

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

**Financial Report
For the Year Ended June 30, 2009**

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

Release Date 1/27/10

CITY OF MONROE SCHOOL BOARD
Monroe, LA

Financial Report
For The Year Ended June 30, 2009

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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

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INDEPENDENT AUDITORS' REPORT

City of Monroe School Board Monroe, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the **City of Monroe School Board** (the School Board) as of and for the year ended June 30, 2009, which collectively comprise the School Board's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide* issued by the Louisiana Legislative Auditor and the Louisiana Society of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2009, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2009 on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that

**City of Monroe School Board
Independent Auditors' Report**

testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The "Management's Discussion and Analysis" presented on pages 5 through 13 and the "Budgetary Comparison Schedules", presented on pages 58 through 60 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Monroe School Board's basic financial statements. The accompanying Supplemental Information, other supplementary data and supplementary grant activity as listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Huffman, Huffman, Reynolds & Siggins

(A Professional Accounting Corporation)

December 30, 2009

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF MONROE SCHOOL BOARD
Management's Discussion and Analysis

For The Year Ended June 30, 2009

We offer readers of the City of Monroe School Board's 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, 2009. 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

The City of Monroe School Board ended the 2008-2009 fiscal year with a fund balance in the General Fund of approximately \$11.7 million.

Other financial highlights for the 2008-09 fiscal year include the following:

- Statement of Net Assets – The assets of the City of Monroe School Board exceeded its liabilities at the close of the most recent fiscal year by \$35.2 million (net assets).
- Statement of Activities – The total net assets of the City of Monroe School Board decreased by \$5.2 million for the year ended June 30, 2009.
- Governmental Funds Balance Sheet – As of the close of the 2008-2009 fiscal year, the City of Monroe School Board's governmental funds reported combined ending fund balance of \$24.0 million, a decrease of approximately \$165,000 in comparison with the prior fiscal year. The majority of this fund balance is comprised of approximately (1) \$10.7 million in General Fund, (2) \$8.2 million in the debt service funds, and (3) \$5.1 million in the remaining special revenue and capital projects funds.
- Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Total revenues for the year ended June 30, 2009 for the governmental funds of the City of Monroe School Board amounted to \$104 million. Approximately 78% of this amount is received from three major revenue sources: (1) \$42.8 million from Minimum Foundation Program, (2) \$13.6 million from local ad valorem taxes, and (3) \$24.7 million from local sales and use taxes.
- Capital Assets – Total capital assets (net of depreciation) were \$61.7 million or 64% of the total assets. The City of Monroe School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.
- Long-Term Debt – The School Board's total debt increased by approximately \$1.9 million.

CITY OF MONROE SCHOOL BOARD
Management's Discussion and Analysis

For The Year Ended June 30, 2009

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the district'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 Assets presents information on all of the district's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

CITY OF MONROE SCHOOL BOARD
Management's Discussion and Analysis

For The Year Ended June 30, 2009

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 sixteen 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, Bond Redemption and Title 1, all of which are considered to be major funds. Data for the other fourteen governmental fund groups are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

Financial Analysis of Government-wide Activities

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Monroe School Board, assets exceed liabilities by \$35.2 million at the close of the most recent fiscal year.

The largest portion of the City of Monroe School Board's total assets totaling approximately \$96.9 million reflects its investment in capital assets of \$61.7 million (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. 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 is reported net of related debt,

**CITY OF MONROE SCHOOL BOARD
Management's Discussion and Analysis**

For The Year Ended June 30, 2009

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's Net Assets

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Current and other assets	\$ 35,169,397	\$ 34,381,675
Capital assets	<u>61,711,411</u>	<u>64,876,611</u>
Total assets	\$ <u>96,880,808</u>	\$ <u>99,258,286</u>
Current and other liabilities	\$ 11,362,154	\$ 10,438,533
Long-term liabilities	<u>50,286,315</u>	<u>48,345,102</u>
Total liabilities	\$ <u>61,648,469</u>	\$ <u>58,783,635</u>
Invested in capital assets, net of related debt	\$ 22,541,411	\$ 20,682,381
Restricted	8,389,931	10,592,481
Unrestricted	<u>4,300,997</u>	<u>9,199,790</u>
Total net assets	\$ <u>35,232,339</u>	\$ <u>40,474,652</u>

Restricted net assets of \$8.4 million are 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 \$5.3 million of the total, with capital projects accounting for \$3.0 million. The remaining balance is monies restricted for salaries and benefits.

Governmental activities decreased the City of Monroe School Board's net assets by \$5.2 million. Key elements of this increase are as follows:

**CITY OF MONROE SCHOOL BOARD
Management's Discussion and Analysis**

For The Year Ended June 30, 2009

City of Monroe School Board's Changes in Net Assets

	<u>Year Ended June 30, 2009</u>	<u>Year Ended June 30, 2008</u>
Revenues		
Program revenues		
Changes for services	\$ 249,261	\$ 309,491
Operating and capital grants & contributions	21,795,883	22,109,611
General revenues		
Ad valorem taxes	13,623,137	13,587,194
Sales taxes	24,694,967	24,568,773
Minimum Foundation Program	42,832,323	38,388,609
Interest on investments	293,240	888,363
Other general revenues	<u>721,263</u>	<u>711,587</u>
Total revenues	<u>104,210,074</u>	<u>100,563,628</u>
Expenses		
Instruction	62,799,998	53,816,136
Support services		
Pupil Support Services	5,877,983	4,839,009
Instructional Staff Support	5,961,101	4,822,890
General administration	2,545,973	2,263,237
School administration	4,589,723	3,949,050
Business services	1,462,362	1,176,068
Plant services	8,343,511	7,728,454
Student transportation services	3,514,559	3,267,104
Central services	4,197,207	3,373,717
School food services	5,793,911	5,055,219
Facility acquisition and construction	2,385,792	3,455,707
Debt service - interest on long-term obligation:	<u>1,980,267</u>	<u>2,254,296</u>
Total expenses	<u>109,452,387</u>	<u>96,000,887</u>
Increase (decrease) in net assets	\$ <u>(5,242,313)</u>	\$ <u>4,562,741</u>

**CITY OF MONROE SCHOOL BOARD
Management's Discussion and Analysis**

For The Year Ended June 30, 2009

Governmental Activities

Expenses are classified by functions/programs. Instructional services for fiscal 2009 totaled \$62,799,998, compared to a total of \$53,816,136 for 2008. The remaining functions are considered support services and relate to those functions that support the instructional services provided, such as pupil support, instructional staff support, administration, transportation, food services, and plant services. Support services for fiscal 2009 totaled \$42,286,330 compared to \$36,474,748 for 2008.

The remaining expenditures of \$4,366,059 consist of \$2,385,792 for facility acquisition and construction and \$1,980,267 of interest expense on long-term obligations.

The related program revenues for fiscal year 2009 directly related to these expenses totaled \$21,795,883, along with \$249,261 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 received \$42,832,323 in MFP funds in 2008-2009. This amounts to 41% 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 \$24,694,967 in revenue, or 24% of total revenue.
- **Ad Valorem tax revenues** – Ad valorem, or property tax revenues, the third largest source of revenues, accounts for 13% of total revenues or \$13,623,137.

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 \$23,980,004 a decrease of \$164,674 in comparison with the prior fiscal year.
- The General Fund is the chief operating fund of the City of Monroe School Board. At the end of the current fiscal year, the fund balance of the General Fund was \$11,671,931.

**CITY OF MONROE SCHOOL BOARD
Management's Discussion and Analysis**

For The Year Ended June 30, 2009

- The Debt Service Funds have a total fund balance of \$5,375,819 all of which is reserved for the payment of debt service.
- The Capital Projects Fund has a fund balance of \$3,029,277 all of which is reserved 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 June 19, 2007.

The original General Fund Budget projected an ending fund balance of \$8 million, with the amended budget projecting to end the year with a positive balance of \$8.7 million. The actual ending balance for the General Fund came in at \$11.7 million. Expenses came in lower than projected in virtually all functional categories

Capital Assets and Debt Administration

Capital Assets: The City of Monroe School Board's investment in capital assets as of June 30, 2009, amounts to \$61,711,411 (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.

**City of Monroe School Board's Capital Assets
(Net of depreciation)**

	2009	2008
Land	\$ 1,490,547	\$ 1,483,883
Buildings and improvements	55,084,582	56,594,815
Furniture and equipment	4,876,847	6,770,505
Construction in progress - buildings	259,435	27,408
Total	\$ 61,711,411	\$ 64,876,611

**CITY OF MONROE SCHOOL BOARD
Management's Discussion and Analysis**

For The Year Ended June 30, 2009

Long-Term Debt

**City of Monroe School Board Outstanding Debt
As of June 30, 2009**

	<u>Balance</u> <u>June 30, 2009</u>	<u>Balance</u> <u>June 30, 2008</u>
School Refunding Bonds		
Series 2001	\$ 12,450,000	\$ 14,575,000
Series 2003	12,625,000	14,380,000
 Sales Tax Bonds		
Series 2001	9,430,000	9,915,000
Series 2002	4,665,000	4,955,000
 Certificates of Indebtedness		
Series 1998	-	185,000
Series 2006	1,099,000	1,250,000
Series 2008	<u>1,582,450</u>	<u>1,582,450</u>
 Total	<u>\$ 41,851,450</u>	<u>\$ 46,842,450</u>

Sales Tax Revenue Bonds 2001 & 2002 issues were issued for the purpose of capital improvements including classroom additions, junior high school gymnasiums, improvements to high school stadiums, three high school all-weather tracks, and other improvements as determined.

In 2007-2008 the District participated in the Qualified Zone Academy Bond Program (QZAB) for a total issuance of \$1.5 million. The funds will be used to fund school projects such as roof repairs, lockers, HVAC repairs and miscellaneous other improvement projects. Other long-term liabilities include accrued vacation pay and sick leave as well as other post employment benefits. Details about long-term obligations are presented in the notes to the financial statements.

Future Operations

The district established a goal of having a fund balance equal to 15% of the General Fund budget. This goal has been met and exceeded at the end of the current fiscal year. Maintaining this balance will create significant challenges as the district continues to see a noticeable decline in student enrollment. This decline will continue to negatively impact revenue, as loss of students results in a loss of funding through the State's Minimum Foundation Program. State Minimum Foundation Program Funding, which accounts for 38% of total revenue, is largely based on the number of students served by the District. Even though the district has met the goal for the fund

CITY OF MONROE SCHOOL BOARD
Management's Discussion and Analysis

For The Year Ended June 30, 2009

balance, commitment remains to having a district that provides a quality education, while remaining fiscally sound.

The increased cost of health insurance for School Board employees and the employer's share of retirement contributions continue to be areas of concern. Additionally, the increased cost of fuel for school buses and the cost of utilities are threats due to the high cost of oil and gas.

Increased Health insurance costs:

Monroe City Schools participates in the state managed health care program. The School Board incurs expenses for its portion of employees health care cost. The State Group health care program continues to incur significant premium increases each year, even though the percentage increase has lowered in recent years. Also, the cost of health insurance coverage for retirees of the school district continues to rise at an alarming rate due to increased premiums and increased number of retirees.

