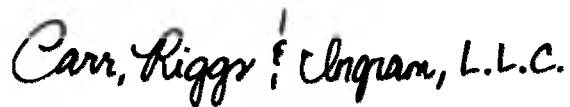
Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational,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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Monroe School Board's basic financial statements. The accompanying other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2023, on our consideration of the City of Monroe School Board’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Monroe School Board’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Monroe School Board’s internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, LLC
Shreveport, Louisiana

January 3, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

**City of Monroe School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2022**

We offer readers of the City of Monroe School Board's (the "School Board") financial statements this narrative overview and analysis of the financial activities of the City of Monroe School Board for the fiscal year ended June 30, 2022. It is designed to assist the reader in focusing on significant financial issues and identifying changes in the School Board's financial position.

Financial Highlights

Government-wide financial highlights for the 2021-22 fiscal year include the following:

- Statement of Net Position – The liabilities and deferred inflows of resources of the School Board exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$224.8 million (net deficit).
- Capital Assets – Total capital assets (net of depreciation) were \$106.6 million or 61.6% of the total assets. The School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.
- Long-Term Obligations – The School Board's total obligations decreased by approximately \$106.1 million.
- Statement of Activities – The total net deficit of the City of Monroe School Board decreased by approximately \$19.3 million for the year ended June 30, 2022.

The School Board ended the 2021-2022 fiscal year with a fund balance in the General Fund of approximately \$21.2 million.

- Governmental Funds Balance Sheet – As of the close of the 2021-2022 fiscal year, the City of Monroe School Board's governmental funds reported combined ending fund balance of \$52 million, an increase of approximately \$4.5 million in comparison with the prior fiscal year. This fund balance is comprised of approximately (1) \$21.2 million in General Fund, (2) \$3.8 million in the debt service funds, and (3) \$27 million in the remaining special revenue and capital projects funds.
- Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Total revenues for the year ended June 30, 2022 for the governmental funds of the City of Monroe School Board amounted to \$140.9 million. Approximately 95% of this amount is received from four major revenue sources: (1) \$48.8 million from Minimum Foundation Program, (2) \$14.1 million from local ad valorem taxes, (3) \$33.4 million from local sales and use taxes, and (4) \$38.1 million from federal grant awards.

City of Monroe School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2022

Overview of the Financial Statements

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

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

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

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

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

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

**City of Monroe School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2022**

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

The City of Monroe School Board maintains seventeen governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Title 1, 2001 Sales Tax, ESSER Cares Act, and GO Bonds 2022 Refunding, all of which are considered to be major funds. Data for the other eleven governmental fund groups are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

Financial Analysis of Government-wide Activities

The largest portion of the City of Monroe School Board's total assets, totaling approximately \$106.6 million, which is net of accumulated depreciation of \$78.5 million, reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. Debt outstanding related to the investment in capital assets is approximately \$61 million. The School Board uses these capital assets to provide educational services to children and adults; consequently, these assets are not available for future spending. Although the City of Monroe School Board's investment in its capital assets net position is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Monroe School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2022**

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

<i>June 30,</i>	2022	2021	Dollar Change	Percentage Change
Current and other assets	\$ 66,523,949	\$ 60,317,667	\$ 6,206,282	10.3
Capital assets, net	106,645,709	102,302,849	4,342,860	4.2
Total assets	173,169,658	162,620,516	10,549,142	6.5
Deferred outflows of resources	61,191,132	74,757,385	(13,566,253)	(18.1)
Current and other liabilities	18,685,799	19,308,811	(623,012)	(3.2)
Long-term liabilities	338,386,382	444,518,323	(106,131,941)	(23.9)
Total liabilities	357,072,181	463,827,134	(106,754,953)	(23.0)
Deferred inflows of resources	102,100,423	17,689,109	84,411,314	477.2
Net position				
Net invested in capital assets	44,990,441	37,298,209	7,692,232	20.6
Restricted	26,149,239	24,768,611	1,380,628	5.6
Unrestricted	(295,951,494)	(306,205,162)	10,253,668	3.3
Total net position (deficit)	\$ (224,811,814)	\$ (244,138,342)	\$ 19,326,528	7.9

Restricted net position of \$26.1 million is reported separately to show the legal constraints for the payment of outstanding long-term debt obligations and future construction projects and to limit the School Board from using these funds for day-to-day operations. Debt Service Funds account for \$3.8 million of the total, \$8.5 million is restricted for salaries and benefits, \$13.8 million is restricted for instructional and maintenance costs and capital projects accounts for \$45 thousand. The remaining balance is monies restricted for salaries and benefits, and instructional and maintenance costs.

City of Monroe School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2022

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

<i>For the years ended June 30,</i>	2022	2021	Dollar Change	Percentage Change
Revenues				
Program revenues				
Charges for services	\$ 66,943	\$ 125,427	\$ (58,484)	(46.6)
Operating and capital grants and contributions	38,754,952	24,556,447	14,198,505	57.8
General revenues				
Ad valorem taxes	14,147,491	14,192,288	(44,797)	(0.3)
Sales taxes	33,338,353	32,010,273	1,328,080	4.1
Minimum foundation program	48,915,852	47,076,457	1,839,395	3.9
Interest and earnings (loss) on investments	(79,378)	220,966	(300,344)	(135.9)
Other general revenues	6,249,364	4,962,146	1,287,218	25.9
Total revenues	141,393,577	123,144,004	18,249,573	14.8
Expenses				
Instruction	68,781,036	76,864,109	(8,083,073)	(10.5)
Support services				
Pupil support services	6,911,520	8,192,041	(1,280,521)	(15.6)
Instructional staff support	6,882,152	7,258,893	(376,741)	(5.2)
General administration	3,458,456	3,166,528	291,928	9.2
School administration	5,300,790	6,466,974	(1,166,184)	(18.0)
Business services	1,338,927	1,484,037	(145,110)	(9.8)
Plant services	11,863,214	12,408,039	(544,825)	(4.4)
Student transportation services	5,441,658	4,954,692	486,966	9.8
Central services	4,883,841	6,088,081	(1,204,240)	(19.8)
School food services	6,031,093	6,736,411	(705,318)	(10.5)
Debt service - interest on long-term obligations	1,174,362	1,727,550	(553,188)	(32.0)
Total expenses	122,067,049	135,347,355	(13,280,306)	(9.8)
Increase (Decrease) in net position (deficit)	\$ 19,326,528	\$ (12,203,351)	\$ 31,529,879	258.4

Governmental Activities

Expenses are classified by functions/programs. Instructional services for fiscal year 2022 totaled \$68,781,036 compared to a total of \$76,864,109 for 2021. The remaining functions are considered support services and relate to those functions that support the instructional services provided, such as pupil support, instructional staff support, and administration, transportation, and plant services. Support services for fiscal 2022 totaled \$46,080,558 compared to \$50,019,285 for 2021.

The remaining expenditures of \$7,205,455 consist of \$6,031,093 for food, service operations and \$1,174,362 for interest expense on long-term obligations.

City of Monroe School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2022

The related program revenues for fiscal year 2022 directly related to these expenses were operating and capital grants and contributions in the amount of \$38,754,952 and \$66,943 in charges for such services. The balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- **Minimum Foundation Program (MFP)** – MFP is the funding formula for the 69 school districts in the state of Louisiana. The School Board was allocated \$49,912,478 in MFP funds in FY2022; with \$996,626 allocated to the district's Local Type 2 Charters for other LEA's as an equivalent to the local representation of the School Board. The net amount received by the School Board was \$48,915,852 which is 34.6% of the total revenues received by the School Board.
- **Sales Tax revenues** – Sales tax revenues are the second largest source of revenue for the School Board, generating \$33,338,353 in revenue, or 23.6% of total revenue.
- **Ad Valorem tax revenues** – Ad valorem, or property tax revenues, the third largest source of revenues, accounts for \$14,147,491 in revenue, or 10% of total revenues.

Financial Analysis of Governmental Funds

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

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

- As of the close of the current fiscal year, the City of Monroe School Board's governmental funds reported a combined ending fund balance of \$51,965,735; an increase of \$4,526,048.
- The General Fund is the chief operating fund of the City of Monroe School Board. At the end of the current fiscal year, the fund balance of the General Fund is \$21,209,121.
- The Special Revenue Funds, including non-major special revenue funds, have a total fund balance of \$26,944,057 of which \$154,283 is non-spendable, \$8,508,405 is restricted for salaries and related benefits, \$13,828,277 is restricted for instructional costs, \$3,761,341 is restricted for food services, and \$691,751 is restricted for student activity funds.
- The Debt Service Funds have a total fund balance of \$3,767,264 all of which is restricted for the payment of debt service.

**City of Monroe School Board
Management’s Discussion and Analysis (Unaudited)
June 30, 2022**

- The two Capital Projects Funds have a fund balance totaling \$45,293 all of which is restricted for construction projects.

General Fund Budgetary Highlights

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S 39:1301 et seq), the City of Monroe School Board must adopt a budget for the General Fund and all Special Revenue funds prior to September 15th. The original budget for the School Board was adopted on September 14, 2021.

The original General Fund Budget projected an ending fund balance of \$20 million, with the amended budget projecting to end the year with a positive balance of \$19.9 million. The actual ending balance for the General Fund came in at \$21.2 million.

Capital Assets and Debt Administration

Capital Assets: The City of Monroe School Board’s investment in capital assets as of June 30, 2022, amounts to \$106,645,709 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress. The table below shows the value at the end of the fiscal year.

<i>June 30,</i>	2022	2021
Land	\$ 1,669,547	\$ 1,669,547
Buildings and improvements	94,018,363	81,039,660
Furniture and equipment	3,287,875	2,791,260
Construction in progress	7,669,924	16,802,382
Total capital assets, net of depreciation	\$ 106,645,709	\$ 102,302,849

**City of Monroe School Board
Management’s Discussion and Analysis (Unaudited)
June 30, 2022**

Long-Term Debt: At the end of the current fiscal year, the City of Monroe School Board had total debt outstanding of \$61 million. Of the amount, \$46 million comprises debt backed by the full faith and credit of the government. The following table summarizes bonds outstanding at June 30, 2022 and 2021.

<i>June 30,</i>	2022	2021
General Obligation Bonds		
Series 2014	\$ 3,900,000	\$ 5,855,000
Series 2015	5,890,000	12,920,000
Series 2016	3,945,000	7,445,000
Series 2020	21,555,000	21,720,000
Series 2022	10,720,000	-
Sales Tax Bonds		
Series 2010	-	950,000
Series 2011	-	355,000
Revenue Bonds		
Series 2009	10,000,000	10,000,000
Series 2011	5,000,000	5,000,000
Total outstanding debt	\$ 61,010,000	\$ 64,245,000

Future Operations

The School Board established a goal of maintaining a fund balance equal to 15% of the General Fund budgeted expenditures. The district continued to maintain a fund balance that exceeded this goal for the current fiscal year, and anticipates exceeding this goal again for 2022-2023. The School Board adopted a General Fund budget for 2022-2023 with an operating planned deficit \$396,741. With this planned surplus, the projected ending fund balance still remains significantly above the 15% fund balance goal. For the upcoming fiscal year, listed below are several factors considered for 2022-2023 operations and budget preparations.

- The adopted Minimum Foundation Program (“MFP”) Resolution for 2022-23 remained unchanged from 2021-22, which maintains a per pupil amount of \$4,015 in level 1 funding. Certified and support personnel pay raises were included for all full-time employees, in the amount of \$1,000 for certified employees and \$500 for support employees.
- Sales tax revenue is projected to remain stable with a projected decrease of approximately 3.5%.

**City of Monroe School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2022**

- In April 2021, Jefferson Elementary sustained major storm damage to the roof of the school. The staff and students of Jefferson Elementary will occupied the old Martin Luther King, Jr. Junior High School building for the 2021-2022 school year and returned to the Jefferson Elementary campus for the start of the 2022-2023 school year.

Contacting the School Board's Financial Management

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

BASIC FINANCIAL STATEMENTS

City of Monroe School Board
Statement of Net Position

	Primary Government Governmental Activities
June 30, 2022	
Assets	
Cash and cash equivalents	\$ 27,408,554
Investments	11,855,888
Receivables	
Ad valorem taxes	846
Sales and use taxes	5,563,323
Federal grants	19,506,022
State grants	1,164,838
Other	747,578
Inventory	178,630
Other assets	98,886
Capital assets, net	106,645,709
Total assets	173,170,274
Deferred outflows of resources	
Deferred outflows related to pension	28,483,584
Deferred outflows related to OPEB	30,281,552
Deferred outflows related to bonds	2,425,996
Total deferred outflows of resources	61,191,132
Liabilities	
Accounts payable	4,129,321
Salaries and wages payable	10,429,508
Interest payable - bonds	422,487
Long-term liabilities	
Due within one year	
Compensated absences	806,414
Bonds payable	2,898,685
Due in more than one year	
Compensated absences	1,292,005
Workers compensation	706,235
Other post employment benefits	212,848,574
Net pension liability	64,782,985
Bonds payable	58,756,583
Total liabilities	357,072,797
Deferred inflows of resources	
Deferred inflows related to pension	44,879,182
Deferred inflows related to OPEB	57,221,241
Total deferred outflows of resources	102,100,423
Net position	
Net investment in capital assets	44,990,441
Restricted for	
Instructional costs	4,541,800
Capital projects	45,293
Debt service	3,767,264
Salaries and related benefits	8,508,405
Instructional and maintenance costs	9,286,477
Unrestricted	(295,951,494)
Total net position (deficit)	\$ (224,811,814)

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

City of Monroe School Board
Statement of Activities

<i>For the year ended June 30, 2022</i>				Program Revenues	Net (Expense) Revenues and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities	
Primary Government					
Governmental Activities					
Instructional services					
Regular programs	\$ 34,417,990	\$ -	\$ 1,297,765	\$ (33,120,225)	
Special education programs	13,276,730	-	1,577,064	(11,699,666)	
Vocational programs	1,543,664	-	410,381	(1,133,283)	
Other instructional programs	12,794,752	35,870	3,030,815	(9,728,067)	
Special programs	6,747,900	-	9,214,064	2,466,164	
Support services					
Pupil support services	6,911,520	-	2,059,910	(4,851,610)	
Instructional staff support services	6,882,152	-	4,656,127	(2,226,025)	
General administration	3,458,456	-	5,232	(3,453,224)	
School administration	5,300,790	-	200,776	(5,100,014)	
Business services	1,338,927	-	148,143	(1,190,784)	
Plant services	11,863,214	-	7,821,349	(4,041,865)	
Student transportation services	5,441,658	-	972,593	(4,469,065)	
Central services	4,883,841	-	1,183,593	(3,700,248)	
Noninstructional services					
Food service operations	6,031,093	31,073	6,177,140	177,120	
Debt service					
Interest on long-term obligations	1,174,362	-	-	(1,174,362)	
Total Primary Government	\$ 122,067,049	\$ 66,943	\$ 38,754,952	\$ (83,245,154)	
General revenues					
Taxes					
Ad valorem taxes levied for					
General purposes				11,356,205	
Debt service purposes				2,791,286	
Sales taxes levied for					
General purposes				13,001,958	
Salaries and related benefits				20,336,395	
Grants and contributions not restricted to specific programs					
Minimum foundation program				48,915,852	
State revenue sharing				1,384,018	
Interest and investment earnings (loss)				(79,378)	
Gain on disposals of assets				5,136	
Other				4,860,210	
Total general revenues				102,571,682	
Change in net position				19,326,528	
Net position (deficit), beginning of year				(244,138,342)	
Net position (deficit), end of year				\$ (224,811,814)	