Contacting the School Board's Financial Management

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

BASIC FINANCIAL STATEMENTS

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

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Statement of Net Assets
Governmental Activities

June 30, 2009

Assets	
Cash and cash equivalents	\$ 23,449,614
Investments	250,000
Receivables	
Ad valorem taxes	27,667
Sales and use taxes	3,069,940
Federal grants	5,133,978
State grants	544,063
Other	1,403,204
Bond issuance costs, net	438,826
Inventory	244,423
Other assets	607,682
Capital assets, net	
Land	1,490,547
Buildings and improvements	55,084,582
Furniture and equipment	4,876,847
Construction in progress	259,435
Total assets	<u>96,880,808</u>
Liabilities	
Accounts payable	922,414
Salaries and wages payable	9,800,192
Deferred revenue	27,961
Interest payable - bonds	611,587
Long-term liabilities	
Due within one year	6,077,887
Due in more than one year	44,208,428
Total liabilities	<u>61,648,469</u>
Net assets	
Invested in capital assets, net of related debt	22,541,411
Restricted for	
Capital projects	3,029,277
Debt service	5,349,232
Salaries and related benefits	11,422
Unrestricted	4,300,997
Total net assets	<u>\$ 35,232,339</u>

See accompanying notes to the basic financial statements

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Statement of Activities
Governmental Activities

For the Year Ended June 30, 2009

	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Functions/programs					
Current					
Instructional services					
Regular programs	\$ 33,399,377	\$ -	\$ 1,931,736	\$ -	(31,467,641)
Special education programs	13,608,619	-	1,107,464	-	(12,501,155)
Vocational programs	1,242,740	-	155,040	-	(1,087,700)
Other instructional programs	6,524,220	41,286	1,543,828	-	(4,939,106)
Special programs	7,410,898	-	6,694,009	8,198	(708,691)
Adult/continuing education	614,144	-	33,410	-	(580,734)
Support services					
Pupil support services	5,877,983	-	2,114,531	-	(3,763,452)
Instructional staff support services	5,961,101	-	3,233,664	17,985	(2,709,452)
General administration	2,545,973	-	6,320	-	(2,539,653)
School administration	4,589,723	-	138,685	-	(4,451,038)
Business services	1,462,362	-	16,380	-	(1,445,982)
Plant services	8,343,511	-	181,664	582,417	(7,579,430)
Student transportation services	3,514,559	-	162,001	-	(3,352,558)
Central services	4,197,207	-	80,474	-	(4,116,733)
Noninstructional services					
Food service operations	5,793,911	207,975	3,788,077	-	(1,797,859)
Facility acquisition and construction	2,385,792	-	-	-	(2,385,792)
Debt service					
Interest on long-term obligations	1,980,267	-	-	-	(1,980,267)
Total Governmental Activities	\$ 109,452,387	\$ 249,261	\$ 21,187,283	\$ 608,600	(87,407,243)
General revenues					
Taxes					
Ad valorem taxes levied for					
General purposes					9,537,106
Debt service purposes					4,086,031
Sales taxes levied for					
General purposes					9,541,453
Salaries and related benefits					15,153,514
Grants and contributions not restricted to specific programs					
Minimum foundation program					42,832,323
State revenue sharing					310,815
Interest and investment earnings					293,240
Gain or (loss) on disposals of assets					(50,892)
Other					461,340
Total general revenues					82,164,930
Changes in net assets					(5,242,313)
Net assets at beginning of year					40,474,652
Net assets at end of year					\$ 35,232,339

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Governmental Funds
Balance Sheet

June 30, 2009

	<u>Major Funds</u>			Aggregate Remaining Funds Other Governmental	Total
	General Fund	Special Revenue Funds			
		Title I	2001 Sales Tax		
Assets					
Cash and cash equivalents	\$ 12,292,795	\$ -	\$ 1,428,189	\$ 9,728,630	\$ 23,449,614
Investments	250,000	-	-	-	250,000
Accounts receivable	1,141,076	2,828,929	2,169,315	4,039,532	10,178,852
Due from other funds	5,322,030	-	3,530	55,885	5,381,445
Inventory	144,736	-	-	99,687	244,423
Other assets	202,029	4,479	373,840	27,334	607,682
Total assets	<u>\$ 19,352,666</u>	<u>\$ 2,833,408</u>	<u>\$ 3,974,874</u>	<u>\$ 13,951,068</u>	<u>\$ 40,112,016</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 500,742	\$ 120,118	\$ 191,942	\$ 109,612	\$ 922,414
Salaries and wages payable	6,829,365	408,517	542,543	2,019,767	9,800,192
Due to other funds	350,628	2,304,773	433,369	2,292,675	5,381,445
Deferred revenue and other liabilities	-	-	-	27,961	27,961
Total liabilities	<u>7,680,735</u>	<u>2,833,408</u>	<u>1,167,854</u>	<u>4,450,015</u>	<u>16,132,012</u>
Fund balances					
Reserved for debt service	-	-	-	5,375,819	5,375,819
Reserved for inventory and prepaids	323,421	-	-	99,687	423,108
Reserved for capital projects	-	-	-	3,029,277	3,029,277
Reserved for salaries and related benefits	-	-	-	11,422	11,422
Unreserved					
Unreserved/undesignated reported in					
General Fund	11,348,510	-	-	-	11,348,510
Special Revenue Funds	-	-	2,807,020	984,848	3,791,868
Total fund balances	<u>11,671,931</u>	<u>-</u>	<u>2,807,020</u>	<u>9,501,053</u>	<u>23,980,004</u>
Total liabilities and fund balances	<u>\$ 19,352,666</u>	<u>\$ 2,833,408</u>	<u>\$ 3,974,874</u>	<u>\$ 13,951,068</u>	<u>\$ 40,112,016</u>

See accompanying notes to the basic financial statements.

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

**Reconciliation of the Governmental Funds'
Balance Sheet to Statement of Net Assets**

For the Year Ended June 30, 2009

Total fund balances - governmental funds		\$ 23,980,004
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The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in Governmental Funds. The Statement of Net Assets includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as Governmental Activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	\$ 96,801,092	
Accumulated depreciation	<u>(35,089,681)</u>	61,711,411

The costs associated with issuing bonds are reported as expenditures in the Governmental Funds. The issuance costs are not considered financial resources in the Statement of Net Assets; therefore, the costs are reported on the Statement of Net Assets as an asset net of accumulated amortization.

Bond issuance cost	899,629	
Less accumulated amortization	<u>(460,803)</u>	438,826

Elimination of interfund assets and liabilities

Interfund assets	(5,381,445)	
Interfund liabilities	5,381,445	

See accompanying notes to the basic financial statements.

(Continued)

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

**Reconciliation of the Governmental Funds'
Balance Sheet to Statement of Net Assets (Concluded)**

For the Year Ended June 30, 2009

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term- are reported in the Statement of Net Assets.

Balances at June 30, 2009 are

Long-term liabilities

Compensated absences payable	(1,802,333)	
General obligation bonds payable	(25,075,000)	
Sales tax bonds payable	(14,095,000)	
Certificates of indebtedness	(2,681,450)	
Other post employment benefits	(7,164,864)	
Deferred amount on refunding	682,991	
Bond premium	<u>(150,659)</u>	(50,286,315)

Interest on outstanding bonds in the Governmental Funds is recorded as an expenditure when paid. Bond interest in the Statement of Net Assets is recognized as an expense as it accrues.

Accrued interest on outstanding bonds	<u>(611,587)</u>
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Net Assets	<u><u>\$ 35,232,339</u></u>
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See accompanying notes to the basic financial statements.

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances

For the Year Ended June 30, 2009

	Major Funds			Aggregate Remaining Funds	Total
	General Fund	Special Revenue Funds			
		Title I	2001 Sales Tax	Other Governmental	
REVENUES					
Local sources					
Ad valorem taxes	\$ 9,537,106	\$ -	\$ -	\$ 4,086,031	\$ 13,623,137
Sales and use taxes	-	-	13,620,830	11,074,137	24,694,967
Earnings on investments	152,353	-	9,666	131,221	293,240
Cash payments for meals	-	-	-	207,975	207,975
Other local revenue	1,025,990	-	-	64,790	1,090,780
State sources					
State equalization	42,432,323	-	-	400,000	42,832,323
Revenue sharing	310,815	-	-	-	310,815
Other restricted revenue	1,508,722	-	-	1,497,443	3,006,165
Federal sources					
Federal restricted grants-in-aid	290,728	6,724,654	-	11,183,570	18,198,952
Total revenues	55,258,037	6,724,654	13,630,496	28,645,167	104,258,154
EXPENDITURES					
Current					
Instructional services					
Regular programs	20,616,866	109,028	3,640,190	5,969,493	30,335,577
Special education programs	8,561,103	-	1,332,924	2,741,254	12,635,281
Vocational programs	717,433	-	87,260	315,835	1,120,548
Other instructional programs	3,371,978	168,653	579,620	1,851,471	5,971,722
Special programs	855,050	3,641,328	67,039	2,263,190	6,826,607
Adult/Continuing education programs	373,915	-	46,017	143,621	563,553
Support services					
Pupil support services	2,509,683	717,499	304,826	1,928,776	5,460,784
Instructional staff support	1,747,545	1,453,394	170,315	2,095,574	5,466,828
General administration	1,846,364	-	312,727	204,737	2,363,828
School administration	3,240,471	37,808	341,481	646,468	4,266,228
Business services	1,049,771	1,910	108,147	181,563	1,341,391
Plant services	5,619,306	13,253	1,488,186	541,272	7,662,017
Student transportation services	2,363,552	27,658	326,461	325,884	3,043,555
Central services	1,133,469	-	1,168,401	443,752	2,745,622
Noninstructional services					
Food service operations	451,117	4,553	400,211	4,480,845	5,336,726
Debt services					
Principal	185,000	-	530,078	4,655,000	5,370,078
Interest	24,784	-	22,315	1,874,698	1,921,797
Capital outlay	577,536	-	228,121	1,191,191	1,996,848
Total expenditures	55,244,969	6,175,084	11,154,319	31,854,624	104,428,990
Excess (deficiency) of revenues over expenditures	13,074	549,570	2,476,177	(3,209,457)	(170,636)
OTHER FINANCING SOURCES (USES)					
Sale of assets	2,801	-	-	-	2,801
Insurance proceeds	3,161	-	-	-	3,161
Transfers in	1,077,642	-	-	1,663,148	2,740,790
Transfers out	(111,297)	(549,570)	(1,503,942)	(576,071)	(2,740,790)
Total other financing sources (uses)	972,397	(549,570)	(1,503,942)	1,087,077	5,962
Net change in fund balances	985,471	-	972,235	(2,122,380)	(164,674)
Fund balances at beginning of year	10,686,450	-	1,834,785	11,623,433	24,144,678
Fund balances at end of year	\$ 11,671,921	\$ -	\$ 2,807,020	\$ 9,501,053	\$ 23,980,004

See accompanying notes to the basic financial statements.

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

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

For the Year Ended June 30, 2009

Total net change in fund balances - Governmental Funds \$ (164,674)

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

Elimination of operating transfers in and out:

Transfers in	\$ (2,740,790)	
Transfers out	<u>2,740,790</u>	-

Capital outlays are reported in Governmental Funds 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 depreciation exceed capital outlays in the period:

Capital Outlays	1,055,629	
Depreciation	<u>(4,169,937)</u>	(3,114,308)

Capital Assets nor depreciation are reported in the Governmental Funds. In the Statement of Net Assets capital assets and accumulated depreciation are reported. When an asset is disposed, it results in a gain or loss on the disposal of the asset in the Statement of Activities. During the current year the School Board sold assets with carrying value of \$2,801, resulting in a loss on disposal of capital assets of \$50,892. (50,892)

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 4,991,000

See accompanying notes to the basic financial statements. (Continued)

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

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

For the Year Ended June 30, 2009

Repayment of capital leases is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 369,230

The costs associated with issuing bonds are reported as expenditures in the Governmental Funds. The issuance costs do not require the use of current financial resources; therefore, the costs are amortized over the life of the bond issue in the Statement of Activities. For the year ended June 30, 2009, there were no bond issuance costs.

Amortization of bond issuance cost (64,948)

In the Statement of Activities, certain operating expenses - compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (\$849,617) exceeded the amounts used (\$800,282). (49,335)

The deferred amount on refunding of bonded debt is shown as a reduction of long-term debt, however, the amount is amortized over the lesser of the life of the original bonds or the life of the refunding bonds.