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

City of Monroe School Board Balance Sheet - Governmental Funds

<i>June 30, 2022</i>	General Fund	Title I	2001 Sales Tax	ESSER CARES Act	GO Bonds 2022 Refunding	Non-Major Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 9,860,159	\$ -	\$ 3,614,889	\$ -	\$ -	\$ 13,933,506	\$ 27,408,554
Investments	250,000	-	11,605,888	-	-	-	11,855,888
Due from other governments	1,231,506	7,544,909	3,059,849	10,129,904	-	5,016,439	26,982,607
Due from other funds	20,992,184	-	-	-	-	-	20,992,184
Inventory	54,753	-	-	-	-	123,877	178,630
Other assets	48,390	-	30,406	10,884	-	9,206	98,886
Total assets	\$ 32,436,992	\$ 7,544,909	\$ 18,311,032	\$ 10,140,788	-	\$ 19,083,028	\$ 87,516,749
Liabilities and fund balances							
Liabilities							
Accounts payable	\$ 2,991,929	\$ 178,056	\$ 172,730	\$ 568,265	\$ -	\$ 218,342	\$ 4,129,322
Salaries and wages payable	8,235,941	428,920	513,992	23,403	-	1,227,251	10,429,507
Due to other funds	-	6,937,933	709,401	9,549,120	-	3,795,730	20,992,184
Total liabilities	11,227,870	7,544,909	1,396,123	10,140,788	-	5,241,323	35,551,013
Fund balances							
Nonspendable							
Inventory and other assets	103,143	-	30,406	-	-	123,877	257,426
Restricted for							
Salaries and related benefits	-	-	7,598,026	-	-	910,379	8,508,405
Instructional costs	-	-	-	-	-	4,541,800	4,541,800
Instructional and maintenance costs	-	-	9,286,477	-	-	-	9,286,477
Food services	-	-	-	-	-	3,761,341	3,761,341
Debt service	-	-	-	-	-	3,767,264	3,767,264
Capital projects	-	-	-	-	-	45,293	45,293
Student activity funds	-	-	-	-	-	691,751	691,751
Unassigned	21,105,979	-	-	-	-	-	21,105,979
Total fund balances	21,209,122	-	16,914,909	-	-	13,841,705	51,965,736
Total liabilities and fund balances	\$ 32,436,992	\$ 7,544,909	\$ 18,311,032	\$ 10,140,788	\$ -	\$ 19,083,028	\$ 87,516,749

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

City of Monroe School Board
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position

June 30, 2022

Total fund balances - governmental funds		\$	51,965,736
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Governmental capital assets	185,144,750		
Less accumulated depreciation	<u>(78,499,041)</u>		106,645,709
Deferred outflows of resources related to pension earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.			
			28,483,584
Deferred inflows of resources related to pension earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.			
			(44,879,182)
Deferred outflows of resources related to OPEB earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.			
			30,281,552
Deferred inflows of resources related to OPEB earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.			
			(57,221,241)
Deferred outflows of resources related to payments to escrow agents to refund bonded debt are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.			
			2,425,996
Long-term liabilities, including OPEB liability, net pension liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.			
Compensated absences payable	(2,098,419)		
General obligation bonds payable	(46,010,000)		
Revenue bonds payable	(15,000,000)		
Interest payable	(422,487)		
Worker's compensation IBNR	(706,235)		
Other post employment benefits	(212,848,574)		
Net pension liability	(64,782,985)		
Bond premium	<u>(645,268)</u>		(342,513,968)
Total net position of governmental activities			\$ (224,811,814)

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

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

For the year ended June 30, 2022	General Fund	Title I	2001 Sales Tax	ESSER CARES Act	GO Bonds 2022 Refunding	Non Major Funds	Total Governmental Funds
Revenues							
Local sources							
Ad valorem taxes	\$ 11,356,205	\$ -	\$ -	\$ -	\$ -	\$ 2,791,286	\$ 14,147,491
Sales and use taxes	-	-	18,406,282	-	-	14,932,071	33,338,353
Earnings (loss) on investments	13,892	-	(98,885)	-	-	5,184	(79,809)
Cash payments for meals	-	-	-	-	-	31,073	31,073
Other local revenue	1,404,115	-	-	-	-	4,159,936	5,564,051
State sources							
State equalization	48,815,852	-	-	-	-	-	48,815,852
Revenue sharing	165,046	-	-	-	-	222,057	387,103
Other unrestricted revenue	-	-	-	-	-	506,737	506,737
Other restricted revenue	65,936	-	79,319	-	-	-	145,255
Federal sources							
Federal restricted grants-in-aid	247,058	8,782,767	-	18,253,930	-	10,791,558	38,075,313
Total revenues	62,068,104	8,782,767	18,386,716	18,253,930	-	33,439,902	140,931,419
Expenditures							
Current							
Instructional services							
Regular programs	24,133,549	86,007	4,398,416	1,035,730	-	6,024,815	35,678,517
Special education programs	8,948,914	-	1,640,912	776,589	-	2,658,098	14,024,513
Vocational programs	942,028	118,093	108,521	160,518	-	337,052	1,666,212
Other instructional programs	4,593,656	168,294	654,056	2,474,683	-	5,412,257	13,302,946
Special programs	398,873	5,022,047	17,025	195,168	-	861,975	6,495,088
Support services							
Pupil support services	3,673,703	613,746	644,881	363,704	-	1,941,008	7,237,042
Instructional staff support	2,085,092	1,885,539	309,583	694,393	-	2,272,494	7,247,101
General administration	1,190,553	-	2,108,706	5,078	-	192,939	3,497,276
School administration	3,885,323	-	506,749	171,526	-	1,096,194	5,659,792
Business services	894,105	4,513	238,888	141,795	-	128,391	1,407,692
Plant services	6,089,370	6,593	2,589,578	482,543	-	430,189	9,598,273
Student transportation services	3,293,566	33,471	613,551	924,587	-	316,909	5,182,084
Central services	1,076,427	-	1,949,910	1,183,423	-	713,384	4,923,144
Noninstructional services							
Food service operations	241,862	-	431,790	222,726	-	5,075,994	5,972,372
Debt service							
Principal	2,750	-	-	-	-	4,140,000	4,142,750
Interest	70,000	-	-	-	-	1,312,856	1,382,856
Capital outlay	1,639,123	-	-	7,332,147	-	21,578	8,992,848
Total expenditures	63,158,894	7,938,303	16,212,566	16,164,610	-	32,936,133	136,410,506
Excess (deficiency) of revenues over expenditures	(1,090,790)	844,464	2,174,150	2,089,320	-	503,769	4,520,913
Other Financing Sources (Uses)							
Proceeds from sale of assets	5,136	-	-	-	-	-	5,136
Transfers in	3,310,502	-	773,097	-	-	37,098	4,120,697
Proceeds from bond issuance	-	-	-	-	10,875,000	-	10,875,000
Payments to bond escrow	-	-	-	-	(10,875,000)	-	(10,875,000)
Transfers out	(810,196)	(844,464)	-	(2,089,320)	-	(376,717)	(4,120,697)
Net other financing sources (uses)	2,505,442	(844,464)	773,097	(2,089,320)	-	(339,619)	5,136
Net change in fund balances	1,414,652	-	2,947,247	-	-	164,150	4,526,049
Fund balances, beginning of year	19,794,470	-	13,967,662	-	-	13,677,555	47,439,687
Fund balances, end of year	\$ 21,209,122	\$ -	\$ 16,914,909	\$ -	\$ -	\$ 13,841,705	\$ 51,965,736

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

City of Monroe School Board

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

For the Year Ended June 30, 2022

Net change in fund balance - total governmental funds	\$	4,526,049
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceed depreciation in the current period.</p>		
Capital outlay		8,918,799
Depreciation expense		(4,549,939)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		4,140,000
<p>Proceeds from bond issuance is a revenue in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.</p>		(10,875,000)
Defeasance of outstanding bonds and premium		10,231,115
<p>Amortization of bond premium is an expenditure on the statement of activities</p>		418,412
<p>Accrued interest does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.</p>		307,537
Change in deferred inflows of resources - pension plans		(38,230,400)
Change in deferred outflows of resources - pension plans		(4,773,191)
Change in deferred inflows of resources - other post employment benefits		(46,180,914)
Change in deferred outflows of resources - other post employment benefits		(9,175,350)
Change in deferred outflows of resources - bonds		382,283
<p>Other postemployment benefit obligation reported in the statement of activities does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.</p>		44,964,552
<p>Pension benefit obligation reported in the statement of activities does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.</p>		59,166,967
<p>Non-contributing entity revenue related to pensions reported in the statement of activities is not reported as revenue in governmental funds.</p>		457,034
<p>Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year.</p>		(125,480)
<p>Workers compensation obligation reported in the statement of activities does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.</p>		(275,946)
Change in net position of governmental activities	\$	19,326,528

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

City of Monroe School Board Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The School Board is composed of a central office, 19 schools and 2 support facilities. The School Board serves approximately 8,200 students and employs approximately 1,500 persons, of which over 800 are directly involved in the instructional process. The remainder provides ancillary support such as general administration, repair and maintenance, bus transportation and food service. The regular school term normally begins during the latter half of August and runs until the end of May.

Reporting Entity

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

Government Wide and Fund Financial Statements

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

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

Governmental Funds

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

Program Revenues

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

General Revenues

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

Allocation of Indirect Expenses

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

Fund Financial Statements

The fund financial statements provide information about the School Board's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School Board reports the following major governmental funds:

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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

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

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

ESSER CARES Act Fund is a collection of federal programs that provide local educational agencies with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools. Authority for creation of this fund is the Education Stabilization Fund, a component of the recently enacted Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021.

Debt Service Funds – Debt Service Funds account for financial resources used for the acquisition and payment of long-term debt. The following Debt Service Fund is a major fund:

The GO Bonds 2022 Refunding Fund (issued February 2022) accounts from the issuance of \$10,875,000 of General Obligation Bonds for the purpose of establishing an escrow account to refund and defease portions of Series 2014, Series 2015, and Series 2016 General Obligation Bond payments from 2028-2035.

The School Board reports the following non-major governmental funds:

The School Board has nine non-major Special Revenue Funds, two non-major Debt Service Funds and two non-major Capital Projects Funds. For a description of these funds, see the Non-major Funds section of this report starting on page 83.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Cash and Cash Equivalents

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

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

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

Investments

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

Interfund Activities and Transactions

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Activities and Transactions (Continued)

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

Inventory

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

Restricted Assets

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

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

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

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

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

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

Deferred Outflows/Inflows of Resources

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences

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

Long-Term Obligations

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

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

Pensions

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Post-Employment Benefits (OPEB) Liability

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

Categories and Classification of Fund Balance

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

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

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

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

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

The School Board had no committed or assigned fund balances at June 30, 2022.

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

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

City of Monroe School Board Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Sales and Use Taxes

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

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

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

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

Use of Estimates

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

Elimination and Reclassifications

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

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 3, 2023. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Newly Adopted Accounting Pronouncements

GASB Statement No. 87, *Leases*, establishes improved guidance to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement did not have a material effect on the financial statements of the School Board.

In January 2020, GASB Statement No. 92, *Omnibus 2020* was issued. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. This statement did not have a material effect on the financial statements of the School Board.

Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The requirements of this Statement are effective for reporting reports beginning after June 15, 2022.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Accounting Pronouncements (Continued)

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription assets – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

Differences between School Board's book balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks. The following is a schedule of the School Board's cash and cash equivalents at June 30, 2022:

	School Board Book Balances	Bank Balances
Cash on deposit	\$ 26,735,648	\$ 29,937,791
Petty cash	1,100	1,100
Cash equivalents:		
LAMP investments	671,806	671,806
Total cash and cash equivalents	\$ 27,408,554	\$ 30,610,697

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

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

The School Board’s deposits are collateralized as follows:

Federal Deposit Insurance Corporation Coverage	\$	250,000
Securities Investor Protection Corporation coverage		250,000
Pledged Securities		37,386,794
<hr/>		
Total collateralized deposits	\$	37,886,794

Credit risk. The School Board’s investments consist of a certificate of deposit and State and Local Government Series (SLGS) securities held by the paying agent thus limiting the School Board’s credit risk at June 30, 2022.

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

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

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

The School Board’s investments at June 30, 2022, consist of a certificate of deposit with a carrying and market value of \$250,000. It is held by the School Board's agent in the School Board's name and is collateralized. Investments of cash of \$918,039 and \$10,687,849 in U.S. government fixed income securities are held in trust by the paying agent, BNY Mellon, for the repayment of the School Board’s Series 2009 and Series 2011 Qualified School Construction Bonds (“QSCB”).

The 2009 QSCB sinking fund consists of \$7,327,035 of fixed income securities that will mature in FY2025 and \$812,869 in cash balances and the 2011 QSCB sinking fund consists of \$3,360,814 of fixed income securities that will mature in FY2026 and \$105,170 in cash balances and is included in “Investments” on the statement of net position.

NOTE 3: FAIR VALUE MEASUREMENTS

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

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

NOTE 3: FAIR VALUE MEASUREMENTS (Continued)

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

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School Board has the ability to access.

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The following table sets forth by level, within the fair value hierarchy, the School Board's assets at fair value as of June 30, 2022:

	Fair Value	Maturities (in years)		
		Less than 1	1 - 5	More than 5
Investments by fair value level				
Primary government				
Cash and cash equivalents (LAMP)	\$ 918,039	\$ 918,039	\$ -	\$ -
Fixed income securities	10,687,849	-	10,687,848	-
Total primary government	\$ 11,605,888	\$ 918,039	\$ 10,687,848	\$ -
Total investments measured by fair value level	\$ 11,605,888	\$ 918,039	\$ 10,687,848	\$ -
Investments measured at cost				
Primary government				
Certificates of deposit	250,000			
Total Investments measured at cost	250,000			
Total investments	\$ 11,855,888			

City of Monroe School Board
Notes to Financial Statements

NOTE 3: FAIR VALUE MEASUREMENTS (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022.