Current year amortization (113,832)

Other post employment benefits are reported in the Governmental funds as expenditures when paid. The unfunded annual contribution is reported in the Statements of Activities as it accrues. (7,164,864)

See accompanying notes to the basic financial statements. (Continued)

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

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

For the Year Ended June 30, 2009

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because accrued interest received from bond sales is recognized as Other Financing Sources when received and interest on outstanding bonds is recognized as an expenditure in the governmental funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expenses are recognized as the interest accrues,

Interest expense payable as of June 30, 2009	(611,587)	
Interest expense payable as of June 30, 2008	<u>705,310</u>	93,723

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.

Current year bond premium amortization	<u>26,587</u>	
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Change in net assets of governmental activities	\$ <u>(5,242,313)</u>	
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See accompanying notes to the basic financial statements.

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Statement of Assets and Liabilities
Fiduciary Fund Type - Agency Funds
School Activity Funds

June 30, 2009

Assets	
Cash and cash equivalents	\$ 498,872
Certificates of deposit	<u>201,018</u>
Total assets	<u>\$ 699,890</u>
Liabilities and fund balances	
Liabilities	
Amounts held for other organizations	\$ 699,890
Total liabilities	<u>\$ 699,890</u>

See accompanying notes to the basic financial statements.

CITY OF MONROE SCHOOL BOARD
Monroe, LA

Notes To The Basic Financial Statements

For The Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies

ORGANIZATION

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

The School Board is composed of a central office, 20 schools and 2 support facilities. The School Board serves approximately 8,600 students. The School Board employs approximately 1,490 persons of which over 820 are directly involved in the instructional process. The remainder provides ancillary support such as general administration, repair and maintenance, bus transportation and food service. The regular school term normally begins during the latter half of August and runs until the end of May.

A. Financial Reporting Entity

The School Board is the basic level of government which has oversight responsibility and control over all activities related to public school education in the City of Monroe. The School Board receives funding from Federal, state and local sources and must comply with the requirements of those funding source entities. However, the School Board is not included in any other governmental reporting entity as defined by Governmental Accounting Standards Board (GASB) Statement No. 14 *The Reporting Entity*, since the members of the School Board are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. Therefore, the School Board is a separate governmental reporting entity. For financial reporting purposes, the School Board's financial statements include all funds, school, agencies and committees for which the School Board is financially accountable. The School Board is not aware of any other entities that should be included within the financial statements.

Certain units of local government, such as other independently elected officials, the parish police jury and municipalities, are excluded from the accompanying financial statements. These units have their own elected governing authorities and are not financially accountable to the School Board.

CITY OF MONROE SCHOOL BOARD
Monroe, LA

Notes To The Basic Financial Statements

For The Year Ended June 30, 2009

B. Fund Accounting

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

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

Governmental Funds

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

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

Major Funds:

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

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following Special Revenue Fund is a major fund:

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.

CITY OF MONROE SCHOOL BOARD
Monroe, LA

Notes To The Basic Financial Statements

For The Year Ended June 30, 2009

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.

Nonmajor Funds:

The School Board has 9 nonmajor Special Revenue Funds, 2 nonmajor Debt Service Funds and 2 nonmajor Capital Projects Funds. For a description of these funds, see the Nonmajor Funds section of this report.

Fiduciary Funds

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

C. *Basis of Accounting / Measurement Focus*

Government-Wide Financial Statements (GWFS)

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

The Statement of Net Assets 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.

CITY OF MONROE SCHOOL BOARD
Monroe, LA

Notes To The Basic Financial Statements

For The Year Ended June 30, 2009

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. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

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

Governmental funds reported in the fund financial statements are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual – that is when they become both measurable and available to pay current period liabilities. Such revenue items are ad valorem, sales and use taxes and federal and state entitlements. Ad valorem taxes are considered measurable in the calendar year of the tax levy. Ad valorem taxes are considered available because they are

CITY OF MONROE SCHOOL BOARD
Monroe, LA

Notes To The Basic Financial Statements

For The Year Ended June 30, 2009

substantially collected within 60 days subsequent to year end. Sales taxes are considered measurable and available when collected by the vendors. Revenue from state and Federal grants are recorded when the reimbursable expenditure have been incurred.

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

D. Cash and Cash Equivalents

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

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

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

E. Investments

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

F. Short-Term Interfund Receivables/Payables

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

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

Notes To The Basic Financial Statements

For The Year Ended June 30, 2009

G. Elimination and Reclassifications

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

H. Bond Issuance Costs/Bond Premiums

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

I. Inventory

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

J. Capital Assets

Capital Assets, which include land, buildings, and equipment, are reported as governmental funds 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

CITY OF MONROE SCHOOL BOARD
Monroe, LA

Notes To The Basic Financial Statements

For The Year Ended June 30, 2009

because management feels that the salvage value is immaterial. Straight-line depreciation is used based on the following useful lives:

Buildings	40 years
Furniture and equipment	3-15 years

K. Interfund Activity

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

L. Fund Reserves

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

M. Compensated Absences

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

N. Long-Term Liabilities

Bond premiums and discounts, as well as issuance costs, are recognized in the fund financial statements in the period the bonds are issued. Bond proceeds are reported

CITY OF MONROE SCHOOL BOARD
Monroe, LA

Notes To The Basic Financial Statements

For The Year Ended June 30, 2009

as an Other Financing Source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

O. Restricted Net Assets

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

Capital projects is restricted because the proceeds from issuance of bonded debt is 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.

P. Reserves and Designations of Fund Financial Statements

Portions of fund equity reported in the Fund Financial Statements are reserved for future use and are; therefore, not available for current appropriation or expenditure. Designations of unreserved fund balances indicate the School Board's tentative plans for the use of financial resources in a future period.

Q. Sales and Use Taxes

The voters of Ouachita Parish authorized the City of Monroe School Board and the Ouachita Parish School Board to jointly levy and collect a 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

CITY OF MONROE SCHOOL BOARD
Monroe, LA

Notes To The Basic Financial Statements

For The Year Ended June 30, 2009

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 a 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 a 1% sales tax for additional support of the School Board. This sales tax went into effect in October 2001.

R. Use of Estimates

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

Note 2 - Cash and Cash Equivalents and Investments

Custodial credit risk - deposits. The School Board's cash and certificates of deposit 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. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates the local government investment pool. Collateral is required for demand deposits, certificates of deposit, savings certificates of savings and loan associations and repurchase agreements at 100% of all amounts not covered by deposit insurance. Obligations that may be pledged as collateral are obligations of the United States government and its agencies and obligations of the state and its subdivisions. Per Louisiana State law, collateral is not required for funds invested in LAMP.

CITY OF MONROE SCHOOL BOARD
Monroe, LA

Notes To The Basic Financial Statements

For The Year Ended June 30, 2009

The following is a schedule of the School Board's cash and certificates of deposit at June 30, 2009. Differences between School Board balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks.

	School Board Balance	Bank Balance
Cash on Deposit	\$ 4,617,114	\$ 5,761,514
Petty Cash	1,100	-
Cash Equivalents:		
LAMP Investments	18,831,400	18,831,400
Certificates of Deposit	250,000	250,000
TOTAL	\$ 23,699,614	\$ 24,842,914

The School Board's deposits are collateralized as follows:

Federal Deposit Insurance	\$ 500,000
Pledged Securities:	
Collateralized	24,252,352
Total	\$ 24,752,352

The School Board's investments at June 30, 2009, 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.

Credit risk. The School Board's only investment is the certificate of deposit mentioned above, therefore the School Board is exposed to no credit risk.

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.

CITY OF MONROE SCHOOL BOARD
Monroe, LA

Notes To The Basic Financial Statements

For The Year Ended June 30, 2009

Note 3 - 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, 2009, taxes of 39.16 mills were levied on property with assessed valuations totaling \$336,070,163 and were dedicated as follows:

School Operations, Maintenance, Aid and Support	27.16 mills
Series 1994 & Series 1995 Bonds Debt Service	12.00 mills
	39.16 mills

The School Board's portion of the total taxes originally levied was \$14,991,906 of which \$13,160,514 was assessed on property owners and \$1,831,413 was assessed under Homestead Exemption. The School Board collected \$13,623,138 through June 30, 2009, 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.

Property Tax Calendar

Millage Rates Adopted	September 16, 2008
Levy Date	November 30, 2008
Tax Bills Mailed	November 30, 2008
Total Taxes Are Due	December 31, 2008
Lien Date	January 1, 2009

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

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

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Note 4 - Capital Assets

A summary of the changes in capital assets for the year ended June 30, 2009, is as follows:

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,483,883	\$ 6,664	\$ -	\$ 1,490,547
Construction-in-progress	<u>27,408</u>	<u>317,934</u>	<u>85,907</u>	<u>259,435</u>
Total capital assets not being depreciated	1,511,291	324,598	85,907	1,749,982
Capital Assets being depreciated:				
Buildings & improvements	73,175,139	253,517	-	73,428,656
Furniture and equipment	<u>21,112,556</u>	<u>563,421</u>	<u>53,523</u>	<u>21,622,454</u>
Total capital assets being depreciated	94,287,695	816,938	53,523	95,051,110
Less accumulated depreciation:				
Buildings and improvements	16,580,324	1,763,750	-	18,344,074
Furniture and equipment	<u>14,342,051</u>	<u>2,406,187</u>	<u>2,631</u>	<u>16,745,607</u>
Total accumulated depreciation	<u>30,922,375</u>	<u>4,169,937</u>	<u>2,631</u>	<u>35,089,681</u>
Total capital assets being depreciated, net	<u>63,365,320</u>	<u>(3,352,999)</u>	<u>50,892</u>	<u>59,961,429</u>
Governmental Activities Capital Assets, net	<u>\$ 64,876,611</u>	<u>\$ (3,028,401)</u>	<u>\$ 136,799</u>	<u>\$ 61,711,411</u>

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Depreciation expense was charged to governmental activities as follows:

Instructional services:	
Regular programs	\$ 763,544
Special education programs	15,243
Vocational programs	37,224
Other instructional programs	99,680
Special programs	66,650
Adult/Continuing education	7,859
Support services:	
Pupil support services	3,124
Instructional staff support services	79,740
General Administration	2,903
Business services	19,257
Plant services	100,507
Student transportation services	240,221
Central services	1,243,393
Food service operations	52,519
Facility acquisition and construction	1,438,073
Total depreciation expense	<u>\$ 4,169,937</u>

Note 5 - Significant Concentrations of Risk

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

Note 6 - Pension and Retirement Plans

State-sponsored Plans:

Substantially all employees of the School Board are members of two statewide retirement systems which are multiple-employer, cost-sharing public employee retirement systems. In general, professional employees such as teachers, principals and lunchroom workers are members of the Teachers' Retirement System of Louisiana (TRSL); other employees, such as custodial personnel and bus operators, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time

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employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service.

Teachers' Retirement System of Louisiana (TRSL)

Under the TRSL Regular Plan, there are two retirement formulas: the 2% formula and the 2.5% formula. Participants may retire under the 2% formula at age 60 with at least 10 years of service credit or at any age with 20 years of service credit. Under the 2.5% formula, participants may retire at age 65 with 20 years of service credit; at age 55 with 25 years of service credit; or at any age with 30 years of service credit. The retirement benefit formula is based on the average salary of the 36 highest consecutive months times the applicable retirement percentage formula.

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

Funding Policy: As provided by statute, the School Board's employer contributions to the TRSL are funded by the State of Louisiana through expenditures by the School Board of state Minimum Foundation Program (MFP) funds and local ad valorem and sales taxes. State statutes also require covered employees to contribute a percentage of their salaries to the system. As further provided by statute, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the system's prior fiscal year. The School Board's contribution rates were 15.5%, 16.6%, and 15.8% for the years ended June 30, 2009, 2008 and 2007 respectively. The School Board's contributions to the TRSL plans for the years ended June 30, 2009, 2008 and 2007 were \$7,918,646, \$7,902,635, and \$6,625,374 respectively, equal to the statutorily required contributions in each year.

The TRSL issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Teachers' Retirement System, P.O. Box 94123, Baton Rouge, Louisiana 70804-9123 or by calling (225) 925-6446.