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

NOTE 4: CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended June 30, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,669,547	\$ -	\$ -	\$ 1,669,547
Construction in progress	16,802,381	8,020,737	(17,153,195)	\$ 7,669,923
Total capital assets not being depreciated	18,471,928	8,020,737	(17,153,195)	9,339,470
Capital assets being depreciated				
Buildings and improvements	135,453,066	17,023,995	(186,658)	\$ 152,290,403
Furniture and equipment	22,513,615	1,001,262	-	\$ 23,514,877
Total capital assets being depreciated	157,966,681	18,025,257	(186,658)	175,805,280
Less accumulated depreciation				
Building and improvements	54,413,406	4,045,292	(186,658)	58,272,040
Furniture and equipment	19,722,354	504,647	-	20,227,001
Total accumulated depreciation	74,135,760	4,549,939	(186,658)	78,499,041
Total capital assets being depreciated, net	83,830,921	13,475,318	-	97,306,239
Governmental activities capital assets, net	\$ 102,302,849	\$ 21,496,055	\$ (17,153,195)	\$ 106,645,709

City of Monroe School Board
Notes to the Basic Financial Statements

NOTE 4: CAPITAL ASSETS (Continued)

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

For the year ended June 30,	2022
Instructional services:	
Regular programs	\$ 762,745
Special education programs	13,444
Vocational programs	3,126
Other instructional programs	7,201
Special programs	6,101
Total depreciation expense - instructional services	792,617
Support services:	
General administration	6,890
Business services	2,642
Plant services	3,144,127
Student transportation services	458,729
Central services	66,677
Food service operations	78,257
Total depreciation expense - support services	3,757,322
Total depreciation expense	\$ 4,549,939

NOTE 5: LONG-TERM OBLIGATIONS

The following is a summary of changes in Long-Term Obligations for the year ended June 30, 2022:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Bonds Payable					
General obligation bonds	\$ 47,940,000	\$ 10,875,000	\$ 12,805,000	\$ 46,010,000	\$ 2,780,000
Unamortized bond premium	1,063,680	-	418,412	645,268	118,685
Sales tax bonds	1,305,000	-	1,305,000	-	-
Revenue bonds	15,000,000	-	-	15,000,000	-
Total bonds payable	65,308,680	10,875,000	14,528,412	61,655,268	2,898,685
Other post employment benefits	257,813,127	-	44,964,553	212,848,574	-
Worker's compensation	430,289	275,946	-	706,235	-
Net Pension Liability	123,949,952	-	59,166,967	64,782,985	-
Compensated absences, net	1,972,939	1,193,539	1,068,058	2,098,419	806,414
Total long-term obligations	\$ 449,474,987	\$ 12,344,485	\$ 119,727,990	\$ 342,091,481	\$ 3,705,099

City of Monroe School Board
Notes to the Basic Financial Statements

NOTE 5: LONG-TERM OBLIGATIONS (Continued)

Long-term bonds outstanding at June 30, 2022 are comprised of the following:

	Issue	Maturity Date	Rate	Outstanding
<u>General obligation bonds</u>				
Series 2014	2014	3/1/2024	2% - 4%	\$ 3,900,000
Series 2015	2015	3/1/2035	3.125% - 5%	5,890,000
Series 2016	2016	3/1/2036	2% - 4%	3,945,000
Series 2020	2020	3/1/2035	2.301%	21,555,000
Series 2022	2022	3/1/2036	2.530%	10,720,000
<u>Sales tax refunding bonds</u>				
Series 2010	2010	10/1/2022	2% - 4%	-
Series 2011	2011	10/1/2022	2% to 3%	-
<u>Revenue bonds</u>				
Series 2009	2009	10/15/2024	0.50%	10,000,000
Series 2011	2011	3/15/2026	0.40%	5,000,000
Total bonds payable				\$ 61,010,000

Debt service requirements to maturity on all School Board bonds outstanding at June 30, 2022 are as follows:

<i>Year ending June 30,</i>	Governmental Activities					
	General Obligation Bond Series 2014		General Obligation Bond Series 2015		General Obligation Bond Series 2016	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 915,000	\$ 504,638	\$ 755,000	\$ 235,550	\$ 940,000	\$ 128,700
2024	955,000	468,038	785,000	197,800	970,000	100,500
2025	995,000	429,838	810,000	158,550	1,000,000	71,400
2026	1,035,000	399,988	840,000	118,050	1,035,000	41,400
2027-2031	-	-	2,700,000	173,025	-	-
2032-2036	-	-	-	-	-	-
Total	\$ 3,900,000	\$ 1,802,502	\$ 5,890,000	\$ 882,975	\$ 3,945,000	\$ 342,000

City of Monroe School Board
Notes to the Basic Financial Statements

NOTE 5: LONG-TERM OBLIGATIONS (Continued)

Year ending June 30,	Governmental Activities					
	General Obligation Bond Series 2020		General Obligation Bond Series 2022		Revenue Bond Series 2009	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 170,000	\$ 495,003	\$ 50,000	\$ -	\$ -	\$ 50,000
2024	190,000	472,054	50,000	-	-	50,000
2025	265,000	397,244	65,000	-	10,000,000	50,000
2026	270,000	392,215	110,000	-	-	-
2027-2031	10,750,000	1,580,751	4,490,000	-	-	-
2032-2036	9,910,000	382,392	5,955,000	-	-	-
Total	\$ 21,555,000	\$ 3,719,659	\$ 10,720,000	\$ -	\$ 10,000,000	\$ 150,000

Year ending June 30,	Governmental Activities			
	Revenue Bond Series 2011		Total	
	Principal	Interest	Principal	Interest
2023	\$ -	\$ 20,000	\$ 2,830,000	\$ 938,888
2024	-	20,000	2,950,000	836,338
2025	-	20,000	13,135,000	729,788
2026	5,000,000	20,000	8,290,000	579,438
2027-2031	-	-	17,940,000	173,025
2032-2036	-	-	15,865,000	-
Total	\$ 5,000,000	\$ 80,000	\$ 61,010,000	\$ 3,257,477

NOTE 6: NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets at June 30, 2022 is as follows:

	Governmental Activities
Capital assets (net)	\$ 106,645,709
Outstanding debt related to capital assets	(61,010,000)
Bond premium	(645,268)
Net investment in capital assets	\$ 44,990,441

City of Monroe School Board
Notes to the Basic Financial Statements

NOTE 7: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual balances due to/from other funds at June 30, 2022, are as follows:

	Due		Net
	From	To	
Major Funds:			
General Fund	\$ 20,992,184	\$ -	\$ 20,992,184
Title I	-	6,937,933	(6,937,933)
2001 Sales Tax	-	709,401	(709,401)
ESSER Cares Act	-	9,549,120	(9,549,120)
Non-major Funds:			
Special Education	-	668,097	(668,097)
1968 Sales Tax	-	1,208,679	(1,208,679)
1994 Sales Tax	-	565,182	(565,182)
Other Federal Programs	-	866,437	(866,437)
State Grants	-	38,042	(38,042)
Student Activity Funds	-	449,293	(449,293)
Total	\$ 20,992,184	\$ 20,992,184	\$ -

Transfers to/from other funds for the year ended June 30, 2022 were as follows:

	Transfers		Net
	In	Out	
Major Funds:			
General Fund	\$ 3,310,502	\$ 810,196	\$ 2,500,306
2001 Sales Tax	773,097	-	773,097
Title I	-	844,464	(844,464)
ESSER Cares Act	-	2,089,320	(2,089,320)
Non-major Funds:			
Special Education	-	207,942	(207,942)
Other Federal Programs	29,796	168,775	(138,979)
State Grants	7,302	-	7,302
Total	\$ 4,120,697	\$ 4,120,697	\$ -

City of Monroe School Board Notes to the Basic Financial Statements

NOTE 8: PENSION AND RETIREMENT PLANS

Plan Description

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

TRSL

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

Plan A - Members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants. Plan B - Members may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service.

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

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

City of Monroe School Board Notes to the Basic Financial Statements

NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

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

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

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

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

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

City of Monroe School Board Notes to the Basic Financial Statements

NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

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

LSERS

LSERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Membership is mandatory for all persons employed by a Louisiana Parish or City School Board or by the Lafourche Special Education District #1 who work more than twenty hours per week as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide, a monitor or attendant, or any other regular school employee who actually works on a school bus helping with the transportation of school children. If a person is employed by and is eligible to be a member of more than one public agency within the state, he must be a member of each such retirement system. Members are vested after 10 years of service or 5 years if enrolled after June 30, 2010.

All temporary, seasonal and part-time employees as defined in federal Regulations 26 CFR 31:3121(b)(7)-2 are not eligible for membership in the Plan. Any part-time employees who work 20 hours or less per week and who are not vested will be refunded their contributions.

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

City of Monroe School Board Notes to the Basic Financial Statements

NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

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

The supplemental allowance was eliminated for members entering the Plan on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

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

Members of the Plan may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the system terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the Plan. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account.

The Plan maintains subaccounts within this account reflecting the credits attributed to each participant in the Plan. Interest credited and payments from the DROP account are made in accordance with LA R.S. 11:1152(E)(3). Upon termination of participation in both the Plan and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements. The Plan also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

City of Monroe School Board Notes to the Basic Financial Statements

NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

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

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

LASERS

LASERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification.

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

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

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with 12 years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans.

City of Monroe School Board Notes to the Basic Financial Statements

NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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

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

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

Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

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

NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

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

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

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

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

Contributions

TRSL

The employer contribution rate is established annually under LA R.S. 11:101 - 11:104 by the Public Retirement Systems Actuarial Committee (PRSACX) taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2021 are as follows:

TRSL Sub Plan	Contribution Rates	
	School Board	Employees
K-12 Regular Plan	25.8%	8.0%
Plan A	25.8%	9.1%
Plan B	25.8%	5.0%

The School Board's contractually required composite contribution rate for the year ended June 30, 2021, was 25.8% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$14,392,745 for the year ended June 30, 2022.

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

NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

LSERS

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actuarial required contribution rate for June 30, 2020 was 29.4%. The actual employer rate for the year ended June 30, 2021 was 29.4%. A difference may exist due to the State Statute that requires the rate to be calculated in advance. Contributions to the pension plan from the School Board were \$1,520,261 for the year ended June 30, 2022.

LASERS

Contribution requirements of active employees are governed by Title 11 of the Louisiana Revised Statutes and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member’s salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2021, for the relative plans follow:

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

The School Board’s contractually required composite contribution rate for the year ended June 30, 2021, was 35.8% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$61,262 for the year ended June 30, 2022.

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

The net pension liabilities were measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board’s proportion of the net pension liability for TRSL and LASERS was based on a projection of the School Board’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Schools Board’s proportion of the net pension liability of LSERS was based on the School Board’s historical contributions.

City of Monroe School Board
Notes to the Basic Financial Statements

NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

The following table reflects the School Board's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2022, and the change compared to the June 30, 2021 proportion:

	Net Pension Liability at June 30, 2022	Proportion at June 30, 2021	Increase (Decrease) to June 30, 2021 Proportion
TRSL	\$ 56,545,544	1.079253%	0.999850%
LSERS	7,851,722	1.651892%	1.531280%
LASERS	385,719	0.007008%	0.005170%
	<u>\$ 64,782,985</u>		

The following table reflects the School Board's recognized pension expense plus the School Board's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended June 30, 2022:

	Pension Expense	Amortization	Total
TRSL	\$ (238,140)	\$ 11,161	\$ (226,979)
LSERS	694,802	(25,229)	669,573
LASERS	27,042	(180,855)	(153,813)
	<u>\$ 483,704</u>	<u>\$ (194,923)</u>	<u>\$ 288,781</u>

At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TRSL	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience	\$ 288,802	\$ 855,002
Investment Earnings	-	38,169,877
Assumptions	5,504,281	-
Change in Proportions	5,622,450	2,484,666
Employer Contributions	14,392,745	-
	<u>\$ 25,808,278</u>	<u>\$ 41,509,545</u>

City of Monroe School Board
Notes to the Basic Financial Statements

NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

<u>LSERS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Experience	\$ 169,832	\$ 114,090
Investment Earnings	-	2,987,254
Assumptions	258,715	-
Change in Proportion and Difference in Contributions	559,731	78,155
Employer Contributions	1,520,261	-
	<u>\$ 2,508,539</u>	<u>\$ 3,179,499</u>

<u>LASERS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Experience	\$ 381	\$ -
Investment Earnings	-	89,951
Assumptions	9,448	-
Change in Proportion and Difference in Contributions	95,676	100,187
Employer Contributions	61,262	-
	<u>\$ 166,767</u>	<u>\$ 190,138</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
TRSL	\$ 25,808,278	\$ 41,509,545
LSERS	2,508,539	3,179,499
LASERS	166,767	190,138
	<u>\$ 28,483,584</u>	<u>\$ 44,879,182</u>

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date of \$15,974,268 will be recognized as a reduction of net pension liability in the year ending June 30, 2022. The following table lists the pension contributions made subsequent to the measurement date for each pension plan:

	<u>Subsequent Contributions</u>
TRSL	\$ 14,392,745
LSERS	1,520,261
LASERS	61,262
	<u>\$ 15,974,268</u>

City of Monroe School Board
Notes to the Basic Financial Statements

NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

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

<i>June 30,</i>	2023	2024	2025	2026	Total
TRSL	\$ (6,820,580)	\$ (5,967,393)	\$ (7,115,330)	\$ (10,190,709)	\$ (30,094,012)
LSERS	(209,371)	(80,051)	(719,850)	(1,181,949)	(2,191,221)
LASERS	(51,995)	27,842	(20,436)	(40,044)	(84,633)
	<u>\$ (7,081,946)</u>	<u>\$ (6,019,602)</u>	<u>\$ (7,855,616)</u>	<u>\$ (11,412,702)</u>	<u>\$ (32,369,866)</u>

City of Monroe School Board
Notes to the Basic Financial Statements

NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021, are as follows:

	TRSL	LSERS	LASERS
Valuation Date	June 30, 2021	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed		
Actuarial Assumptions:			
Expected Remaining Service Lives	5 years	3 years	2 years
Investment Rate of Return	7.40% net of investment expenses	6.90% net of investment expenses	7.40% per annum.
Inflation Rate	2.30% per annum.	2.50%	2.30% per annum.
Salary Increases	3.1% - 4.6% varies depending on duration of service.	3.25% based on 2018 experience study of the System's members	2014-2018 experience study, ranging from 2.6% to 13.8%
Cost of Living Adjustments	None	Cost of living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in actuarial liability and the plan cost of living increases. The has met the criteria and eligibility requirements outline by ACT 399 of 2014.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted actuarial liability and the plan cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
Mortality	Mortality rates based on the 2017 generational improvement table with continued future mortality projected using the MP-2017 generational mortality improvement tables.	Mortality rates based on the RP-2014 Healthy Annuitant Tables, the RP-2014 Sex Distinct Employee Tables, and the RP-2014 Sex Distinct Disabled Tables.	Non-disabled members - The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018 Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2012-2017) experience study of the System's members.	Termination, disability, and retirement assumptions were projected based on a five-year (2013-2017) experience study of the System's members.	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.

City of Monroe School Board
Notes to the Basic Financial Statements

NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

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

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

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2021:

Asset Class	Target Allocation			Long-Term Expected Portfolio Real Rate of Return		
	TRSL	LSERS	LASERS	TRSL	LSERS	LASERS
Cash	-	-	-	-	-	-0.59%
Domestic Equity	27.0%	-	23.0%	4.60%	-	4.79%
International Equity	19.0%	-	32.0%	5.54%	-	5.83%
Domestic Fixed Income	13.0%	-	6.0%	0.69%	-	1.76%
International Fixed Income	5.5%	-	10.0%	1.50%	-	3.98%
Private Assets	25.5%	-	-	8.62%	-	0.00%
Other Private Assets	10.0%	-	-	4.45%	-	0.00%
Fixed Income	-	26.0%	-	-	0.92%	0.00%
Equity	-	39.0%	-	-	2.82%	0.00%
Alternative investments	-	23.0%	29.0%	-	1.95%	6.69%
Real Estate	-	0.0%	-	-	0.00%	0.00%
Real Assets	-	12.0%	-	-	0.69%	0.00%
Risk Parity	-	-	0.0%	-	-	4.20%
Total	100.0%	100.0%	100.0%	n/a	6.38%	5.81%

n/a - amount not provided by Retirement System

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

NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

Discount Rate

The discount rates used to measure the total pension liability for TRSL, LSERS, and LASERS were 7.40%, 6.90%, and 7.40%, respectively, for the year ended June 30, 2022.

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

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
TRSL			
Discount rate	6.40%	7.40%	8.40%
Share of NPL	\$ 93,577,142	\$ 56,545,544	\$ 25,398,076
LSERS			
Discount rate	5.90%	6.90%	7.90%
Share of NPL	\$ 12,092,064	\$ 7,851,722	\$ 4,227,144
LASERS			
Discount rate	6.40%	7.40%	8.40%
Share of NPL	\$ 522,620	\$ 385,719	\$ 269,233

City of Monroe School Board
Notes to the Basic Financial Statements

NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2022, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$457,034 for its participation in TRSL. LSERS and LASERS do not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LSERS or LASERS for the year ended June 30, 2022.

Pension Plans Fiduciary Net Position

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

Payables to the Pension Plan

As of June 30, 2022, the School Board had payables due to the pension plans totaling \$2,768,186. Payables are the School Board's legally required contributions to the pension plans. Outstanding balances will be applied the School Board's required monthly contributions. The balance due to each of the pension plans is as follows:

		Payables
TRSL	\$	2,603,768
LSERS		155,429
LASERS		8,989
	\$	2,768,186

School Board Sponsored Plan

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

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

City of Monroe School Board
Notes to the Basic Financial Statements

NOTE 8: PENSION AND RETIREMENT PLANS (Continued)

School Board Sponsored Plan (Continued)

Under the terms of a plan established in accordance with terms of the amended IRC Section 457, all compensation deferred under the plan, all property and rights acquired with those amounts and all income attributable to those amounts and rights are solely the property and rights of the participants and their beneficiaries. As required by the amended IRC Section 457, the School Board has established custodial accounts with an unrelated third party administrator who holds in trust the assets and income of the plan. The trustee holds assets with a fair market value of \$1,179,389 as of June 30, 2022.

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS

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

Net OPEB Liability

The components of the net OPEB liability of the School Board at June 30, 2022, were as follows:

Total OPEB liability	\$ 212,848,574
Plan fiduciary net position	-
School Board's net OPEB liability	\$ 212,848,574

The School Board's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021.

City of Monroe School Board
Notes to the Basic Financial Statements

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary increases	3.00%
Discount rates	3.54%

Mortality Rate

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

Discount Rate

Although this plan is a defined benefit OPEB plan, which meets the requirements of paragraph 4 of GASB Statement No. 75, the funded ratio is 0% and the total actual and deemed employer contributions are well below the actuarially determined contribution. We have therefore used a discount rate which would be applicable had the requirements of paragraph 4 not been met. That discount rate is 3.54%, which is the value of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2022, the end of the applicable measurement period is an increase from the prior period. The discount rate used to measure the Net OPEB liability as of June 30, 2022 was 3.54%, which was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Changes in the Net OPEB Liability

	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ 257,813,127	\$ -	\$ 257,813,127
Changes for the Year:			
Service cost	14,503,050	-	14,503,050
Interest on total OPEB liability	5,826,021	-	5,826,021
Effect of assumptions changes or inputs	(60,079,720)	-	(60,079,720)
Benefit payments	(5,213,904)	-	(5,213,904)
Net changes	(44,964,553)	-	(44,964,553)
Balance as of June 30, 2022	\$ 212,848,574	\$ -	\$ 212,848,574

City of Monroe School Board
Notes to the Basic Financial Statements

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

	1.0% Decrease (2.54%)	Current Discount Rate (3.54%)	1.0% Increase (4.54%)
Net OPEB liability	\$ 254,269,863	\$ 212,848,574	\$ 180,280,678

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

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

	1.0% Decrease	Current Healthcare Trend	1.0% Increase
Net OPEB liability	\$ 175,719,599	\$ 212,848,574	\$ 261,262,324

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

For the year ended June 30, 2022, the School Board recognized OPEB expense of \$15,605,615. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 9,726,999
Changes in assumptions / inputs	30,281,552	47,494,242
Total	\$ 30,281,552	\$ 57,221,241

City of Monroe School Board
Notes to the Basic Financial Statements

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Year ended June 30:			
	2022	\$	(4,723,456)
	2023	\$	(4,723,456)
	2024	\$	(3,309,864)
	2025	\$	(7,459,963)
	2026	\$	(6,722,950)
	Thereafter	\$	-

Payable to the OPEB Plan

At June 30, 2022, the School Board had no payables to the OPEB Plan.

Funded Status and Funding Progress

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

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

The balances of deferred inflows and outflows of resources as of June 30, 2022 consist of:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Bond Refundings	\$ 2,425,996	\$ -
Net Pension Liabilities (GASB 68):		
Teachers' Retirement System of Louisiana (TRSL)	25,808,278	41,509,545
Louisiana State Employees' Retirement System (LASERS)	2,508,539	3,179,499
Louisiana School Employees' Retirement System (LSE)	166,767	190,138
	<u>28,483,584</u>	<u>44,879,182</u>
Other Post-Employment Benefits (GASB 75)	<u>30,281,552</u>	<u>57,221,241</u>
Balance as of June 30, 2022	<u>\$ 61,191,132</u>	<u>\$ 102,100,423</u>

City of Monroe School Board
Notes to the Basic Financial Statements

NOTE 11: AD VALOREM TAXES

The Sheriff of Ouachita Parish, as provided by State law, bills and collects property taxes on behalf of the School Board using the assessed values determined by the tax assessor of Ouachita Parish. For the year ended June 30, 2022, taxes of 34.51 mills were levied on property with assessed valuations totaling \$392,123,652 and were dedicated as follows:

Parish wide taxes:	Levied
School Operations, Maintenance, Aid and Support	27.51 mills
Bonds - Debt Service	7.00 mills
	34.51 mills

The School Board's portion of the total taxes originally levied was \$15,018,411 of which \$13,532,197 was assessed on property owners and \$1,486,244 was assessed under Homestead Exemption. The School Board collected \$14,147,491 through June 30, 2022, of which a nominal amount was for prior year(s) levies. Approximately 85% of the homestead exemption is not appropriated by the State of Louisiana and therefore is not collected. Collections are remitted to the School Board monthly.

Below is the property tax calendar in effect for the year ended June 30, 2022:

Millage Rates Adopted	August 10, 2021
Levy Date	November 30, 2021
Tax Bills Mailed	November 30, 2021
Total Taxes are Due	December 31, 2021
Lien Date	January 1, 2022

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

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

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

NOTE 12: RISK MANAGEMENT

Risk Exposure

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

City of Monroe School Board Notes to the Basic Financial Statements

NOTE 12: RISK MANAGEMENT (Continued)

Workers' Compensation

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

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 Funds to account for its risk financing activities. During the year ended June 30, 2022, the School Board incurred and paid claims under the worker's compensation plan of approximately \$694,863, net of reimbursements. The liability for worker's compensation claims is \$706,235 as of June 30, 2022.

NOTE 13: COMMITMENTS AND CONTINGENCIES

Legal

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

The School Board is defendant in a lawsuit with fourteen (14) certified teachers as plaintiffs alleging that as certified teachers, they are exclusively entitled to receive, as extra compensation, certain portions or percentages of funds that are derived from two (2) local sales tax levies. Class action certification is sought; permitting the plaintiffs to represent every certified teacher presently employed and previously employed dating back to 1968, along with the estates of any now deceased certified teachers employed since 1968. The School Board's liability exposure, in the opinion of counsel, is questionable and indeterminate at this time; therefore, no liability is recorded as of June 30, 2022.

Construction Commitments

Remaining construction cost contracts for the construction of a middle school is approximately \$2,070,365. This cost will be paid in future periods as work is performed and payments will be made with proceeds remaining from previous bond issues.

City of Monroe School Board Notes to the Basic Financial Statements

NOTE 13: COMMITMENTS AND CONTINGENCIES (Continued)

Grant Disallowances

The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

NOTE 14: CONCENTRATIONS

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

NOTE 15: ECONOMIC DEPENDENCY

The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 and February 1 student counts. The state provided \$48,815,852, net of allocations to charter schools, to the School Board, which represents approximately 34.7% of the School Board's total revenues for the year.

REQUIRED SUPPLEMENTARY INFORMATION

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

<i>For the year ended June 30, 2022</i>	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary Fund Balance, Beginning	\$ 19,794,470	\$ 19,794,470	\$ 19,794,470	\$ -
Resources (inflows)				
Local sources				
Ad valorem taxes				
Constitutional tax	2,810,000	2,801,964	2,801,964	-
Renewable tax	8,167,000	8,143,208	8,143,208	-
Other than school taxes	390,000	410,000	411,033	1,033
Earnings on investments	25,000	15,000	13,892	(1,108)
Other local revenue	832,000	1,386,023	1,404,115	18,092
Total local sources	12,224,000	12,756,195	12,774,212	18,017
State and federal sources				
State equalization	49,217,389	48,815,852	48,815,852	-
State revenue sharing	250,000	165,046	165,046	-
Other unrestricted revenue	39,900	38,490	-	(38,490)
Other restricted revenue	50,000	-	65,936	65,936
Federal restricted grants-in-aid	230,000	261,995	247,058	(14,937)
Total state and federal sources	49,787,289	49,281,383	49,293,892	12,509
Other sources				
Proceeds from sale of assets	1,000	5,136	5,136	-
Insurance proceeds	300,000	-	-	-
Transfers in	2,501,000	2,500,000	3,310,502	810,502
Total other sources	2,802,000	2,505,136	3,315,638	810,502
Total resources	64,813,289	64,542,714	65,383,742	841,028
Amounts available for appropriations	84,607,759	84,337,184	85,178,212	841,028
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	23,620,987	24,223,218	24,133,549	(89,669)
Special education programs	8,888,681	8,978,023	8,948,914	(29,109)
Vocational programs	879,717	941,396	942,028	632
Other instructional programs	4,585,272	4,623,602	4,593,656	(29,946)
Special programs	517,316	398,873	398,873	-
Support Services				
Pupil support services	3,849,348	3,681,464	3,673,703	(7,761)
Instructional staff support	2,206,611	2,092,548	2,085,092	(7,456)
General administration	1,461,972	1,183,303	1,190,553	7,250
School administration	3,996,845	3,899,623	3,885,323	(14,300)
Business services	948,069	894,324	894,105	(219)
Plant services	6,028,194	6,512,853	6,089,370	(423,483)
Student transportation services	3,221,464	3,289,483	3,293,566	4,083
Central services	1,119,030	1,081,462	1,076,427	(5,035)
Non-instructional services				
Food service operations	244,023	241,889	241,862	(27)
Capital outlay	2,000,600	1,482,128	1,639,123	156,995
Debt service	949,000	845,847	72,750	(773,097)
Other uses				
Transfers out	100,000	100,000	810,196	710,196
Total charges to appropriations	64,617,129	64,470,036	63,969,090	(500,946)
Budgetary Fund Balances, Ending	\$ 19,990,630	\$ 19,867,148	\$ 21,209,122	\$ 1,341,974

See notes to budgetary comparison schedules.

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

<i>For the year ended June 30, 2022</i>	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary Fund Balance, Beginning	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Federal sources				
Federal restricted grants-in-aid	6,603,872	8,502,543	8,782,767	280,224
Total federal sources	6,603,872	8,502,543	8,782,767	280,224
Total resources	6,603,872	8,502,543	8,782,767	280,224
Amounts available for appropriations	6,603,872	8,502,543	8,782,767	280,224
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	115,112	86,007	86,007	-
Vocational programs	-	118,092	118,093	1
Other instructional programs	162,354	166,390	168,294	1,904
Special programs	3,614,984	4,974,795	5,022,047	47,252
Support services				
Pupil support services	531,496	612,409	613,746	1,337
Instructional staff support	1,494,126	1,679,995	1,885,539	205,544
Business services	22,321	4,513	4,513	-
Plant services	8,492	6,593	6,593	-
Student transportation services	27,028	30,317	33,471	3,154
Other uses				
Transfers out	627,959	823,432	844,464	21,032
Total charges to appropriations	6,603,872	8,502,543	8,782,767	280,224
Budgetary Fund Balances, Ending	\$ -	\$ -	\$ -	\$ -

See notes to budgetary comparison schedules.