Louisiana School Employees' Retirement System (LSERS)

Employees participating in the LSERS are eligible for normal retirement after 30 years of service at any age, 25 years of service at age 55, or 10 years of service at age 60. The maximum retirement allowance is computed at 2.5% times the highest 36 months of

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average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

Funding Policy: As provided by statute, the School Board's employer contributions to the LSERS are funded by the State of Louisiana through expenditures by the School Board of state MFP funds and local ad valorem and sales taxes. State statutes also require covered employees to contribute a percentage of their salaries to the system. As further provided by statute, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the system's prior fiscal year. The School Board's contribution rate of annual covered payroll were 17.8%, 18.1%, and 19.6% for the years ended June 30, 2009, 2008, and 2007 respectively. The School Board's contributions to the LSERS plans for the years ended June 30, 2009, 2008 and 2007 were \$815,648, \$761,805, and \$773,208 respectively, equal to the statutorily required contributions in each year.

The LSERS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Louisiana School Employees' Retirement System, P.O. Box 44516, Capitol Station, Baton Rouge, LA 70804 or by calling (225) 925-6484.

School Board-Sponsored Plan:

The School Board has adopted for its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to all School Board employees, permits them to defer a portion of their salaries until future years. The School Board does not make any contributions to the plan. The deferred compensation is not available to employees until termination, retirement or unforeseen emergency. The deferred compensation is available to employee's beneficiaries in case of death.

Under the terms of a plan established in accordance with the terms of the amended IRC Section 457, all compensation deferred under the plan, all property and rights acquired with those amounts and all income attributable to those amounts and rights are solely the property and rights of the participants and their beneficiaries. As required by the amended IRC Section 457, the School Board has established custodial accounts with an unrelated third party administrator who holds in trust the assets and income of the plan. The trustee holds assets with a fair market value of \$501,576 at June 30, 2009.

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Note 7 - Other Postemployment Benefits

As permitted by Louisiana Revised Statute 17:1223, the School Board provides certain continuing health care and life insurance benefits for certain retired employees through the State group insurance plan, an agent multiple employer defined benefit plan. These benefits if they reach normal retirement age, as defined under the applicable retirement system (see Note 6), while working for the School Board. Currently the City of Monroe School Board's post employment benefits plan provides employees with a choice of participation in one of four 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.

The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as an expenditure in the Governmental Funds when the monthly premiums are due. The cost of retiree benefits totaled \$2,978,960 during fiscal 2009; approximately 538 retirees receive benefits under this plan.

In the Government-wide Financial Statements in accordance with GASB 45 starting with the 2009 fiscal year, the cost of health care and life insurance benefits for active employees is expensed when earned. The liability for health care and life insurance for active and retired employees previously earned benefits has been calculated and will be amortized over 30 years. The normal costs and the accrued liability for previously earned benefits are based on the following data and assumptions:

Mortality Rate

The mortality rate was determined by using the RP-2000 System Table (sex distinct) with floating AA projections.

Investment Return Assumption (Discount Rate) and Inflation Rate

While GASB 45 allocates the costs of a postretirement benefit plan over the years of active employment (when the promise of future benefits is potentially motivating an employee), it does not require the funding of such benefits. There are two key points

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that need to be noted in this regard. First, the choice of the discount rate used in measuring the liabilities of the benefits is tied to the funding vehicle or lack thereof. GASB 45 requires the use of a discount rate for an unfunded plan equal to what the sponsor earns on its general assets. Since a lower discount rate leads to higher liabilities, a funded plan will have lower liabilities than an unfunded plan with identical provisions and membership. Since it is anticipated that the annual required contribution will not be funded, a 4% annual investment return is assumed in the actuarial evaluation which represents a reasonable estimate of short-term pooled funds.

Amortization Method and Period

The level dollar closed amortization method has been used. An amortization period of 30 years has been used for the medical benefits and for the life insurance benefits. The valuation used the closed group method, under which future entrants are not considered.

Healthcare Cost Trend Rate

In the absence of readily available cost trend data from the Office of Group Benefits, the expected rate of increase in healthcare insurance premiums is based on an understanding of the plan and *Milliman's Health Cost Guidelines*. The assumed annual per capita cost of medical and pharmacy benefits for select ages are illustrated below. These are gross amounts prior to reduction for any retiree contributions.

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PPO

	Retiree Only	Retiree & Spouse
Pre-65	\$ 10,481	\$ 16,096
Post-65	\$ 2,953	\$ 5,308

EPO

	Retiree Only	Retiree & Spouse
Pre-65	\$ 10,481	\$ 16,096
Post-65	\$ 2,953	\$ 5,308

HMO

	Retiree Only	Retiree & Spouse
Pre-65	\$ 10,061	\$ 15,451
Post-65	\$ 2,835	\$ 5,095

Medical Inflation (Trend Assumption)

The trend assumptions for medical and pharmacy costs and retiree premiums are summarized below:

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<u>Year</u>	<u>Trend</u>
2009	7.80%
2010	7.20%
2011	6.30%
2012-2013	5.80%
2014-2017	5.70%
2018-2022	5.60%
2023-2027	5.50%
2028-2032	5.40%
2033	5.30%
2034	5.20%
2035-2036	5.10%
2037-2038	5.00%
2039-2042	4.90%
2043-2047	4.80%
2048-2053	4.70%
2054-2062	4.60%
2063-2075	4.50%
2076	4.40%
2077-2078	4.20%
2079-2085	4.10%
2086 and ongoing	4.00%

Life Insurance

- Life insurance amount for active employees – \$74,000
- Life insurance benefits reduces to 75% of face value at age 65 and 50% of face value at age 70.

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Withdrawal Rates

The following service related sample withdrawal rates are shown below:

<u>Age</u>	<u>Males</u>	<u>Females</u>
25	7.0%	7.0%
30	8.0%	8.0%
35	6.0%	6.0%
40	3.0%	3.0%
45	2.0%	2.0%
50	2.0%	2.0%

The rate of withdrawal is multiplied by 1.25 for the year first of employment.

Disability Rates

The following service related sample disability rates are shown below:

<u>Age</u>	<u>Male</u>	<u>Female</u>
25	0.01%	0.01%
30	0.03%	0.03%
35	0.06%	0.06%
40	0.10%	0.10%
45	0.18%	0.18%
50	0.24%	0.24%
55	0.47%	0.47%

Retirement Rate

It is assumed that entitlement to benefits will commence at the expected retirement date (that is, the date at which the eligible employee will actually retire) under the pension plan which covers employees. It is assumed that this retirement date is *three years later* than the earliest date at which the employee is eligible for regular retirement benefits. That "regular retirement" date is defined as the earliest of the following:

- 30 years of service credit at any age; or
- 25 years of service credit at age 55; or
- 5 years of service credit at age 60.
- 20 years of service at any age – early retirement

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The assumed percent of employees reaching retirement are as follows:

Retirement Rates

<u>Age</u>	<u>Male</u>	<u>Female</u>
38	5.00%	5.00%
39	6.00%	6.00%
40	4.00%	4.00%
45	3.00%	3.00%
50	3.00%	3.00%
55	10.30%	10.30%
60	27.70%	27.70%
65	33.00%	33.00%
70	38.30%	38.30%
71	38.50%	38.50%
72	100.00%	100.00%

Actuarial Methods and Assumptions

The amount of the current employer portion of the healthcare premiums for retiree coverage has been used as the basis for calculating the actuarial present value of benefits to be paid; the Office of Group Benefits' "*Official Schedule of Rates*" effective July 1, 2007 has been used for this purpose. It has been assumed 90 % of employees who elect coverage while in active employment and who are eligible for retiree medical benefits will continue the same medical coverage in retirement. It is assumed that 30% of members electing coverage will also elect coverage for a spouse. Females are assumed to be three years younger than males.

Actuarial Cost Method

The actuarial cost method determines, in a systematic way, the incidence of plan sponsor contributions required to provide plan benefits. It also determines how actuarial gains and losses are recognized in OPEB costs. These gains and losses result from the difference between the actual experience under the plan and what was anticipated by the actuarial assumptions.

The cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future.

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Since actual experience may differ somewhat from the long term assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

Actuarial liabilities and comparative costs were computed using the unit credit actuarial cost method, which consists of the following cost components:

1. The normal cost is the actuarial present value of benefits allocated to the evaluation year.
2. The actuarial accrued liability is the actuarial present value of benefits accrued as of the valuation date.
3. Valuation assets are equal to the market value of assets as of the valuation date, if any.
4. Unfunded actuarial accrued liability is the difference between the actuarial accrued liability and the valuation assets. It is amortized over the maximum permissible period under GASB 45 of 30 years.

It should be noted that GASB 45 allows a variety of cost methods to be used. This method was selected because it is generally easy to understand and is widely used for the valuation of post employment benefits other than pensions.

Actuarial Value of Plan Assets

Actuarial value of assets is the value of cash, investments, and other property belonging to the plan, as used by the actuary for the purpose of an actuarial valuation. Since this is the first actuarial valuation, there are not any assets to be actuarially valued; however, it is anticipated that future valuations of actuarial assets will be based on Actuarial Standards Board Actuarial Standard of Practice Number 6, *Measuring Retiree Group Benefit Obligations*, which is applicable to post employment benefits plans and generally requires valuing dedicated plan assets using a method that takes into account market value.

Actuarial Methods and Assumptions

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

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

The following table shows the City of Monroe School Board's annual post employment benefits cost, percentage of that cost contributed and the net unfunded post employment benefits liability:

<u>Fiscal Year Ended</u>	<u>Annual Post Employment Benefits Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net Unfunded Post Employment Benefits Liability</u>
6/30/07	N/A	N/A	N/A
6/30/08	N/A	N/A	N/A
6/30/09	\$10,143,554	29.4%	\$7,164,864

Funded Status and Funding Progress

In the 2008-09 fiscal year the City of Monroe School Board started recording post-employment benefits in its financial statements. The School Board has not made any contribution to a post employment benefits plan trust. Therefore, the plan has no assets, and hence has a funded ratio of zero. As of June 30, 2009 the first and most recent actuarial valuation, the actuarial accrued liability was \$7,164,864, which is defined as that portion, as determined by a particular actuarial cost method (the City of Monroe School Board used the Unit Credit Cost method), of an actuarial present value of a post employment plan benefits and expenses which is not provided by normal cost (i.e. the cost of the actuarial present value of post employment benefits for active employees from their hire date through June 30, 2009, and for retired employees from their hire date through their date of retirement).

Since the plan was not funded in 2009, the entire actuarial accrued liability of \$7,164,864 was unfunded. The annual payroll of active employees covered by the plan, called the covered payroll, was \$60,158,559 in 2009; the ratio of the unfunded actuarial accrued

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liability to the covered payroll was 11.9%. (Salaries are not used to determine either medical or life post employment benefits).

Annual Post Employment Benefits Cost and Net Post Employment Benefits Liability

The table below shows the City of Monroe School Board's annual post employment benefits for the year ended June 30, 2009, and changes in the unfunded post employment benefits liability:

Normal Cost	\$ 4,798,051
30-year actuarial accrued liability amortization of medical and life insurance	<u>5,345,503</u>
Annual required contribution (ARC)	10,143,554
Interest on prior year net post employment benefits liability	-
Adjustments to the annual required contribution	<u>-</u>
Annual post employment benefits expense	10,143,554
Contributions made	<u>(2,978,690)</u>
Increase in unfunded post employment benefits liability	7,164,864
Unfunded post employment liability - July 1, 2008	<u>-</u>
Unfunded post employment benefits liability - June 30, 2009	<u>\$ 7,164,864</u>

Required Contribution Rates

As determined by the Office of Group Benefits and approved by the Louisiana Legislature, the employer paid 75% of the premium cost for post employment benefits for retired employees and their families, and the retirees paid 25% of the premium cost; monthly premium cost for retired employees ranged from \$79 for a single retiree with Medicare in the HMO plan to \$447 for a retiree and spouse without Medicare in the EPO plan.

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Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits.