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

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
<i>For the year ended June 30, 2022</i>				
Budgetary Fund Balance, Beginning	\$ 13,967,662	\$ 13,967,662	\$ 13,967,662	\$ -
Resources (inflows)				
Local sources				
Sales and use taxes	16,225,000	18,405,827	18,406,282	455
Earnings (loss) on investments	-	-	(98,885)	(98,885)
State sources				
Other restricted revenues	70,000	99,319	79,319	(20,000)
Other sources				
Transfers in	-	-	773,097	773,097
Total resources	16,295,000	18,505,146	19,159,813	654,667
Amounts available for appropriations	30,262,662	32,472,808	33,127,475	654,667
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	4,371,580	4,388,256	4,398,416	10,160
Special education programs	1,368,266	1,640,697	1,640,912	215
Vocational programs	105,723	108,521	108,521	-
Other instructional programs	885,216	640,185	654,056	13,871
Special programs	50,886	17,025	17,025	-
Support services				
Pupil support services	565,017	644,874	644,881	7
Instructional staff support	236,213	309,878	309,583	(295)
General administration	2,022,889	2,121,845	2,108,706	(13,139)
School administration	457,193	506,749	506,749	-
Business services	338,685	249,931	238,888	(11,043)
Plant services	2,557,082	2,641,319	2,589,578	(51,741)
Student transportation services	527,842	613,471	613,551	80
Central services	2,200,174	1,977,621	1,949,910	(27,711)
Non-Instructional services				
Food service operations	395,114	431,790	431,790	-
Other uses				
Transfers out	1,500,000	335,000	-	(335,000)
Total charges to appropriations	17,581,880	16,627,162	16,212,566	(414,596)
Budgetary Fund Balances, Ending	\$ 12,680,782	\$ 15,845,646	\$ 16,914,909	\$ 1,069,263

See notes to budgetary comparison schedules.

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

<i>For the year ended June 30, 2022</i>	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary Fund Balance, Beginning	\$ 52,454	\$ 52,454	\$ 52,454	\$ -
Resources (inflows)				
Local sources				
Sales and use taxes	4,895,005	5,728,508	5,728,916	408
Total resources	4,895,005	5,728,508	5,728,916	408
Amounts available for appropriations	4,947,459	5,780,962	5,781,370	408
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	2,317,944	2,707,747	2,708,011	264
Special education programs	886,732	1,013,216	1,013,216	-
Vocational programs	90,376	95,940	95,940	-
Other instructional programs	345,082	402,767	402,767	-
Special programs	15,225	10,174	10,166	(8)
Support services				
Pupil support services	317,005	372,571	379,951	7,380
Instructional staff support	164,795	254,286	246,722	(7,564)
General administration	40,657	39,818	39,818	-
School administration	277,796	318,817	318,817	-
Business services	14,531	16,654	16,654	-
Plant services	135,965	154,603	154,603	-
Student transportation services	107,966	123,034	123,034	-
Central services	36,199	50,530	50,529	(1)
Non-Instructional services				
Food service operations	107,553	120,537	120,537	-
Total charges to appropriations	4,857,826	5,680,694	5,680,765	71
Budgetary Fund Balances, Ending	\$ 89,633	\$ 100,268	\$ 100,605	\$ 337

See notes to budgetary comparison schedules.

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

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
<i>For the year ended June 30, 2022</i>				
Budgetary Fund Balance, Beginning	\$ 3,430,644	\$ 3,430,644	\$ 3,430,644	\$ -
Resources (inflows)				
Local sources				
Sales and use taxes	8,080,000	9,203,300	9,203,155	(145)
Interest on investments	3,300	4,215	3,790	(425)
Other sources				
Transfers in	48,000	48,000	-	(48,000)
Total resources	8,131,300	9,255,515	9,206,945	(48,570)
Amounts available for appropriations	11,561,944	12,686,159	12,637,589	(48,570)
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	3,250,546	3,280,628	3,272,868	(7,760)
Special education programs	1,089,047	1,185,551	1,184,924	(627)
Vocational programs	107,285	109,400	109,400	-
Other instructional programs	656,939	723,326	723,326	-
Special programs	18,894	12,141	11,720	(421)
Support services				
Pupil support services	462,844	479,824	479,824	-
Instructional staff support	200,249	293,007	292,713	(294)
General administration	74,882	71,677	71,677	-
School administration	747,301	749,236	749,236	-
Business services	137,799	107,751	109,903	2,152
Plant services	241,286	275,586	275,586	-
Student transportation services	131,666	150,381	150,381	-
Central services	1,151,966	659,548	662,855	3,307
Non-Instructional services				
Food service operations	116,660	129,773	129,773	-
Other uses				
Transfers out	48,000	48,000	-	(48,000)
Total charges to appropriations	8,435,364	8,275,829	8,224,186	(51,643)
Budgetary Fund Balances, Ending	\$ 3,126,580	\$ 4,410,330	\$ 4,413,403	\$ 3,073

See notes to budgetary comparison schedules.

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

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
<i>For the year ended June 30, 2022</i>				
Budgetary Fund Balance, Beginning	\$ 2,370,281	\$ 2,370,281	\$ 2,370,281	\$ -
Resources (inflows)				
Local sources				
Income from meals	60,000	31,900	31,073	(827)
Other miscellaneous revenues	1,500	16,000	-	(16,000)
State sources				
Other restricted revenues	100,000	100,000	115,091	15,091
Federal sources				
Federal restricted grants-in-aid	4,925,000	6,013,050	6,177,140	164,090
Other sources				
Transfers in	1,000,000	1,500,000	-	(1,500,000)
Total resources	6,086,500	7,660,950	6,323,304	(1,337,646)
Amounts available for appropriations	8,456,781	10,031,231	8,693,585	(1,337,646)
Charges to appropriations (outflows)				
Current				
Non-Instructional services				
Food service operations	4,236,263	4,169,096	4,808,367	639,271
Other uses				
Transfers out	1,000,000	1,500,000	-	(1,500,000)
Total charges to appropriations	5,236,263	5,669,096	4,808,367	(860,729)
Budgetary Fund Balances, Ending	\$ 3,220,518	\$ 4,362,135	\$ 3,885,218	\$ (476,917)

See notes to budgetary comparison schedules.

City of Monroe School Board
Budgetary Comparison Schedule – ESSER Cares Act (Unaudited)

<i>For the year ended June 30, 2022</i>	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary Fund Balance, Beginning	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Federal sources				
Federal restricted grants-in-aid	33,341,263	18,135,410	18,253,930	118,520
Other sources				
Transfers in	-	-	-	-
Total resources	33,341,263	18,135,410	18,253,930	118,520
Amounts available for appropriations	33,341,263	18,135,410	18,253,930	118,520
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	378,382	1,035,734	1,035,730	(4)
Special education programs	-	776,528	776,589	61
Vocational programs	1,426,686	160,520	160,518	(2)
Other instructional programs	4,694,287	2,411,276	2,474,683	63,407
Special programs	14,894	195,171	195,168	(3)
Support services				
Pupil support services	300,579	363,709	363,704	(5)
Instructional staff support	892,236	757,804	694,393	(63,411)
General administration	-	5,080	5,078	(2)
School administration	-	171,526	171,526	-
Business services	457,618	109,959	141,795	31,836
Plant services	1,685,337	482,548	482,543	(5)
Student transportation services	790,000	925,897	924,587	(1,310)
Central services	2,452,339	1,183,422	1,183,423	1
Non-Instructional services				
Food service operations	-	222,725	222,726	1
Capital outlay	14,700,000	7,346,252	7,332,147	(14,105)
Other uses				
Transfers out	5,548,905	1,987,259	2,089,320	102,061
Total charges to appropriations	33,341,263	18,135,410	18,253,930	118,520
Budgetary Fund Balances, Ending	\$ -	\$ -	\$ -	\$ -

See notes to budgetary comparison schedules.

City of Monroe School Board
Budgetary Comparison Schedule – Special Education (Unaudited)

<i>For the year ended June 30, 2022</i>	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary Fund Balance, Beginning	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
State sources				
Other restricted revenues	-	-	42,615	42,615
Federal sources				
Federal restricted grants-in-aid	2,049,364	2,147,404	2,175,355	27,951
Total resources	2,049,364	2,147,404	2,217,970	70,566
Amounts available for appropriations	2,049,364	2,147,404	2,217,970	70,566
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	-	-	-	-
Special education programs	370,621	400,322	459,958	59,636
Other instructional programs	28,125	22,120	22,121	1
Support services				
Pupil support services	808,614	756,826	764,538	7,712
Instructional staff support	635,346	761,577	761,577	-
Business services	1,990	1,835	1,834	(1)
Other uses				
Transfers out	204,668	204,724	207,942	3,218
Total charges to appropriations	2,049,364	2,147,404	2,217,970	70,566
Budgetary Fund Balances, Ending	\$ -	\$ -	\$ -	\$ -

See notes to budgetary comparison schedules.

City of Monroe School Board

Notes to Budgetary Comparison Schedules (Unaudited)

Note A – BUDGETS

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

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

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

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

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

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

Note B – BUDGET TO GAAP RECONCILIATION

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

	General Fund
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 85,178,212
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(19,794,470)
Other financing sources - Transfers from other funds and Insurance Proceeds	(3,315,638)
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 62,068,104
<hr/>	
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 63,969,091
Other financing uses - Transfers to other funds	(810,196)
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 63,158,895
<hr/>	

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

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

	Title I
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 8,782,767
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	-
Other financing sources	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 8,782,767
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 8,782,767
Other financing uses - Transfers to other funds	(844,464)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 7,938,303

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

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

	2001 Sales Tax
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 33,127,475
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(13,967,662)
Other financing sources - transfers from other funds	(773,097)
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 18,386,716
 <u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 16,212,566
Other financing uses - transfers from other funds	-
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 16,212,566

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

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

	1968 Sales Tax
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 5,781,370
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(52,454)
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<hr/> <hr/> \$ 5,728,916
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 5,680,765
<u>Other financing uses</u>	
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<hr/> <hr/> \$ 5,680,765

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

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

	1994 Sales Tax
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 12,637,589
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(3,430,644)
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<hr/> \$ 9,206,945 <hr/>
 <u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 8,224,186
Other financing uses	-
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<hr/> \$ 8,224,186 <hr/>

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

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

	School Food Service
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 8,693,585
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(2,370,281)
Other financing uses	-
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 6,323,304
<hr/>	
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 4,808,367
Other financing uses	-
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 4,808,367
<hr/>	

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

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures	ESSER Cares Act
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 18,253,930
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	-
Other financing uses	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 18,253,930
 <u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 18,253,930
Other financing uses - Transfers to other funds	(2,089,320)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 16,164,610

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

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures	Special Education
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 2,217,970
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	-
Other financing uses	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 2,217,970
 <u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 2,217,970
Other financing uses - Transfers to other funds	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 2,217,970

City of Monroe School Board
Schedule of Changes in Net OPEB Liability and Related Ratios

<i>For the Year Ended June 30,</i>	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 14,503,050	\$ 13,988,132	\$ 8,681,889	\$ 8,286,178	\$ 7,671,437
Interest	5,826,021	5,575,272	6,657,929	6,949,091	6,482,827
Changes of benefit terms	-	-	-	-	-
Economic/demographic gains or losses	-	(1,846,926)	-	(7,787,835)	(11,280,713)
Changes of assumptions	(60,079,720)	4,641,725	46,378,402	7,067,274	(833,659)
Benefit payments	(5,213,904)	(5,632,572)	(4,313,631)	(4,177,777)	(4,177,338)
Net change in total OPEB liability	\$ (44,964,553)	\$ 16,725,631	\$ 57,404,589	\$ 10,336,931	\$ (2,137,446)
Total OPEB liability - beginning	\$ 257,813,127	\$ 241,087,496	183,682,907	173,345,976	175,483,422
Total OPEB liability - ending (a)	\$ 212,848,574	\$ 257,813,127	\$ 241,087,496	\$ 183,682,907	\$ 173,345,976
Plan Fiduciary Net Position					
Contributions - employer	-	-	-	-	-
Net investment income	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending (a)-(b)	\$ 212,848,574	\$ 257,813,127	\$ 241,087,496	\$ 183,682,907	\$ 173,345,976
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%
Covered payroll	\$ 60,283,933	\$ 62,681,200	\$ 45,286,221	\$ 44,856,260	\$ 43,954,546
Net OPEB liability as a percentage of covered payroll	353%	411%	532%	409%	394%

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

City of Monroe School Board Schedule of the Employer's Proportionate Share of the Net Pension Liability

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Teachers' Retirement System of Louisiana					
2021	1.059150%	\$ 56,545,544	\$ 52,803,245	107%	83.9%
2020	0.999850%	\$ 111,219,351	\$ 47,934,908	232%	65.6%
2019	1.028200%	\$ 102,045,449	\$ 48,552,357	210%	68.6%
2018	1.031790%	\$ 101,404,232	\$ 47,155,131	215%	68.2%
2017	1.062300%	\$ 108,905,486	\$ 48,794,800	223%	65.6%
2016	1.073350%	\$ 125,978,361	\$ 49,217,661	256%	59.9%
2015	1.098610%	\$ 118,125,271	\$ 48,484,596	244%	62.5%
2014	1.062880%	\$ 108,641,273	\$ 48,484,596	224%	63.7%
Louisiana School Employees' Retirement System					
2021	1.651892%	\$ 7,851,722	\$ 4,930,626	159%	82.5%
2020	1.531280%	\$ 12,303,174	\$ 4,631,160	266%	69.7%
2019	1.552373%	\$ 10,867,570	\$ 2,487,665	437%	73.5%
2018	1.566513%	\$ 10,466,458	\$ 2,671,565	392%	75.0%
2017	1.636276%	\$ 10,470,972	\$ 2,877,347	364%	75.0%
2016	1.603258%	\$ 12,094,133	\$ 2,879,970	420%	70.1%
2015	1.564946%	\$ 9,923,745	\$ 2,999,671	331%	74.5%
2014	1.543200%	\$ 8,945,660	\$ 2,999,671	298%	76.2%
Louisiana State Employees' Retirement System					
2021	0.007010%	\$ 385,719	\$ 132,664	291%	72.8%
2020	0.005170%	\$ 427,428	\$ 170,401	251%	58.0%
2019	0.009350%	\$ 677,689	\$ 224,649	302%	62.9%
2018	0.015790%	\$ 1,077,071	\$ 229,747	469%	64.3%
2017	0.012550%	\$ 883,584	\$ 220,264	401%	62.5%
2016	0.016190%	\$ 1,271,642	\$ 233,044	546%	57.7%
2015	0.018390%	\$ 1,250,458	\$ 213,049	587%	62.7%
2014	0.014950%	\$ 934,807	\$ 213,049	439%	65.0%