The City of Monroe School Board's annual medical and life post employment benefits cost (expense) is calculated based on the annual required contribution of the employer, and amount actuarially determined in accordance with the parameters of GASB Statement Number 45. The City of Monroe School Board's annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize the unfunded actuarial liability (or funding excess) over a period of thirty (30) years for health and life insurance. The total annual required contribution for the year ended June 30, 2009, is \$10,143,554, none of which the School Board opted to fund in 2009. The total unfunded post employment benefits liability at June 30, 2009 was \$92,434,614.

Funding Policy

Currently, there are no requirements for employers to contribute to their post employment benefits plans. In 2008-09, the City of Monroe School Board started recognizing the cost of providing these benefits (the City of Monroe School Board's portion of premiums) as an expense when the benefits premiums were due and thus financed the cost of post employment benefits on a pay-as-you-go basis. The School Board implemented Governmental Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by employers for Post employment Benefits Other than Pension (GASB Statement 45), prospectively in 2007-08 and at that time began to record its portion of premiums as an expense during the period of active service by the employee (normal cost). In 2009, the City of Monroe School Board's portion of health care and life insurance benefit premium, for both active and retired employees totaled \$10,207,339. The School Board at this time does not plan to fund the post employment liability other than the monthly health and life insurance premiums as they become due.

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Note 8 - Long-Term Obligations

The following is a summary of changes in Long-Term Obligations for the year ended June 30, 2009:

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009
General obligation bonds	\$ 28,955,000	\$ -	\$ 3,880,000	\$ 25,075,000
Less deferred amount of refunding	(796,822)	-	(113,831)	(682,991)
Unamortized bond Premium	177,245	-	26,586	150,659
Sales tax bonds	14,870,000	-	775,000	14,095,000
Certificates of indebtedness	3,017,450	-	336,000	2,681,450
Capital leases	369,230	-	369,230	-
Other post employment benefits	-	7,164,864	-	7,164,864
Compensated absences, net	1,752,998	849,617	800,282	1,802,333
TOTAL	\$ 48,345,101	\$ 8,014,481	\$ 6,073,267	\$ 50,286,315

Long-term bonds and certificates of indebtedness outstanding at June 30, 2009 are comprised of the following:

<u>School Refunding Bonds,</u>				
Series 2001	2001	3/1/2014	4.00-4.625	\$ 12,450,000
Series 2003	2003	3/1/2015	2.50-5.00	12,625,000
<u>Sales Tax Bonds</u>				
Sales Tax Bonds, Series 2001	2001	10/1/2021	3.875-5.00	9,430,000
Sales Tax Bonds, Series 2002	2002	10/1/2021	4.25-4.75	4,665,000
<u>Certificates of Indebtedness</u>				
Series 2006	2006	7/1/2011	0.10-5.00	1,099,000
Series 2008	2008	7/1/2017	-	<u>1,582,450</u>
Total Bonds and Certificates of Indebtedness				\$ <u>41,851,450</u>

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Debt service requirements to maturity on all School Board bonds and certificates of indebtedness outstanding at June 30, 2009, including interest of \$8,319,859 are as follows:

<u>Year Ending June 30,</u>	<u>Total Principal & Interest Due</u>
2010	\$ 7,100,668
2011	7,168,724
2012	7,235,493
2013	6,904,806
2014-2018	15,964,785
2019-2022	5,796,833
TOTAL	\$ <u>50,171,309</u>

Note 9 - Lease Commitments and Rental Expense

Operating Leases

The School Board leases various items of equipment and facilities under lease agreements which are subject to annual re-appropriation clauses. Generally, as equipment leases expire, they are replaced with other leases. Rent expense for the year ending June 30, 2009 totaled \$271,872.

Capital Leases

In fiscal 2007, the School Board entered into a capital lease obligation for the purchase of computers and printers. The original amount of the obligations were \$1,039,202 and \$47,595, respectively. Both leases bear an interest rate of 5.15%. The leases matured in 2009 without replacement and no future lease liability exists.

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Note 10 - Interfund Receivables and Payables (FFS level only)

Individual balances due to/from other funds at June 30, 2009, are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Unreimbursed expenses:		
Major Funds:		
General Fund	\$ 5,322,030	\$ 350,628
Nonmajor Funds:		
1968 Sales Tax	27,604	88,865
1994 Sales Tax	28,281	127,368
Deficit Cash Balances:		
Major Funds:		
Title I	-	2,304,773
2001 Sales Tax	3,530	433,369
Nonmajor Funds:		
Special Education	-	467,370
Vocational/Adult Education	-	39,909
Reading First	-	99,897
Other Federal Programs	-	1,157,033
State Grants	-	312,233
Total Due To/From Other Funds	<u>\$ 5,381,445</u>	<u>\$ 5,381,445</u>

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For The Year Ended June 30, 2009

Note 11 - Interfund Transfers

Transfers to/from other funds for the year ended June 30, 2009 were as follows:

	Transfers In	Transfers Out
Major Funds:		
General Fund	\$ 1,077,642	\$ 111,207
Special Revenue:		
Title I	-	549,570
2001 Sales Tax	-	1,503,942
Nonmajor Funds:		
Special Revenue:		
School Food Service	39,892	-
Vocational/Adult Education	1,539	-
Special Education	-	169,348
Reading First	-	10,105
1994 Sales Tax	48,000	48,000
Other Federal Programs	-	348,605
State Grants	106,587	13
Local Grants	3,081	-
Debt Service:		
2001-2002 Sales Tax Bond Sinking	1,464,049	-
Total	\$ 2,740,790	\$ 2,740,790

Included in the transfers are \$1,077,181 of indirect cost to the General Fund from various Federal programs and \$1,464,049 from Special Revenue Funds-2001 Sales Tax to Debt Service Funds-2001-2002 Sales Tax Bonds for the use in paying bond principal and interest.

Note 12 - Risk Financing Activities

The School Board manages its exposure under general liability, fleet, and errors and omissions through the purchase of commercial insurance. Qualifying employees and retirees may participate in the state group medical and life insurance plan. Risk of loss under workers' compensation statutes is self-insured by the School Board for up to \$200,000 per occurrence, with reinsurance coverage in force for losses in excess of that

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

Notes To The Basic Financial Statements

For The Year Ended June 30, 2009

amount. The self-insured plan is administered by a third party, with the claims under the self-insured amount paid by the General Fund; certain Special Revenue funds reimburse the General Fund for payment of their claims. Consistent with the provisions of GASB Statement No. 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the School Board uses the General Fund to account for its risk financing activities. During the year ended June 30, 2009, the School Board incurred and paid claims under the worker's compensation plan of approximately \$375,365 net of reimbursements.

Note 13 - Litigation and Contingencies

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

**REQUIRED SUPPLEMENTAL INFORMATION
(PART B)**

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

General Fund
Budgetary Comparison Schedule (GAAP Basis)

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary fund balance at beginning of year	\$ 8,753,401	\$ 10,686,460	\$ 10,686,460	\$ -
Resources (inflows)				
Local sources				
Ad valorem taxes				
Constitutional tax	2,153,440	2,295,000	2,364,468	69,468
Renewable tax	6,800,000	6,681,000	6,880,249	199,249
Other than school taxes	260,000	260,000	292,389	32,389
Earnings on investments	411,000	150,000	152,353	2,353
Other local revenue	517,522	1,087,753	1,025,990	(61,763)
Total local sources	10,141,962	10,473,753	10,715,449	241,696
State and federal sources				
State equalization	42,229,330	42,432,323	42,432,323	-
State revenue sharing	327,000	441,000	310,815	(130,185)
State restricted revenue	231,042	1,055,725	1,508,722	452,997
Federal restricted grants-in-aid	309,518	326,000	290,728	(35,272)
Total state and federal sources	43,096,890	44,255,048	44,542,588	287,540
Other sources				
Proceeds from sale of assets	5,400	5,400	2,801	(2,599)
Insurance proceeds	3,635	3,635	3,161	(474)
Judgments	9,670	9,670	-	(9,670)
Transfers in	776,700	952,400	1,077,642	125,242
Total other sources	795,405	971,105	1,083,604	112,499
Total resources	54,034,257	55,699,906	56,341,641	641,735
Amounts available for appropriations	62,787,658	66,386,366	67,028,101	641,735
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	20,137,703	21,136,323	20,616,866	519,457
Special education programs	8,488,740	8,567,780	8,561,103	6,677
Vocational programs	749,702	671,640	717,453	(45,813)
Other instructional programs	3,371,609	3,393,174	3,371,978	21,196
Special programs	412,171	859,884	855,050	4,834
Adult/Continuing education programs	343,613	366,033	373,915	(7,882)
Support Services				
Pupil support services	2,341,436	2,488,271	2,509,683	(21,412)
Instructional staff support	1,489,311	1,712,270	1,747,545	(35,275)
General administration	2,237,315	2,237,315	1,846,364	390,951
School administration	3,197,242	3,345,697	3,240,471	105,226
Business services	1,049,757	1,091,203	1,049,771	41,432
Plant services	5,335,534	5,633,915	5,619,306	14,609
Student transportation services	2,916,512	2,685,615	2,363,552	322,063
Central services	1,316,098	1,428,409	1,133,469	294,940
Non-instructional services				
Food service operations	182,051	394,449	451,117	(56,668)
Capital outlay	710,472	1,087,553	577,536	510,017
Debt service	396,000	396,000	209,784	186,216
Other uses				
Transfers out	142,000	142,000	111,207	30,793
Total charges to appropriations	54,817,266	57,637,531	55,356,170	2,281,361
Budgetary fund balance at end of year	\$ 7,970,392	\$ 8,748,835	\$ 11,671,931	\$ 2,923,096

See accompanying notes to budgetary comparison schedules

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Title I
Budgetary Comparison Schedule (GAAP Basis)

For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgetary fund balance at beginning of year	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Federal sources				
Federal restricted grants-in-aid	7,907,796	8,007,392	6,724,654	(1,282,738)
Total federal sources	<u>7,907,796</u>	<u>8,007,392</u>	<u>6,724,654</u>	<u>(1,282,738)</u>
Amounts available for appropriations	<u>7,907,796</u>	<u>8,007,392</u>	<u>6,724,654</u>	<u>(1,282,738)</u>
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	23,211	123,414	109,028	14,386
Special education programs	-	-	-	-
Other instructional programs	301,488	248,809	168,653	80,156
Special programs	4,442,956	4,154,575	3,641,328	513,247
Support services				
Pupil support services	817,182	820,203	717,499	102,704
Instructional staff support	1,606,389	1,900,030	1,453,394	446,636
School administration	-	38,550	37,808	742
Business services	14,018	15,769	1,910	13,859
Plant services	29,982	20,116	13,253	6,863
Student transportation services	39,260	38,000	27,658	10,342
Non-instructional services				
Food service operations	-	-	4,553	(4,553)
Other uses				
Transfers out	633,310	647,926	549,570	98,356
Total charges to appropriations	<u>7,907,796</u>	<u>8,007,392</u>	<u>6,724,654</u>	<u>1,282,738</u>
Budgetary fund balance at end of year	\$ -	\$ -	\$ -	\$ -

See accompanying notes to budgetary comparison schedules

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

2001 Sales Tax
Budgetary Comparison Schedule (GAAP Basis)

For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgetary fund balance at beginning of year	\$ 300,532	\$ 1,834,785	\$ 1,834,785	\$ -
Resources (inflows)				
Local sources				
Sales and use taxes	13,570,511	13,658,442	13,620,830	(37,612)
Interest on investments	31,618	31,618	9,666	(21,952)
Total local sources	<u>13,602,129</u>	<u>13,690,060</u>	<u>13,630,496</u>	<u>(59,564)</u>
Amounts available for appropriations	<u>13,902,661</u>	<u>15,524,845</u>	<u>15,465,281</u>	<u>(59,564)</u>
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	3,684,735	3,933,443	3,640,190	293,253
Special education programs	1,303,086	1,323,178	1,332,924	(9,746)
Vocational programs	94,506	-	87,260	(87,260)
Other instructional programs	655,295	675,934	579,620	96,314
Special programs	17,188	64,723	67,039	(2,316)
Adult education services	47,086	45,860	46,017	(157)
Support services				
Pupil support services	298,645	306,186	304,826	1,360
Instructional staff support	267,464	278,908	170,315	108,593
General administration	271,861	333,677	312,727	20,950
School administration	334,711	226,838	341,481	(114,643)
Business services	144,576	145,281	108,147	37,134
Plant services	1,454,755	1,988,532	1,488,186	500,346
Student transportation services	731,305	547,057	326,461	220,596
Central services	1,637,206	1,676,771	1,168,401	508,370
Non-Instructional services				
Food service operations	421,093	445,705	400,211	45,494
Capital outlay	-	-	228,121	(228,121)
Debt services	800,000	-	552,393	(552,393)
Other uses				
Transfers out	1,463,000	1,463,000	1,503,942	(40,942)
Total charges to appropriations	<u>13,626,512</u>	<u>13,455,093</u>	<u>12,658,261</u>	<u>796,832</u>
Budgetary fund balance at end of year	<u>\$ 276,149</u>	<u>\$ 2,069,752</u>	<u>\$ 2,807,020</u>	<u>\$ 737,268</u>

See accompanying notes to budgetary comparison schedules

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

Notes to Budgetary Comparison Schedules

For the Year Ended June 30, 2009

Budget and Budgetary Accounting

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

In September, 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 the prior 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 budget 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.