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

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

City of Monroe School Board Schedule of Employer's Contributions

Fiscal Year*	(a) Statutorily Required Contribution	Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered payroll	Contributions as a percentage of covered payroll
Teachers' Retirement System of Louisiana					
2022	\$ 14,392,740	\$ 14,392,740	\$ -	\$ 55,785,815	25.8%
2021	\$ 13,728,844	\$ 13,728,844	\$ -	\$ 52,803,245	26.0%
2020	\$ 12,798,620	\$ 12,798,620	\$ -	\$ 47,934,908	26.7%
2019	\$ 12,868,882	\$ 12,868,882	\$ -	\$ 48,552,357	26.5%
2018	\$ 12,493,276	\$ 12,493,276	\$ -	\$ 47,155,131	26.5%
2017	\$ 12,235,860	\$ 12,235,860	\$ -	\$ 48,794,800	25.1%
2016	\$ 12,829,115	\$ 12,829,115	\$ -	\$ 49,217,661	26.1%
2015	\$ 13,461,987	\$ 13,461,987	\$ -	\$ 48,484,596	27.8%
2014	\$ 12,668,488	\$ 12,668,488	\$ -	\$ 48,484,596	26.1%
Louisiana School Employees' Retirement System					
2022	\$ 1,520,261	\$ 1,520,261	\$ -	\$ 5,297,077	28.7%
2021	\$ 1,449,604	\$ 1,449,604	\$ -	\$ 4,930,626	29.4%
2020	\$ 1,296,725	\$ 1,296,725	\$ -	\$ 4,631,160	28.0%
2019	\$ 1,243,793	\$ 1,243,793	\$ -	\$ 2,487,665	50.0%
2018	\$ 1,240,486	\$ 1,240,486	\$ -	\$ 2,671,565	46.4%
2017	\$ 1,271,047	\$ 1,271,047	\$ -	\$ 2,877,347	44.2%
2016	\$ 1,344,117	\$ 1,344,117	\$ -	\$ 2,879,970	46.7%
2015	\$ 1,444,156	\$ 1,444,156	\$ -	\$ 2,999,671	48.1%
2014	\$ 1,392,033	\$ 1,392,033	\$ -	\$ 2,999,671	46.4%
Louisiana State Employees' Retirement System					
2022	\$ 61,262	\$ 61,262	\$ -	\$ 152,772	40.1%
2021	\$ 53,994	\$ 53,994	\$ -	\$ 132,664	40.7%
2020	\$ 69,353	\$ 69,353	\$ -	\$ 170,401	40.7%
2019	\$ 101,963	\$ 101,963	\$ -	\$ 224,649	45.4%
2018	\$ 87,173	\$ 87,173	\$ -	\$ 229,747	37.9%
2017	\$ 83,433	\$ 83,433	\$ -	\$ 220,264	37.9%
2016	\$ 86,692	\$ 86,692	\$ -	\$ 233,044	37.2%
2015	\$ 90,000	\$ 90,000	\$ -	\$ 213,049	42.2%
2014	\$ 64,973	\$ 64,973	\$ -	\$ 213,049	30.5%

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

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

City of Monroe School Board Notes to Required Supplementary Information

Changes of Benefit Terms

Louisiana School Employees' Retirement System

There were no changes of benefit terms for the actuarial valuation for the year ended June 30, 2021.

Teachers' Retirement System of Louisiana

There were no changes of benefit terms for the actuarial valuation for the year ended June 30, 2021.

Louisiana State Employees' Retirement System

There were no changes of benefit terms for the actuarial valuation for the year ended June 30, 2021.

Changes of Assumptions

Louisiana School Employees' Retirement System

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

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

There were no changes to the discount rate for the year ended June 30, 2020.

For the actuarial valuation for the year ended June 30, 2020, the discount rate was decreased from 7.00% to 6.90%

Teachers' Retirement System of Louisiana

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

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

For the actuarial valuation for the year ended June 30, 2020, the discount rate was decreased from 7.55% to 7.45%

For the actuarial valuation for the year ended June 30, 2021, the discount rate was decreased from 7.45% to 7.40%

Louisiana State Employees' Retirement System

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

For the actuarial valuation for the year ended June 30, 2019, the discount rate was decreased from 7.65% to 7.60%.

For the actuarial valuation for the year ended June 30, 2020, the discount rate was decreased from 7.60% to 7.55%.

For the actuarial valuation for the year ended June 30, 2021, the discount rate was decreased from 7.55% to 7.40%.

OTHER SUPPLEMENTARY INFORMATION

City of Monroe School Board Non-major Governmental Fund Descriptions

Special Revenue Funds:

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

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

City of Monroe School Board Non-major Governmental Fund Descriptions

Debt Service Funds:

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

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

Capital Projects Funds:

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

- The Capital Projects Fund accounts for resources accumulated and expended for improvements, acquisitions and construction of School Board Facilities.
- The GO Bonds 2016 Capital Projects Fund (issued June 2016) accounts from the issuance of \$10,875,000 of General Obligation Bonds for the purpose of acquiring and/or improving lands for building sites and playgrounds, including construction of necessary sidewalks and streets adjacent thereto; purchasing, erecting and/or improving school buildings and other school related facilities.

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

<i>June 30, 2022</i>	Total Special Revenue	Total Debt Service	Total Capital Projects	Total Non-major Funds
Assets				
Cash and cash equivalents	\$ 10,121,241	\$ 3,766,972	\$ 45,293	\$ 13,933,506
Investments	-	-	-	-
Accounts receivable	5,016,147	292	-	5,016,439
Inventory	123,877	-	-	123,877
Other assets	9,206	-	-	9,206
Total assets	\$ 15,270,471	\$ 3,767,264	\$ 45,293	\$ 19,083,028
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 218,342	\$ -	\$ -	\$ 218,342
Salaries and wages payable	1,227,251	-	-	1,227,251
Due to other funds	3,795,730	-	-	3,795,730
Total liabilities	5,241,323	-	-	5,241,323
Fund Balances				
Nonspendable				
Inventory and other assets	123,877	-	-	123,877
Restricted for				
Salaries and related benefits	910,379	-	-	910,379
Instructional costs	4,541,800	-	-	4,541,800
Food services	3,761,341	-	-	3,761,341
Student Activity Funds	691,751	-	-	691,751
Debt service	-	3,767,264	-	3,767,264
Capital projects	-	-	45,293	45,293
Total fund balances	10,029,148	3,767,264	45,293	13,841,705
Total liabilities and fund balances	\$ 15,270,471	\$ 3,767,264	\$ 45,293	\$ 19,083,028

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

<i>Year ended June 30, 2022</i>	Total Special Revenue	Total Debt Service	Total Capital Projects	Total Non-major Funds
Revenues				
Local Sources				
Ad valorem tax	\$ -	\$ 2,791,286	\$ -	\$ 2,791,286
Sales and use taxes	14,932,071	-	-	14,932,071
Earnings on investments	3,790	1,276	118	5,184
Cash payments for meals	31,073	-	-	31,073
Other local revenue	4,159,936	-	-	4,159,936
State Sources				
Restricted grants-in-aid	222,057	-	-	222,057
Other unrestricted revenue	506,737	-	-	506,737
Federal Sources				
Restricted grants-in-aid	10,791,558	-	-	10,791,558
Total revenues	30,647,222	2,792,562	118	33,439,902
Expenditures				
Current				
Instructional				
Regular programs	6,024,815	-	-	6,024,815
Special education programs	2,658,098	-	-	2,658,098
Vocational programs	337,052	-	-	337,052
Other instructional programs	5,412,257	-	-	5,412,257
Special programs	861,975	-	-	861,975
Support Services				
Pupil support services	1,941,008	-	-	1,941,008
Instructional staff	2,272,494	-	-	2,272,494
General administration	111,536	81,403	-	192,939
School administration	1,096,194	-	-	1,096,194
Business services	128,391	-	-	128,391
Plant services	430,189	-	-	430,189
Student transportation services	287,951	-	28,958	316,909
Central services	713,384	-	-	713,384
Noninstructional				
Food service operations	5,058,677	-	17,317	5,075,994
Debt service				
Principal	-	4,140,000	-	4,140,000
Interest	-	1,312,856	-	1,312,856
Capital outlay	-	-	21,578	21,578
Total expenditures	27,334,021	5,534,259	67,853	32,936,133
Excess (Deficiency) of Revenues Over Expenditures	3,313,201	(2,741,697)	(67,735)	503,769
Other Financing Sources (Uses)				
Transfers in	37,098	-	-	37,098
Transfers out	(376,717)	-	-	(376,717)
Total other financing sources (Uses)	(339,619)	-	-	(339,619)
Net Change in Fund Balances	2,973,582	(2,741,697)	(67,735)	164,150
Fund Balances, beginning of year	7,055,566	6,508,961	113,028	13,677,555
Fund Balances, end of year	\$ 10,029,148	\$ 3,767,264	\$ 45,293	\$ 13,841,705

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

	Special Revenue Funds								Total Non-major Special Revenue Funds
	Special Education	School Food Service	1968 Sales Tax	1994 Sales Tax	Other Federal Programs	State Grants	Local Grants	School Activity Funds	
<i>June 30, 2022</i>									
Assets									
Cash and cash equivalents	\$ -	\$ 3,397,567	\$ 640,806	\$ 4,013,365	\$ 287,881	\$ 640,578	\$ -	\$ 1,141,044	\$ 10,121,241
Investments	-	-	-	-	-	-	-	-	-
Due from other governments	748,468	611,933	976,524	1,529,165	1,102,918	47,139	-	-	5,016,147
Inventory	-	123,877	-	-	-	-	-	-	123,877
Other assets	406	-	-	8,800	-	-	-	-	9,206
Total assets	\$ 748,874	\$ 4,133,377	\$ 1,617,330	\$ 5,551,330	\$ 1,390,799	\$ 687,717	\$ -	\$ 1,141,044	\$ 15,270,471
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ 22,601	\$ 47,319	\$ -	\$ 81,901	\$ 55,473	\$ 11,048	\$ -	\$ -	\$ 218,342
Salaries and wages payable	58,176	200,840	308,046	490,844	149,959	19,386	-	-	1,227,251
Due to other funds	668,097	-	1,208,679	565,182	866,437	38,042	-	449,293	3,795,730
Total liabilities	748,874	248,159	1,516,725	1,137,927	1,071,869	68,476	-	449,293	5,241,323
Fund Balances									
Nonspendable									
Inventory and prepaids	-	123,877	-	-	-	-	-	-	123,877
Restricted for									
Salaries and related benefits	-	-	100,605	490,844	318,930	-	-	-	910,379
Instructional costs	-	-	-	3,922,559	-	619,241	-	-	4,541,800
Food services	-	3,761,341	-	-	-	-	-	-	3,761,341
Student Activity Funds	-	-	-	-	-	-	-	691,751	691,751
Total fund balances	-	3,885,218	100,605	4,413,403	318,930	619,241	-	691,751	10,029,148
Total liabilities and fund balances	\$ 748,874	\$ 4,133,377	\$ 1,617,330	\$ 5,551,330	\$ 1,390,799	\$ 687,717	\$ -	\$ 1,141,044	\$ 15,270,471

City of Monroe School Board

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

Year ended June 30, 2022	Special Revenue Funds								Total Non-Major Special Revenue Funds
	Special Education	School Food Service	1968 Sales Tax	1994 Sales Tax	Other Federal Programs	State Grants	Local Grants	Student Activity Funds	
Revenues									
Local Sources									
Sales and use taxes	\$ -	\$ -	\$ 5,728,916	\$ 9,203,155	\$ -	\$ -	\$ -	\$ -	\$ 14,932,071
Earnings on investments	-	-	-	3,790	-	-	-	-	3,790
Cash payments for meals	-	31,073	-	-	-	-	-	-	31,073
Other local revenue	-	-	-	-	-	43,936	4,116,000	-	4,159,936
State Sources									
Restricted grants-in-aid	-	-	-	-	-	222,057	-	-	222,057
State - other revenues	42,615	115,091	-	-	-	349,031	-	-	506,737
Federal Sources									
Restricted grants-in-aid	2,175,355	6,177,140	-	-	2,439,063	-	-	-	10,791,558
Total revenues	2,217,970	6,323,304	5,728,916	9,206,945	2,439,063	571,088	43,936	4,116,000	30,647,222
Expenditures									
Current									
Instructional									
Regular programs	-	-	2,708,011	3,272,868	-	-	43,936	-	6,024,815
Special education programs	459,958	-	1,013,216	1,184,924	-	-	-	-	2,658,098
Vocational programs	-	-	95,940	109,400	44,923	86,789	-	-	337,052
Other instructional programs	22,121	-	402,767	723,326	353,575	12,142	-	3,898,326	5,412,257
Special programs	-	-	10,166	11,720	759,376	80,713	-	-	861,975
Support Services									
Pupil support services	764,538	-	379,951	479,824	274,223	42,472	-	-	1,941,008
Instructional staff	761,577	-	246,722	292,713	788,427	183,055	-	-	2,272,494
General administration	-	-	39,818	71,677	41	-	-	-	111,536
School administration	-	-	318,817	749,236	-	28,141	-	-	1,096,194
Business services	1,834	-	16,654	109,903	-	-	-	-	128,391
Plant services	-	-	154,603	275,586	-	-	-	-	430,189
Student transportation services	-	-	123,034	150,381	14,194	342	-	-	287,951
Central services	-	-	50,529	662,855	-	-	-	-	713,384
Noninstructional									
Food service operations	-	4,808,367	120,537	129,773	-	-	-	-	5,058,677
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	2,010,028	4,808,367	5,680,765	8,224,186	2,234,759	433,654	43,936	3,898,326	27,334,021
Excess of Revenues Over Expenditures	207,942	1,514,937	48,151	982,759	204,304	137,434	-	217,674	3,313,201
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	29,796	7,302	-	-	37,098
Transfers out	(207,942)	-	-	-	(168,775)	-	-	-	(376,717)
Total other financing sources (Uses)	(207,942)	-	-	-	(138,979)	7,302	-	-	(339,619)
Net Change in Fund Balances	-	1,514,937	48,151	982,759	65,325	144,736	-	217,674	2,973,582
Fund Balances at Beginning of Year	-	2,370,281	52,454	3,430,644	253,605	474,505	-	474,077	7,055,566
Fund Balances at End of Year	\$ -	\$ 3,885,218	\$ 100,605	\$ 4,413,403	\$ 318,930	\$ 619,241	\$ -	\$ 691,751	\$ 10,029,148

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

<i>June 30, 2022</i>	Bond Redemption	2001-2002 Sales Tax Bond Sinking	Total Non-Major Debt Service Fund
Assets			
Cash and cash equivalents	\$ 1,528,772	\$ 2,238,200	\$ 3,766,972
Due from other governments	292	-	292
Total assets	\$ 1,529,064	\$ 2,238,200	\$ 3,767,264
Liabilities and Fund Balances			
Liabilities			
Other Payables	\$ -	\$ -	\$ -
Fund Balances			
Restricted for debt service	1,529,064	2,238,200	3,767,264
Total liabilities and fund balances	\$ 1,529,064	\$ 2,238,200	\$ 3,767,264