SUPPLEMENTAL INFORMATION

NONMAJOR FUNDS

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Nonmajor Governmental Funds
Combining Balance Sheet

June 30, 2009

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 1,357,408	\$ 5,341,945	\$ 3,029,277	\$ 9,728,630
Accounts receivable	4,005,658	33,874	-	4,039,532
Due from other funds	55,885	-	-	55,885
Inventory	99,687	-	-	99,687
Other assets	27,334	-	-	27,334
Total assets	\$ 5,545,972	\$ 5,375,819	\$ 3,029,277	\$ 13,951,068
 Liabilities and Fund Equity				
Liabilities				
Accounts payable	\$ 109,612	\$ -	\$ -	\$ 109,612
Salaries and wages payable	2,019,767	-	-	2,019,767
Due to other funds	2,292,675	-	-	2,292,675
Other liabilities	27,961	-	-	27,961
Total liabilities	4,450,015	-	-	4,450,015
 Fund Equity				
Fund balances				
Reserved for inventory and prepaids	99,687	-	-	99,687
Reserved for salaries and related benefits	11,422	-	-	11,422
Reserved for debt service	-	5,375,819	-	5,375,819
Reserved for capital projects	-	-	3,029,277	3,029,277
Unreserved-undesignated	984,848	-	-	984,848
Total fund balances	1,095,957	5,375,819	3,029,277	9,501,053
Total liabilities and fund equity	\$ 5,545,972	\$ 5,375,819	\$ 3,029,277	\$ 13,951,068

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended June 30, 2009

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues				
Local sources				
Ad valorem tax	\$ -	\$ 4,086,031	\$ -	\$ 4,086,031
Sales tax collections	11,074,137	-	-	11,074,137
Interest	25,609	65,154	40,458	131,221
School food service payment for meals	207,975	-	-	207,975
Other local revenue	57,365	-	7,425	64,790
State sources				
State equalization	400,000	-	-	400,000
Restricted grants-in-aid	1,497,443	-	-	1,497,443
Federal sources				
Restricted grants-in-aid	11,183,570	-	-	11,183,570
Total revenues	<u>24,446,099</u>	<u>4,151,185</u>	<u>47,883</u>	<u>28,645,167</u>
Expenditures				
Current				
Instructional				
Regular programs	5,969,493	-	-	5,969,493
Special education programs	2,741,254	-	-	2,741,254
Vocational programs	315,835	-	-	315,835
Other instructional programs	1,851,471	-	-	1,851,471
Special programs	2,263,190	-	-	2,263,190
Adult/Continuing education programs	143,621	-	-	143,621
Support services				
Pupil support services	1,928,776	-	-	1,928,776
Instructional staff	2,095,574	-	-	2,095,574
General administration	85,722	119,015	-	204,737
School administration	646,468	-	-	646,468
Business services	181,563	-	-	181,563
Plant services	500,147	-	41,125	541,272
Student transportation services	325,884	-	-	325,884
Central services	443,752	-	-	443,752
Noninstructional				
Food service operations	4,480,845	-	-	4,480,845
Debt service				
Principal	-	4,655,000	-	4,655,000
Interest	-	1,874,698	-	1,874,698
Capital outlay	75,199	-	1,115,992	1,191,191
Total expenditures	<u>24,048,794</u>	<u>6,648,713</u>	<u>1,157,117</u>	<u>31,854,624</u>
Excess (deficiency) of revenues over expenditures	397,305	(2,497,528)	(1,109,234)	(3,209,457)
Other financing sources (uses)				
Transfers in	199,099	1,464,049	-	1,663,148
Transfers out	(576,071)	-	-	(576,071)
Total other financing sources (Uses)	<u>(376,972)</u>	<u>1,464,049</u>	<u>-</u>	<u>1,087,077</u>
Net change in fund balances	20,333	(1,033,479)	(1,109,234)	(2,122,380)
Fund balances at beginning of year	<u>1,075,624</u>	<u>6,409,298</u>	<u>4,138,511</u>	<u>11,623,433</u>
Fund balances at end of year	<u>\$ 1,095,957</u>	<u>\$ 5,375,819</u>	<u>\$ 3,029,277</u>	<u>\$ 9,501,053</u>

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana
Nonmajor Funds

As of and for the Year Ended June 30, 2009

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.

- A. 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.
- B. 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.
- C. Vocational and Adult Education funds are used to more fully develop the academic and occupational skills of students to enhance their ability to compete in a technologically advancing workplace.
- D. Reading First is a federally financed program to ensure that all children achieve reading mastery by the end of the third grade.
- E. 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%.
- F. 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.
- G. The Other Federal Programs funds account for all other federal programs that were not specifically discussed above.
- H. The State Grants funds account for Louisiana Department of Education grants for programs such as the Model Early Childhood, the Supplemental Instruction Program, and LEAP/GEE21 Remediation and various other grants.
- I. The Local Grants funds account for all grants from entities within the local community.

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana
Nonmajor Funds

As of and for the Year Ended June 30, 2009

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 1995 School Improvement Bonds and the related 2001 and 2003 refunding bonds.

The 2001-2002 Sales Tax Bond Sinking Fund accounts for the 2001 and 2002 Series Sales Tax 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 QZAB (Qualified Zone Academy Bond) Projects Fund accounts for proceeds from the issuance of \$1,582,450 of Certificates of Indebtedness for the purpose of rehabilitating or repairing schools and related facilities, purchasing equipment and developing course materials for education.

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

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Nonmajor Special Revenue Funds
Combining Balance Sheet

June 30, 2009

	Special Education	School Food Service	Vocational/Adult Education	Reading First	1968 Sales Tax	1994 Sales Tax	Other Federal Programs	State Grants	Local Grants	Total
Assets										
Cash and cash equivalents	\$ -	\$ 878,322	\$ -	\$ -	\$ 29,770	\$ 428,538	\$ -	\$ 20,828	\$ -	\$ 1,357,408
Accounts receivable	578,393	32,885	49,048	157,017	350,521	550,103	1,806,333	481,358	-	4,005,658
Due from other funds	-	-	-	-	27,604	28,281	-	-	-	55,885
Inventory	-	99,687	-	-	-	-	-	-	-	99,687
Other assets	1,175	-	-	-	-	-	25,108	1,051	-	27,334
Total assets	\$ 579,568	\$ 1,010,894	\$ 49,048	\$ 157,017	\$ 407,845	\$ 1,006,922	\$ 1,831,441	\$ 503,237	\$ -	\$ 5,545,972

Liabilities and Fund Equity

Liabilities										
Accounts payable	\$ 5,974	\$ 8,520	\$ 4,123	\$ 458	\$ -	\$ 10,400	\$ 66,548	\$ 13,589	\$ -	\$ 109,612
Salaries and wages payable	104,381	245,240	5,016	53,130	307,558	543,796	583,231	177,415	-	2,019,767
Due to other funds	467,370	-	39,909	99,897	88,865	127,368	1,157,033	312,233	-	2,292,675
Other liabilities	1,843	-	-	3,532	-	-	22,586	-	-	27,961
Total liabilities	\$ 579,568	\$ 253,760	\$ 49,048	\$ 157,017	\$ 396,423	\$ 681,564	\$ 1,829,398	\$ 503,237	\$ -	\$ 4,450,015

Fund Equity

Fund balances										
Reserved for inventory and prepaids	-	99,687	-	-	-	-	-	-	-	99,687
Reserved for salaries and related benefits	-	-	-	-	11,422	-	-	-	-	11,422
Unreserved-undesignated	-	657,447	-	-	-	325,358	2,043	-	-	984,848
Total fund balances	-	757,134	-	-	11,422	325,358	2,043	-	-	1,095,957
Total liabilities and fund equity	\$ 579,568	\$ 1,010,894	\$ 49,048	\$ 157,017	\$ 407,845	\$ 1,006,922	\$ 1,831,441	\$ 503,237	\$ -	\$ 5,545,972

CITY OF MONROE SCHOOL BOARD
 Monroe, Louisiana

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended June 30, 2009

	Special Education	School Food Service	Vocational/ Adult Education	Reading Fund	1968 Sales Tax	1994 Sales Tax	Other Federal Programs	State Grants	Local Grants	Total
Revenues										
Local sources										
Sales tax collections	\$ -	\$ -	\$ -	\$ -	\$ 4,245,927	\$ 6,828,210	\$ -	\$ -	\$ -	\$ 11,074,137
Interest	-	-	-	-	8,267	17,342	-	-	-	25,609
School food service payment for meals	-	207,975	-	-	-	-	-	-	-	207,975
Other local revenues	-	-	-	-	-	-	-	-	57,365	57,365
State sources										
State equalization	-	400,060	-	-	-	-	-	-	-	400,000
Restricted grants-in-aid	44,594	-	-	162,962	-	-	466,530	823,257	-	1,497,443
Federal sources										
Restricted grants-in-aid	2,091,719	3,783,524	215,140	380,557	-	-	4,662,630	50,000	-	11,183,570
Total revenues	2,116,313	4,391,499	215,140	543,519	4,254,194	6,845,552	5,129,160	873,357	57,365	24,446,099
Expenditures										
Current										
Instructional										
Regular programs	-	-	-	11,139	1,976,981	3,332,895	454,033	133,989	60,446	5,969,489
Special education programs	841,793	-	-	-	853,007	1,045,141	-	1,313	-	2,741,254
Vocational programs	-	-	133,706	-	75,926	86,599	-	19,604	-	315,835
Other instructional programs	-	-	-	-	325,694	437,675	-	189,253	-	1,851,471
Special programs	-	-	-	393,118	71,795	31,860	1,499,940	266,477	-	2,263,190
Adult/Continuing education programs	-	-	-	-	39,494	44,366	-	99,761	-	143,621
Support services										
Pupil support services	894,897	-	76,452	-	232,576	367,737	312,340	44,774	-	1,928,776
Instructional staff	196,413	-	6,468	129,076	119,018	229,124	1,195,922	219,553	-	2,095,574
General administration	-	-	-	-	35,787	49,935	-	-	-	85,722
School administration	-	-	-	-	200,193	407,263	-	20,358	-	646,468
Business services	6,844	-	-	81	17,306	149,787	18,654	-	-	181,563
Plant services	-	631	-	-	104,767	230,002	164,460	287	-	500,147
Student transportation services	27,018	-	53	-	86,322	103,218	92,551	14,722	-	325,884
Central services	-	-	-	-	56,585	316,275	70,892	-	-	443,752
Noninstructional										
Food service operations	-	4,232,304	-	-	118,580	129,961	-	-	-	4,480,845
Capital outlay	1,866,965	4,232,932	216,679	533,414	4,315,031	6,963,638	65,369	9,830	60,446	24,048,794
Total expenditures	1,866,965	4,232,932	216,679	533,414	4,315,031	6,963,638	4,780,555	973,921	60,446	24,048,794
Excess (deficiency) of revenues over expenditures	169,348	158,564	(1,539)	10,105	(59,837)	(118,286)	348,605	(106,574)	(3,081)	397,303
Other financing sources (uses)										
Transfers in	-	39,892	1,539	-	-	48,000	-	106,587	3,081	199,089
Transfers out	(159,348)	-	-	(10,105)	-	(48,000)	-	(13)	-	(576,071)
Total other financing sources (uses)	(159,348)	39,892	1,539	(10,105)	-	(48,000)	-	106,574	3,081	(376,972)
Net change in fund balances	-	198,456	-	-	(59,837)	(118,286)	-	-	-	20,333
Fund balances at beginning of year	-	558,678	-	-	71,259	443,644	2,043	-	-	1,075,624
Fund balances at end of year	\$ -	\$ 757,134	\$ -	\$ -	\$ 11,422	\$ 325,358	\$ 2,043	\$ -	\$ -	\$ 1,095,957