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

<i>Year ended June 30, 2022</i>	Bond Redemption Debt Service	2001-2002 Sales Tax Bond Sinking	Total Non-major Debt Service Fund
Revenues			
Local Sources			
Ad valorem tax	\$ 2,791,286	\$ -	\$ 2,791,286
Earnings on investments	1,276	-	1,276
Total revenues	2,792,562	-	2,792,562
Expenditures			
General administration	81,403	-	81,403
Debt service			
Principal	2,835,000	1,305,000	4,140,000
Interest	1,290,094	22,762	1,312,856
Total expenditures	4,206,497	1,327,762	5,534,259
Excess (deficiency) of revenues over expenditures	(1,413,935)	(1,327,762)	(2,741,697)
Other financing sources / uses			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	(1,413,935)	(1,327,762)	(2,741,697)
Fund balances at beginning of year	2,942,999	3,565,962	6,508,961
Fund balances at end of year	\$ 1,529,064	\$ 2,238,200	\$ 3,767,264

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

<i>June 30, 2022</i>	Capital Projects	GO BONDS 2016 CAPITAL PROJECTS	Total Non-major Capita Projects Fund
Assets			
Cash and cash equivalents	\$ 43,459	\$ 1,834	\$ 45,293
Total assets	\$ 43,459	\$ 1,834	\$ 45,293
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ -	\$ -	\$ -
Fund Balances			
Restricted for capital projects	43,459	1,834	45,293
Total liabilities and fund balances	\$ 43,459	\$ 1,834	\$ 45,293

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

<i>Year ended June 30, 2022</i>	Capital Projects	GO BONDS 2016 Capital Projects	Total Non-major Capital Projects Fund
Revenues			
Local sources			
Earnings on investments	\$ 100	\$ 18	\$ 118
Total revenues	100	18	118
Expenditures			
Current			
Business services	-	-	-
Plant services	-	-	-
Student transportation services	-	28,958	28,958
Central services	-	-	-
Noninstructional			
Food service operations	-	17,317	17,317
Facility acquisition & construction	-	21,578	21,578
Total expenditures	-	67,853	67,853
Excess (deficiency) of revenues over expenditures	100	(67,835)	(67,735)
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (Uses)	-	-	-
Net change in fund balances	100	(67,835)	(67,735)
Fund balances at beginning of year	43,359	69,669	113,028
Fund balances at end of year	\$ 43,459	\$ 1,834	\$ 45,293

**City of Monroe School Board
 Schedule of Compensation Paid to Board Members
 For the Year Ended June 30, 2022**

	<u>District</u>	<u>Compensation</u>
Rick Saulsberry	1	\$ 9,600
Jennifer Haneline	2	9,600
William Willison	3	9,600
Daryll Berry, President	4	10,300
Betty Cooper	5	9,600
Brandon Johnson	6	10,100
Sharon Neal	7	9,600
<hr/>		
Total board member compensation		<u>\$ 68,400</u>

City of Monroe School Board
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2022

Agency Head Name: Dr. Brent Anthony Vidrine, Superintendent

Purpose	Amount
Salary	\$ 218,626
Benefits-insurance (health & life)	\$ 8,091
Benefits (retirement)	\$ 55,821
Car allowance	\$ 8,400
Contract benefits	\$ 115,608
Travel	\$ 3,688

REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS



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**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
In Accordance With *Government Auditing Standards***

Board Members
City of Monroe School Board
Monroe, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Monroe School Board, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Monroe School Board's basic financial statements and have issued our report thereon dated January 3, 2022.

Report on Internal Control over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-004 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-001 to be significant deficiencies.

Report on Compliance and Other Matters

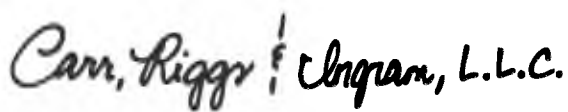
As part of obtaining reasonable assurance about whether City of Monroe School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003.

City of Monroe School Board's Response to Findings

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

Purpose of this Report

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



CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
January 3, 2023



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

Board Members
City of Monroe School Board
Monroe, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Monroe School Board's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Monroe School Board's major federal programs for the year ended June 30, 2022. City of Monroe 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.

In our opinion, City of Monroe School Board's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Monroe School Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Monroe School Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Monroe School Board's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

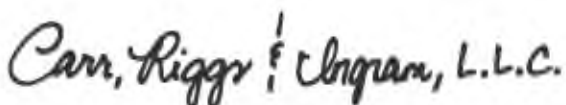
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-005 and 2022-006 to be significant deficiencies.

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

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

Purpose of this Report

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



CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
January 3, 2023

**City of Monroe School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022**

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grant Number	Expenditures / Issues	Expenditures to Subrecipients
DIRECT PROGRAMS:				
U.S. DEPARTMENT OF DEFENSE				
ROTC Language and Culture Training Grants	12.357	N/A	\$ 116,183	\$ -
Total U.S. Department of Defense			<u>116,183</u>	-
U.S. DEPARTMENT OF EDUCATION				
Impact Aid	84.041	N/A	130,875	-
Total U.S. Department of Education			<u>130,875</u>	-
Total Direct Programs			<u>247,058</u>	-
PASS THROUGH PROGRAMS:				
U. S. DEPARTMENT OF EDUCATION				
Passed through Louisiana Department of Education				
Comprehensive Literacy Development	84.371	28-20-CCU6-65	215,708	-
Comprehensive Literacy Development	84.371	28-20-CCU9-65	35,579	-
Comprehensive Literacy Development	84.371	28-20-CCUB-65	24,770	-
Comprehensive Literacy Development	84.371	28-20-CCUK-65	176,787	-
Total Comprehensive Literacy Development			<u>452,844</u>	-
Title I Grants to Local Educational Agencies				
Title I Grants to Local Educational Agencies	84.010	28-22-T1-65	8,230,422	-
Title I Grants to Local Educational Agencies	84.010	28-21-RD19-65	225,780	-
Title I Grants to Local Educational Agencies	84.010	28-22-DSS-65	324,662	-
Total Title I Grants to Local Educational Agencies			<u>8,780,864</u>	-
SPECIAL EDUCATION CLUSTER:				
Special Education-Individuals With Disabilities Education Act IDEA B				
Grants to States (IDEA Part B)	84.027	28-22-B1-65	2,109,172	-
Preschool Grants	84.173	28-22-P1-65	56,381	-
Grants to States (High Cost Services)	84.027	28-22-RH-65	9,801	-
Grants to States (Believe and Prepare Transition Support)	84.027	N/A	14,300	-
Total Special Education Cluster			<u>2,189,654</u>	-
Supporting Effective Instruction State Grants	84.367	28-22-50-65	504,276	-
21st Century Community Learning Centers Cohort	84.287	28-21-2C-65	652,836	-
School Improvement Grants	84.377	28-17-TC07-65	1,903	-
Career and Technical Education - Basic Grants to States	84.048	28-22-02-65	43,953	-
Education Stabilization Fund				
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	28-20-ESRF-65	1,767,775	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	28-20-ERSI-65	59,378	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	28-21-ES2F-65	9,871,183	-
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	28-21-ESEB-65	1,906,457	-
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	28-21-ES3F-65	4,337,249	-
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	28-21-ES3I-65	311,888	-
Total Education Stabilization Funds			<u>18,253,930</u>	-
Total U.S. Dept. of Education Passed Through LA DOE			<u>30,880,260</u>	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Louisiana Department of Education				
Substance Abuse and Mental Health Services	93.243	28-19-LSMH-65	295,856	-
Total U. S. Department of Health and Human Services Passed Through LA DOE			<u>295,856</u>	-

(continued)

**City of Monroe School Board
 Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended June 30, 2022**

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grant Number	Expenditures / Issues	Expenditures to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE (USDA)				
Passed through Louisiana Department of Education				
CHILD NUTRITION CLUSTER:				
School Breakfast Program	10.553	N/A	187,044	-
National School Lunch Program	10.555	N/A	173,773	-
National School Lunch Program (Commodities)	10.555	N/A	459,969	-
Summer Food Service Program for Children	10.559	N/A	5,056,969	-
Fresh Fruit and Vegetable Program	10.582	N/A	299,385	-
Total Child Nutrition Cluster			6,177,140	-
Total U.S. Dept. of Agriculture Passed Through LA DOE			6,177,140	-
TOTAL PASS THROUGH PROGRAMS			37,353,256	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 37,600,314	\$ -

See Notes to Schedule of Expenditures of Federal Awards

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

A. General

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

B. Basis of Accounting

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

C. Relationship to Financial Statements

The following reconciliation is provided to help the reader of the School Board's financial statements and supplementary information relate such information to the Schedule of Expenditures of Federal Awards for the year ended June 30, 2022:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 37,600,314
Total expenditures funded by other sources	98,810,193
<hr/>	
Total expenditures	\$ 136,410,507

Included in the Child Nutrition Cluster is \$459,969 of non-cash awards in the form of commodities provided by the United States Department of Agriculture.

D. Relationship to Federal Financial Reports

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

E. Federal Indirect Cost Rate

City of Monroe School Board did not elect to use the 10% de minimis federal indirect cost rate for the year ended June 30, 2022.

F. Subrecipients

City of Monroe School Board did not provide federal funds to any subrecipients during the year ended June 30, 2022.

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

G. Loans

City of Monroe School Board did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2022.

H. Federally Funded Insurance

The City of Monroe School Board has no federally funded insurance.

**City of Monroe School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022**

Section I - Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

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

Federal Awards

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

Unmodified

Internal control of major programs:

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

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

The programs tested as major programs included:

Assistance Listing Number	Program Name
84.027	Special Education Cluster:
84.173	Grants to States
	Preschool Grants
84.425D	COVID-19 Education Stabilization Fund
84.425U	COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish between Type A and B programs: \$1,128,009

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

City of Monroe School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

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

2022-001 Student Activity Funds

Entity-Wide or Program/Department Specific: This finding is specific to the Student Activity Funds at each of the schools of the School Board.

Criteria or Specific Requirement: Funds should be accounted for properly and supported by appropriate documentation in accordance with *Government Auditing Standards* and School Board policies and procedures.

Condition: For student activity funds revenue testing, documentation was not maintained for thirty-three (33) deposits tested to determine if the amounts and general ledger coding were to the appropriate student activity fund. For student activity fund expense testing, support was missing for six (6) expense transactions, seven (7) transactions included sales tax that was either paid to the vendor or reimbursed to the employee and twenty-two (22) transactions did not have proper approval.

Effect: Student activity funds could be used for items and expenses that are not allowable and for improper amounts due to a lack of internal controls.

Cause: Lack of internal controls

Recommendation: CRI recommends the School Board provide training to school officials in charge of the student activity funds.

Views of responsible officials and corrective action plan: The School Board will conduct training sessions for School staff on the proper ways to record all monies received and disbursed at their schools according to the guidelines provided under *Government Auditing Standards* and School Board policies. The School Board will be conducting more internal audits to ensure schools maintain proper supporting documentation for all monies received or disbursed, to ensure that sales tax exempt forms are being properly used, to ensure that deposits are made timely and emphasize the importance of segregation of duties. The School Board will ensure handbooks detailing the policies and procedures are provided.

2022-002 Professional Leave

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

Criteria or Specific Requirement: Information should be accounted for properly and supported by appropriate documentation in accordance with *Government Auditing Standards* and School Board policies and procedures.

City of Monroe School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Condition: During our audit procedures, we identified an instance of noncompliance with School Board policy regarding professional leave.

Effect: Lack of compliance with School Board policies.

Cause: Requests for leave to attend professional meetings were not provided to the School Board.

Recommendation: CRI recommends the School Board implement procedures to review and recalculate timesheets prior to processing.

Views of responsible officials and corrective action plan: The School Board will implement procedures to ensure compliance with policies regarding professional leave for employees.

2022-003 Ethics Training

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

Criteria or Specific Requirement: In accordance with Louisiana Revised Statutes, all employees are required to have one hour of ethics training annually.

Condition: During our testwork, we identified nine (9) out of twenty-five (25) employees selected, did not obtain the one hour Louisiana ethics training.

Effect: Noncompliance with Louisiana Revised Statutes requiring ethics.

Cause: The School Board did not have procedures in place to ensure that all individuals meet the ethics requirement.

Recommendation: CRI recommends the School Board implement policies and procedures to properly ensure all employees obtain the required ethics training.

Views of responsible officials and corrective action plan: The School Board will implement additional procedures to coordinate with all schools and departments to ensure that all employees meet the ethics requirements.

2022-004 Improper Teacher Certification Pay

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

Criteria or Specific Requirement: Individuals being paid as certified teachers for their appropriate pay scale and sales tax supplements should be vetted to ensure the individuals hold the minimum requirements in accordance with qualifications established by the Louisiana Department of Education.

City of Monroe School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Condition: CRI identified instances where ten (10) individuals were being paid as certified teachers without the proper qualifications.

Effect: Potential overpayment for those positions from the general fund and certified sales tax fund as no salary schedules were established for those positions.

Cause: Lack of review of individuals' qualifications for teaching positions.

Recommendation: CRI recommends the School Board review an individual's background and qualifications prior to employment to ensure they meet the requirements of a certified teacher.

Views of responsible officials and corrective action plan: The School Board has reviewed current procedures and will make the appropriate changes to ensure that all documentation is complete and meet the requirements of a certified teacher prior to employment.

Section III – Federal Award Findings and Responses

2022-005 Timesheet Inaccuracies

Federal Program, Assistance Listing # and Year, Federal Agency, Pass-Through Entity: Special Education Cluster – Grants to States, Assistance Listing #84.027, 2022, U.S. Department of Education, Louisiana Department of Education.

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

Condition: During our testwork, we identified an error in the re-calculation of hours on a timesheet for an employee selected. The original calculation prepared by the employee was correct.

Effect: The School Board overpaid an employee for that particular time period by .25 hours.

Questioned Cost: The overpayment was calculated to be \$4.25. The projected questioned costs is estimated to be \$737.

Cause: Hours were incorrectly re-calculated during the review and approval of the timesheet.

Recommendation: We recommend the School Board take necessary steps to verify time sheet calculations.

Views of responsible officials and corrective action plan: The School Board will have payroll processing staff review approved timesheets before they are processed for payment.

City of Monroe School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

2022-006 Suspension and Debarment

Federal Program, Assistance Listing # and Year, Federal Agency, Pass-Through Entity: Special Education Cluster – Grants to States, Assistance Listing #84.027, 2022, U.S. Department of Education, Louisiana Department of Education.

Criteria or Specific Requirement: 2 CFR 200.303 requires the entity to establish and maintain effective internal controls over compliance with respect to federal awards and Section 1111(b)(2)(A) of the ESEA for compliance accountability. Proper internal controls require supporting documentation to be retained as evidence for effectiveness of the controls in place. Non-federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred. “Covered transactions” include those procurement contracts for goods and services awarded under a non-procurement transaction (i.e., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR 180.220. When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR 180.995 and agency adoption regulations, is not suspended or debarred or otherwise excluded from participating in the transaction.

Condition: CRI identified that the School Board did not have controls in place to verify whether vendors are suspended, debarred or otherwise excluded.

Effect: Transactions could be entered into with vendors who are suspended, debarred, or otherwise excluded causing the program to not be in compliance with grant requirements, which could result in loss of federal funding or repayment of questioned costs.

Questioned Cost: None.

Cause: Lack of internal controls to verify whether vendors are suspended, debarred or otherwise excluded.

Recommendation: We recommend the School Board implement policies and procedures to verify vendors are not suspended, debarred or otherwise excluded.

Views of responsible officials and corrective action plan: The School Board will implement procedures to verify vendors are not suspended, debarred or otherwise excluded.

**City of Monroe School Board
Summary Schedule of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2021**

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

2021-001 - Timely Filing of Audit Report

Year of origination: June 30, 2021

Condition: The School Board was not able to submit its audited financial statements to the Louisiana Legislative Auditor by the required deadline.

Corrective action taken: The School Board implemented a process to ensure all necessary information and documentation is provided to appropriate entities in a timely manner.

Status: Resolved

2021-002 - Use of Personal 3rd Party CashApp

Year of origination: June 30, 2021

Condition: A staff member was using their personal 3rd party CashApp application to collect fees belonging to the School.

Corrective action taken: The School Board reviewed cash collection procedures with school level personnel.

Status: Resolved

2021-003 - Student Activity Funds

Year of origination: June 30, 2021

Condition: Documentation was not maintained for deposits selected for testing and support was missing for expense transaction testing.

Corrective action taken: The School Board provided training to school officials in charge of the student activity funds; however, training was performed after the FY2022 school year ended.

Status: See current year finding 2022-001.

City of Monroe School Board
Summary Schedule of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2021

2021-004 - Inaccurate information / missing files

Year of origination: June 30, 2021

Condition: During our testing of the OPEB census data, inaccurate information was identified and instances of lack of supporting documentation was identified regarding OPEB information.

Corrective action taken: OGB census file for retirees and active employees have been compared to personnel files to ensure accurate information is reported.

Status: Resolved.

2021-005 - Timesheet inaccuracies

Year of origination: June 30, 2021

Condition: During our testing of non-regular payroll, we identified three (3) instances of timesheets being properly approved by supervisors; however, the hours worked were not calculated properly by the employee.

Corrective action taken: The School Board will have payroll processing staff review approved timesheets before they are processed for payment.

Status: See current year finding 2022-005.

2021-006 - Professional Leave

Year of origination: June 30, 2021

Condition: It was identified an instance of noncompliance with School Board policy regarding professional leave.

Corrective action taken: The School Board will implement procedures to ensure compliance with policies regarding professional leave for employees.

Status: See current year finding 2022-002.

City of Monroe School Board
Summary Schedule of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2021

Section III – Federal Award Findings and Responses

2021-007 - Child Nutrition Program Reimbursements

Federal Program, Assistance Listing # and Year, Federal Agency, Pass-Through Entity:

School Lunch Program and School Breakfast Program, Assistance Listing # 10.555 and #10.553, 2021, U.S. Department of Agriculture, Louisiana Department of Education.

Year of origination: June 30, 2021

Condition: During testing procedures, we identified certain documentation was not able to be found to support the request for reimbursement for the number of meals served for the months tested.

Corrective action taken: The School Board implemented procedures to ensure accurate financial report and reconciled reimbursements to meals served.

Status: Resolved.



DaVona Howard
Chief Financial Officer

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**Corrective Action Plan
For the Year Ended June 30, 2022**

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

2022-001 Student Activity Funds

Entity-Wide or Program/Department Specific: This finding is specific to the Student Activity Funds at each of the schools of the School Board.

Condition: For student activity funds revenue testing, documentation was not maintained for thirty-three (33) deposits tested to determine if the amounts and general ledger coding were to the appropriate student activity fund. For student activity fund expense testing, support was missing for six (6) expense transactions, seven (7) transactions included sales tax that was either paid to the vendor or reimbursed to the employee and twenty-two (22) transactions did not have proper approval.

Corrective Action Plan: The School Board will conduct training sessions for School staff on the proper ways to record all monies received and disbursed at their schools according to the guidelines provided under *Government Auditing Standards* and School Board policies. The School Board will be conducting more internal audits to ensure schools maintain proper supporting documentation for all monies received or disbursed, to ensure that sales tax exempt forms are being properly used, to ensure that deposits are made timely and emphasize the importance of segregation of duties. The School Board will ensure handbooks detailing the policies and procedures are provided.

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

Anticipated Completion Date – Immediately.

2022-002 Professional Leave

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

Condition: During our audit procedures, we identified an instance of noncompliance with School Board policy regarding professional leave.

Corrective Action Plan: The School Board will implement procedures to ensure compliance with policies regarding professional leave for employees.

Person Responsible for Corrective Action – Dr. Brent Vidrine, Superintendent

Anticipated Completion Date – Immediately.

2022-003 Ethics Training

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

Condition: During our testwork, we identified nine (9) out of twenty-five (25) employees selected, did not obtain the one hour Louisiana ethics training.

Corrective Action Plan: The School Board will implement additional procedures to coordinate with all schools and departments to ensure that all employees meet the ethics requirement.

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

Anticipated Completion Date – Immediately.

2022-004 Improper Teacher Certification Pay

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

Condition: CRI identified instances where ten (10) individuals were being paid as certified teachers without the proper qualifications.

Corrective Action Plan: The School Board has reviewed current procedures and will make the appropriate changes to ensure that all documentation is complete and meet the requirements of a certified teacher prior to employment.

Persons Responsible for Corrective Action – DaVona Howard, Chief Financial Officer and Dr. Brent Vidrine, Superintendent.

Anticipated Completion Date – Immediately.

Section III – Federal Award Findings and Responses

2022-005 Timesheet Inaccuracies

Condition: During our testwork, we identified an error in the re-calculation of hours on a timesheet for an employee selected. The original calculation prepared by the employee was correct.

Corrective Action Plan: The School Board will have payroll processing staff review approved timesheets before they are processed for payment.

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

Anticipated Completion Date – Immediately.

2022-006 Suspension and Debarment

Condition: CRI identified that the School Board did not have controls in place to verify whether vendors are suspended, debarred or otherwise excluded.

Corrective Action Plan: The School Board will implement procedures to verify vendors are not suspended, debarred or otherwise excluded.

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

Anticipated Completion Date – Immediately.

OTHER INFORMATION

Independent Accountants' Report On Applying Agreed-Upon Procedures

Board Members
City of Monroe School Board
Monroe, Louisiana

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

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

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

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

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

Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1, 2021 roll books for those classes and observed that the class was properly classified on the schedule.

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

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

3. We obtained October 1, 2021 PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data / listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

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

Public School Staff Data: Average Salaries (No Schedule)

4. We obtained June 30, 2022 PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data / listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management)

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

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

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

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

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana

January 3, 2023

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2022**

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

Classroom Teacher Salaries	\$ 20,788,636	
Other Instructional Staff Activities	2,556,498	
Instructional Staff Employee Benefits	14,202,605	
Purchased Professional and Technical Services	40,900	
Instructional Materials and Supplies	289,948	
Instructional Equipment	20,015	
Total Teacher and Student Interaction Activities	<u>\$ 37,898,602</u>	

Other Instructional Activities

	260,101	
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Pupil Support Activities	4,043,449	
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Less: Equipment for Pupil Support Activities	*	
Net Pupil Support Activities	<u>4,043,449</u>	

Instructional Staff Services

	2,475,287	
--	-----------	--

Less: Equipment for Instructional Staff Services	*	
Net Instructional Staff Services	<u>2,475,287</u>	

School Administration

	4,202,399	
--	-----------	--

Less: Equipment for School Administration	*	
Net School Administration	<u>4,202,399</u>	

Total General Fund Instructional Expenditures	<u>\$ 48,879,838</u>	
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Total General Fund Equipment Expenditures

<u>\$ 20,015</u>	
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Certain Local Revenue Sources**Local Taxation Revenue:**

Ad Valorem Taxes		
Constitutional Ad Valorem Taxes	\$ 2,801,964	
Renewable Ad Valorem Tax	8,143,208	
Debt Service Ad Valorem Tax	2,791,286	
Up to 1% of Collections by the Sheriff on taxes other than School Taxes	411,033	
Sales Taxes		
Sales and Use Taxes - Gross	33,338,353	
Total Local Taxation Revenue	<u>\$ 47,485,844</u>	

Local Earnings on Investment in Real Property:

Total Local Earnings on Investment in Real Property	<u>\$ *</u>	
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State Revenue in Lieu of Taxes:

Revenue Sharing-Constitutional Tax	\$ 165,046	
Total State Revenue in Lieu of Taxes	<u>\$ 165,046</u>	

Nonpublic Textbook Revenue

<u>\$ -</u>	
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CITY OF MONROE SCHOOL BOARD
Class Size Characteristics
As of October 1, 2021

School Type	Class Size Range							
	1 - 20		21-26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	79.1%	1,273	20.0%	322	0.9%	15	0.0%	0
Elementary Activity Classes	77.6%	190	21.6%	53	0.8%	2	0.0%	0
Middle/Jr. High	75.4%	466	19.7%	122	4.5%	28	0.3%	2
Middle/Jr. High Activity Classes	96.4%	135	3.6%	5	0.0%	0	0.0%	0
High	80.3%	933	15.6%	181	4.1%	48	0.0%	0
High Activity Classes	93.6%	191	2.5%	5	1.0%	2	2.9%	6
Combination	99.5%	196	0.0%	0	0.0%	0	0.5%	1
Combination Activity Classes	95.7%	22	0.0%	0	0.0%	0	4.3%	1
Other	100.0%	6	0.0%	0	0.0%	0	0.0%	0



City of Monroe School Board

STATEWIDE AGREED-UPON PROCEDURES REPORT

June 30, 2022



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The City of Monroe School Board's management is responsible for those C/C areas identified in the SAUPs.

The City of Monroe School Board (the "School Board") has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Results: No exceptions were identified as a result of applying the procedure.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

Results: The policy does not address the preparation and approval process of purchase requisitions and controls to ensure compliance with the Public Bid Law.

- c) **Disbursements**, including processing, reviewing, and approving.

Results: The policy does not address processing and reviewing disbursements.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Results: There is no written policy for receipts/collections.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Results: No exceptions were identified as a result of applying the procedure.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Results: The policy does not address the standard terms and conditions, legal review, and the monitoring process of contracts.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Results: No exceptions were identified as a result of applying the procedure.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Results: No exceptions were identified as a result of applying the procedure.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Results: The policy does not formally address the prohibitions as defined in Louisiana Revised Statute (R.S) 42:1111-1121, system to monitor possible ethics violations, and a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's policy.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The policy does not address continuing disclosure/EMMA reporting requirements, debt reserve requirements, and debt service requirements.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: The policy does not address the identification of personnel, processes, and tools needed to recover operations after a critical event.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: The policy does not address annual reporting.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: No exceptions were identified as a result of applying the procedure.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Results: No exceptions were identified as a result of applying the procedure.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: No exceptions were identified as a result of applying the procedure.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Results: No exceptions were identified as a result of applying the procedure.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Results: No exceptions were identified as a result of applying the procedure.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: We identified two bank reconciliations with reconciling items that have been outstanding for more than 12 months from the statement closing date that did not have documentation of research by management.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: CRI obtained a listing of deposit sites for the fiscal period and management's representation that the listing was complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

a) Employees responsible for cash collections do not share cash drawers/registers.

Results: No exceptions were identified as a result of applying the procedure.

b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Results: Employees responsible for collecting cash also prepare or make deposits.

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Results: Employees responsible for collecting cash are responsible for posting collection entries to the general ledger.

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were identified as a result of applying the procedure.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Results: No exceptions were identified as a result of applying the procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

a) Observe that receipts are sequentially pre-numbered.

Results: No exceptions were identified as a result of applying the procedure.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Results: No exceptions were identified as a result of applying the procedure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Results: No exceptions were identified as a result of applying the procedure.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Results: No exceptions were identified as a result of applying the procedure.

- e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were identified as a result of applying the procedure.

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

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: CRI obtained a listing of locations that process payments and management's representation that the listing was complete.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: The employees responsible for processing payments are not prohibited from adding/modifying vendor files for each location.

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

Results: The employees processing payments also mail the payments for each location.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Results: One disbursement amount did not match the related invoice amount.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: No exceptions were identified as a result of applying the procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: CRI obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards and management's representation that the listing was complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Results: Four monthly statements selected did not have evidence of review or approval.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: One monthly statement selected had finance charges assessed.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: CRI identified two transactions that were not supported by a receipt. CRI identified five transactions that did not have written documentation of the business/public purpose. CRI identified one transaction that was not for an appropriate business use.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Results: No exceptions were identified as a result of applying the procedure.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Results: No exceptions were identified as a result of applying the procedure.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Results: No exceptions were identified as a result of applying the procedure.

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were identified as a result of applying the procedure.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Results: No exceptions were identified as a result of applying the procedure.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were identified as a result of applying the procedure.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: No exceptions were identified as a result of applying the procedure.

Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Results: No exceptions were identified as a result of applying the procedure.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Results: No exceptions were identified as a result of applying the procedure.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: No exceptions were identified as a result of applying the procedure.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were identified as a result of applying the procedure.

17. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results: CRI obtained a listing of employees and officials that received termination payments during the fiscal period and management's representation that the listing was complete.

18. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were identified as a result of applying the procedure.

Ethics

19. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Results: No exceptions were identified as a result of applying the procedure.

b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: No exceptions were identified as a result of applying the procedure.

Debt Service

20. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Results: CRI obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing was complete.

21. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: No exceptions were identified as a result of applying the procedure.

Fraud Notice

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

Results: Management represented that no misappropriations of public funds and assets occurred during the fiscal period.

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

Results: No exceptions were identified as a result of applying the procedure.

Information Technology Disaster Recovery/Business Continuity

24. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

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

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results: No exceptions were identified as a result of applying the procedure.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results: No exceptions were identified as a result of applying the procedure.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

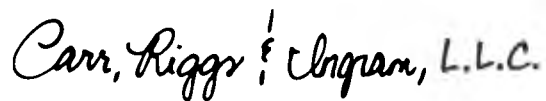
- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Results: CRI identified the annual sexual harassment report was not dated on or before February 1, 2022 and the number and percentage of public servants in the agency who have completed the training requirements were inaccurate.

We were engaged by the City of Monroe School Board to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." with a small vertical mark above the ampersand.

CARR, RIGGS, & INGRAM, LLC

Shreveport, Louisiana

January 3, 2023



DaVona Howard
Chief Financial Officer

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January 3, 2023

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And

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Re: Management Response to Statewide Agreed-upon Procedures

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

Respectfully,

DaVona Howard

DaVona Howard
Chief Financial Officer