DEBT SERVICE FUNDS

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

**Nonmajor Debt Service Funds
Combining Balance Sheet**

June 30, 2009

	<u>Bond Redemption</u>	<u>2001-2002 Sales Tax Bond Sinking</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 2,716,963	\$ 2,624,982	\$ 5,341,945
Receivables	<u>33,874</u>	<u>-</u>	<u>33,874</u>
 Total assets	 <u>\$ 2,750,837</u>	 <u>2,624,982</u>	 <u>\$ 5,375,819</u>
 Fund Equity			
Fund balance - reserved for debt service	\$ <u>2,750,837</u>	\$ <u>2,624,982</u>	\$ <u>5,375,819</u>
 Total fund equity	 <u>\$ 2,750,837</u>	 <u>2,624,982</u>	 <u>\$ 5,375,819</u>

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

**Nonmajor Debt Service Funds
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances**

For the Year Ended June 30, 2009

	<u>Bond Redemption Debt Service</u>	<u>2001-2002 Sales Tax Bond Sinking</u>	<u>Total</u>
Revenues			
Local sources			
Ad valorem tax	\$ 4,086,031	\$ -	\$ 4,086,031
Interest	40,911	24,243	65,154
Total revenues	<u>4,126,942</u>	<u>24,243</u>	<u>4,151,185</u>
Expenditures			
General administration	119,015	-	119,015
Debt service			
Principal	3,880,000	775,000	4,655,000
Interest	1,203,324	671,374	1,874,698
Total expenditures	<u>5,202,339</u>	<u>1,446,374</u>	<u>6,648,713</u>
Excess (deficiency) of revenues over expenditures	(1,075,397)	(1,422,131)	(2,497,528)
Other financing sources			
Transfers in	-	1,464,049	1,464,049
Total other financing sources	<u>-</u>	<u>1,464,049</u>	<u>1,464,049</u>
Net change in fund balances	(1,075,397)	41,918	(1,033,479)
Fund balances at beginning of year	<u>3,826,234</u>	<u>2,583,064</u>	<u>6,409,298</u>
Fund balances at end of year	<u>\$ 2,750,837</u>	<u>\$ 2,624,982</u>	<u>\$ 5,375,819</u>

CAPITAL PROJECTS FUNDS

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Nonmajor Capital Projects Funds
Combining Balance Sheet

June 30, 2009

	<u>QZAB Projects</u>	<u>Capital Projects</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 559,115	\$ 2,470,162	\$ 3,029,277
Total assets	<u>\$ 559,115</u>	<u>\$ 2,470,162</u>	<u>\$ 3,029,277</u>
Fund Equity			
Fund equity			
Fund balance - reserved for capital projects	\$ 559,115	\$ 2,470,162	\$ 3,029,277
Total fund equity	<u>\$ 559,115</u>	<u>\$ 2,470,162</u>	<u>\$ 3,029,277</u>

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Nonmajor Capital Projects Funds
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended June 30, 2009

	<u>QZAB Projects</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues			
Local sources			
Interest	\$ 9,508	\$ 30,950	\$ 40,458
Other local revenue	-	7,425	7,425
Total revenues	<u>9,508</u>	<u>38,375</u>	<u>47,883</u>
Expenditures			
Current			
Support services			
Plant services	20,311	20,814	41,125
Facility acquisition and construction	<u>1,000,778</u>	<u>115,214</u>	<u>1,115,992</u>
Total expenditures	<u>1,021,089</u>	<u>136,028</u>	<u>1,157,117</u>
Net change in fund balances	(1,011,581)	(97,653)	(1,109,234)
Fund balances at beginning of year	<u>1,570,696</u>	<u>2,567,815</u>	<u>4,138,511</u>
Fund balances at end of year	<u>\$ 559,115</u>	<u>\$ 2,470,162</u>	<u>\$ 3,029,277</u>

OTHER SUPPLEMENTARY DATA

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

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

Schedule of Compensation Paid Board Members

For the Year Ended June 30, 2009

	<u>District</u>	<u>Compensation</u>
Victoria Dayton	1	\$ 10,263
Vickie Krutzer	2	9,600
Mickey Traweek	3	9,600
Jessie Handy	4	9,600
Rodney McFarland	5	9,600
Stephanie Smith	6	9,600
Brenda Shelling, President	7	10,137
		<u>\$ 68,400</u>

SUPPLEMENTARY INFORMATION – GRANT ACTIVITY

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)
Francis I. Huffman, CPA
Phillip A. Ragsdale, CPA
David Ray Solgnier, CPA, MBA

John Herman, CPA
Lynn Andries, CPA
Esther Atteberry, CPA
Sandra Harrington, CPA

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

City of Monroe School Board Monroe, Louisiana

We have audited the 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, 2009, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School Board's financial statements that is more than inconsequential will not be prevented or detected by the School Board's

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

internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questions Costs listed as 09-01 through 09-03 to be significant deficiencies in the internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 09-01 and 09-02.

We noted certain other matters that we reported to management of the School Board in a separate letter dated December 30, 2009.

The School Board's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the School Board's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management of the School Board, Federal awarding agencies and pass-through entities, and other entities granting funds to the School Board and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Huffman, Raymond, & Simpson

(A Professional Accounting Corporation)

December 30, 2009

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)
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Esther Atteberry, CPA
Sandra Harrington, CPA

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

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

Compliance

We have audited the compliance of the **City of Monroe School Board** (the School Board) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2009. The School Board's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

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

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2009.

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

Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the School Board's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the School Board's internal control.

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

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

This report is intended solely for the information and use of management of the School Board, Federal awarding agencies and pass-through entities, and other entities granting funds to the School Board and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Huffman, Hoffman, Roydall, & Squire

(A Professional Accounting Corporation)

December 30, 2009

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>C.F.D.A. Number</u>	<u>Grant Number</u>	<u>Current Year Expenditures</u>
DIRECT PROGRAMS:			
U.S. DEPARTMENT OF DEFENSE			
R.O.T.C.	N/A	Not Available	\$ 172,134
U.S. DEPARTMENT OF EDUCATION			
Impact Aid	84.041	S0418-2008-2116	118,594
Gear UP	84.334	P334A050088-05	730,246
Gear UP Carryover	84.334	P334A050088	31,021
Safe Schools Healthy Students	84.184L	Q184L070132-08	527,918
Safe Schools Healthy Students	84.184L	Q184L070132	670,249
Total U.S. Department of Education			2,078,028
Total Direct Programs			2,250,162
PASS THROUGH PROGRAMS:			
U. S. DEPARTMENT OF EDUCATION			
Passed through Louisiana			
Department of Education:			
Title I Grants to Local Educational Agencies			
Part A - Basic			
Regular Program	84.010A	S010A060018	6,387,411
School Improvement	84.010A	28-08-TA-65	212,959
School Improvement	84.010A	28-06-TA-65	39,183
School Improvement	84.377A	28-08-TC-65	85,101
Total Title I			6,724,654
SPECIAL EDUCATION CLUSTER:			
Special Education-Individuals With Disabilities Education Act IDEA B			
Preschool and School Programs:			
IDEA B	84.027A	H027A080033	2,033,981
Preschool	84.173A	H173A080082	57,739
Total Special Education Cluster			2,091,720
Title II - Part A, Teacher and Principal Training and Recruiting			
Regular	84.367A	S367A070017	1,167,356
Total Title II			1,167,356
Title IV - Safe and Drug-Free Schools and Communities - State Grants			
Regular	84.186A	Q186A080019	69,353
Total Title IV			69,353
21st Century			
21st Century Carryover	84.287C	28-06-1C-65	785,017
21st Century Carryover	84.287C	28-09-6C-65	189,748
Total 21st Century			974,765
Title V - Innovative Education Program Strategies			
2007 Regular	84.298A	S298A70018	6,975
Total Title V			6,975

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Federal Grantor/ Pass-Through Grantor/ Program Title	C.F.D.A. Number	Grant Number	Current Year Expenditures
Educational Technology State Grants			
Technology Literacy Challenge Grant 2007	84.318X	28-08-14-65	37,189
TLTC	84.318X	28-09-14-65	153,452
Enhancing Education Through Technology	84.318X	28-09-49-65	20,877
Total Educational Technology State Grants			211,518
Reading First	84.357A	28-08-RF-65 C/O	142,599
Reading First	84.357A	28-09-RF-65	36,947
Reading First	84.357A	28-07-RS-65	99,186
Reading First	84.357A	28-06-RF-65 C/O	69,809
Reading First	84.357A	28-06-RS-65	32,016
Total Reading First			380,557
Math & Science Partnership	84.366B	28-08-MP-65	148,539
Math & Science Partnership	84.366B	28-07-MP-65	72,475
Total Educational Technology State Grants			221,014
Vocational Education	84.048A	28-09-02-65	200,955
Vocational Education	84.048A	28-08-02-65-C/O	14,185
Total Vocational Education			215,140
Temporary Assistance for Needy Families (TANF)			
After School for All	93.558	28-09-OS-65	52,214
Temporary Assistance for Needy Families (TANF)			
Jobs for America's Graduates-LA	93.558	28-09-JS-65	50,000
Total Temporary Assistance for Needy Families (TANF)			102,214
Total U.S. Dept. of Education			12,165,266
U.S. DEPARTMENT OF AGRICULTURE (USDA)			
Passed through State			
Department of Education:			
CHILD NUTRITION CLUSTER:			
School Breakfast Program	10.553	Not Available	984,796
School Lunch Program	10.555	Not Available	2,374,071
School Snack Program	10.555	Not Available	16,275
Commodities	10.555	Not Available	271,364
Summer Feeding	10.559	Not Available	137,018
Total Child Nutrition Cluster			3,783,524
Total U.S. Dept. of Agriculture			3,783,524
TOTAL PASS THROUGH PROGRAMS			15,948,791
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 18,198,952

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2009

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, 2009:

	Title I	Special Education	Reading First	Vocational/ Adult Education	Other Federal Programs	Child Nutrition Cluster
Total Expenditures	\$ 6,175,084	\$ 1,922,372	\$ 370,452	\$ 215,140	\$ 4,364,571	\$ 3,783,524
Transfer of						
Indirect Cost	549,570	169,348	10,105	-	348,058	-
Expenditures per Schedule	<u>\$ 6,724,654</u>	<u>\$ 2,091,720</u>	<u>\$ 380,557</u>	<u>\$ 215,140</u>	<u>\$ 4,712,629</u>	<u>\$ 3,783,524</u>

	General Fund		
	Impact Aid	R.O.T.C.	Total
Total Expenditures	\$ 118,594	\$ 172,134	\$ 17,121,871
Transfer of			
Indirect Cost	-	-	1,077,081
Expenditures per Schedule	<u>\$ 118,594</u>	<u>\$ 172,134</u>	<u>\$ 18,198,952</u>

Included in the Child Nutrition Cluster is \$271,364 of non-cash awards in the form of commodities provided by the United States Department of Agriculture.

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

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2009

Section I – Summary of Auditor’s Results

Financial Statements:

Type of Auditor’s Report Issued: Unqualified

Internal Control Over Financial Reporting:

Significant Deficiencies identified? Yes No

Significant Deficiencies identified not considered to be material weaknesses?
 Yes No None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal Control Over Major Programs:

Material weakness(es) identified? Yes No

Significant Deficiencies identified not considered to be material weakness(es)?
 Yes None Reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133,
Section .510(a)? Yes No

Dollar threshold used to distinguish between Type A and Type B programs \$545,969

Auditee qualified as low-risk auditee? Yes No

Identification of Major Programs:

<u>CFDA #</u>	<u>PROGRAM TITLE</u>
10.553, 10.555, 10.559	Nutrition Cluster
84.184L	Safe Schools
84.287	21 st Century
84.334	Gear Up

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

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2009

Section II – Financial Statement Findings and Questioned Costs:

09-01 PAYROLL FRAUD/FALSIFYING PUBLIC RECORDS

Finding:

During the year ended June 30, 2009, an investigation initiated by the Director of the Title I Program revealed that a part-time tutor in the Title I Program had been paid a total of \$4,425 for hours either not worked or not supported by proper student sign in sheets to indicate tutoring services provided.

During a four month period, the employee claimed 431 hours at \$15 per hour. The employee was paid for 295 hours, however he was not paid for the remaining 136 hours due to the fact that the fraud was detected before he filed his time sheet. Time sheets were submitted showing hours worked from 7:30 a.m. to 4:30 p.m., but the student sign in sheets indicate that the earliest tutoring sessions did not begin until noon each day and the last session ended at 3:00 p.m. The principal of the school has stated that he had not seen this employee on campus as early as 7:30. The same student sign in sheets were duplicated numerous times over the four month period as support for the services provided. The same students appeared on each sheet and the dates were clearly altered if they were changed at all. It appears that the maximum number of hours worked could have been no more than 138 hours (3 one hour tutoring sessions per day for 46 days). At \$15 per hour, the most he could have earned would have been \$2,020, assuming that he actually worked those sessions. While these costs were originally charged to the Title I Program, they were reversed and no Title I funds were used for these payments.

It should be noted that all student sign in sheets and all time sheets were approved by the employee's mother who was the assistant principal and apparently the supervisor of the tutoring program. As a result of this investigation, the assistant principal has retired and her son has been terminated. In addition, the assistant principal was arrested and the case is on-going.

Louisiana Revised Statute 42:1119 prohibits a member of the immediate family of an agency head to be employed in the agency. Since the tutoring program is the smallest unit in which the employee worked, it would appear that the Louisiana Code of Governmental Ethics may have been violated.

Also Louisiana Revised Statute 24:523 requires the School Board to notify the Legislative Auditor and District Attorney when it has actual knowledge of any misappropriation of public funds. It appears that this notification was not made to the Legislative Auditor.

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2009

Recommendation:

The School Board should continue to monitor all claims for payment for services rendered by part-time employees or contract workers. In addition, the School Board should pursue all legal remedies in this case and seek restitution from the parties involved. The School Board should obtain an opinion from its legal counsel as to whether any ethics laws may have been violated. In the future, the School Board should notify the Legislative Auditor and District Attorney, as required by LRS 24:523, when it has knowledge of misappropriation of public funds.

Management's Corrective Plan:

The School District will continue to monitor all claims for payment for work performed and or services rendered from all employees and contracted vendors. We shall consult with legal counsel to determine if any ethics laws have been violated and will ascertain the proper remedy in case a violation has occurred. As required by LRS 24:523 all suspected cases of misappropriation of public funds will be reported to the appropriate agencies. As a result of any determination of misappropriations, the School District will continue to pursue all legal remedies to obtain restitution for District funds that have been expended in an inappropriate manner.

09-02 CREDIT CARD USAGE

Finding:

During the year ended June 30, 2009 management of the School Board became aware of the misuse of School Board credit cards at several schools. An investigation by the School Board indicates that credit cards have been used to make purchases not related to school activities in violation of School Board policy as well as state law.

- A. At one school credit, card statements over a four year period indicate that the school secretary charged in excess of \$60,000 to the school's various credit card accounts, much of which appears to be unrelated to school business. Questionable purchases include, but are not limited to, charges to restaurants, utility companies, phone companies, online electronics vendors, beauty supply stores, cash advances, and clothing stores, as well as purchases of electronics at vendors from which the individual was authorized to purchase school supplies. In the case of this individual, an investigation by the Monroe Police Department and the District Attorney's office concluded that no other individuals engaged in

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2009

criminal activity with this individual. Because this employee is now deceased, the District Attorney has formally declined prosecution in this case.

- B. Questionable charges by the principal at another school totaling approximately \$2,360 consisted of \$1,900 which appear to be personal in nature; \$230 for which there was insufficient documentation and \$210 for duplicate charges which were charged on the school's credit card and were reimbursed to the principal on expense reports. An additional \$687 in gasoline purchases were not supported by purchase receipts. It should be noted that the principal paid the credit card company \$9,630 which represented the entire balance at September, 2009.
- C. Charges by the principal of another school of approximately \$5,000 which appear questionable include \$3,300 which appear to be personal; \$625 for gifts and gift cards; \$145 lacking insufficient documentation; \$240 for duplicate charges reimbursed on expense reports and \$640 hotel reservation that was not used but was not cancelled by the principal. Another \$456 in gasoline purchases were not supported by purchase receipts. It should be noted that the principal reimbursed the school some \$4,300 for items questioned by the School Board.
- D. At another school, credit card purchases of \$3,200 appeared to be for school related activity but they were not supported by proper receipts. Another \$80 in purchases appeared to be personal. Gasoline purchases totaling \$1,245 which appear to be for school related travel were not supported by proper documentation. The \$80 has been reimbursed to the school by the principal.
- E. Charges of \$300 were made by the principal at another school for twelve \$25 gift cards for the office staff. Gifts of this nature violate provisions of Article 7, Section 14 of the Louisiana constitution. The principal has reimbursed the school this \$300.

Recommendation:

The School Board should monitor all credit card spending whether by schools or other personnel to insure compliance with laws and School Board policy. The School Board should seek restitution for all expenditures that were, in the Board's opinion, for personal benefit of the persons making the purchases. The number and type of credit cards allowed should be limited and only issued upon the approval of the Superintendent.

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

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2009

Management's Corrective Plan:

The School District has adopted a credit card policy that requires 1) pre-approval by the Superintendent for all credit cards; 2) credit limits established by the user and the business office; 3) vendor and purchase restrictions applied by using merchant category codes; and 4) monthly review of credit card statements by the business office, along with other control mechanisms. This will allow for more timely monitoring of expenditures on credit cards. Additionally, several schools have discontinued the use of credit cards completely. The District has received restitution for all personal use of credit cards with the exception of the deceased person listed in finding 09-02 A.

09-03 PAYROLL FUNCTION

Finding:

The payroll clerk performs certain duties which are incompatible to providing for a sound system of internal control. The payroll clerk inputs the regular payroll data into the payroll system, processes changes to employee payroll data (e.g., pay rate, salary table, deductions, et cetera) and prints the checks, all without review and approval of a supervisor independent of the payroll function. Only special issues (i.e., questions) are presented to the Chief Accountant, for review. The only routine review is done within the payroll department by the payroll clerk, as she compares the current run to the prior period noting any differences from month to month.

Payroll information for all new employees and most changes to employee files are entered by Human Resources personnel which is approved by the Human Resources director and forwarded to Payroll. The payroll clerk can make changes to employee payroll data without written authorization of the Human Resources department. These changes include such items as employee deductions related to garnishments and child support. The payroll clerk also updates the statewide salary table annually. We also were informed that employees can submit authorization forms for direct deposit of their payroll checks to either the Human Resources or the Payroll department and that authorization is then entered by the department receiving it.

In addition, some employees in the central office were not always completing absentee/leave slips to document their sick leave as is required by School Board policy.

Recommendation:

Management should restrict access and prohibit changes to payroll data without written authorization from the Human Resources department. A supervisor independent of the payroll function should review the payroll data entered each pay period and initial the review and

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2009

approval. The Human Resources department should be responsible for verifying the accuracy and propriety of all changes made to payroll data to include changes to pay rates, salary table payroll deductions and adding new employees. The Human Resources department should also compare and verify all payroll deduction changes to properly approved written authorization forms maintained in its personnel files. All authorizations for direct deposit should be submitted to and entered into the system by the Human Resources department.

Management should ensure that all employees complete and sign an absentee/leave slip for all leave taken. The leave slip should be approved by a supervisor and be attached to the time reports submitted to the payroll department for processing.

Management's Corrective Plan:

Management is aware that employees in the Payroll department perform certain duties that are incompatible to providing a sound system of internal control and realizes that these duties should be restricted to the Human Resources department. Implementing these changes will likely present serious challenges for the school board; however, it is management's goal to implement the necessary procedures to create a sound system of internal control.

Section III – Federal Awards Findings and Questioned Costs:

None reported.

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

Summary Status of Prior Year Findings

For the Year Ended June 30, 2009

There were no findings in connection with the audit for the year ended June 30, 2008.

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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MANAGEMENT LETTER

City of Monroe School Board Monroe, Louisiana

In planning and performing our audit of the financial statements of the City of Monroe School Board (the School Board) for the year ended June 30, 2009, we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the financial statements and not to provide assurance on the internal control structure or overall compliance with laws and regulations.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 30, 2009 on the financial statements of the School Board.

Documentation of Internal Control

Management of the School Board is charged with establishing and maintaining internal control and to assess internal control for effectiveness in design and operation. Those components are outlined in the Committee of Sponsoring Organizations of the Treadway Commission Report (commonly referred to as the COSO Report, or COSO) and consist of the Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. While certain elements of the components of internal control exist and certain aspects of the control activities have been documented, the School Board does not possess written documentation of all components of internal control over School Board operations.

For management and those charged with governance to properly discharge their responsibility to establish and maintain internal control, there must exist a level of documentation of internal control sufficient to allow them to assess operating effectiveness and design, not just at a point in time, but over a period of time. As circumstances change, controls should be re-evaluated for ongoing effectiveness.

**City of Monroe School Board
Monroe, Louisiana
Management Letter
Page 2 of 3**

The Louisiana Legislative Auditor issued an Advisory Services Report on the City of Monroe School Board dated January 21, 2009 whereby they applied their *Checklist of Best Practices in Government*. In that report they made several recommendations to assist the School Board in improving controls over operations, implementing good business practices and ensuring compliance with state laws. Some of these recommendations fall into the framework of COSO and consisted of the following:

- A. Completing the update of the School Board's *Policy Manual* and assess how well the financial and accounting information needs of key users are being met.
- B. In the area of the School Board's Management Information System (MIS), there was no formal planning or monitoring of the School Board's computer and information technology, no formal security plan addressing threats to computer security and no formal disaster recovery and business continuity plan. Therefore, the Technology Committee should be reactivated to ensure that the Technology Plan is monitored and that the MIS supports the needs of the School Board and that the committee review and monitor the computerized financial accounting system needs and security. Management should develop and implement a written security plan and a disaster recovery plan for the business operations and the Information Technology needs of the Board and the security of the computer room should be enhanced. MIS should be involved in all IT security issues to ensure that security policies and procedures are consistent across all departments and that backup plans are in place and working and are an approved part of overall disaster recovery planning.

We recommend that management of the School Board review and document the internal control of the School Board using the COSO framework in order that management and the Board may discharge their responsibility to design and implement controls and monitor those controls for effectiveness over time. As part of this review and documentation, the School Board should utilize the comments and recommendations included in the Louisiana Legislative Auditor's Advisory Services Report dated January 21, 2009 which was based on the *Checklist of Best Practices in Government*.

Management's Response:

The District has many existing procedures in place that provide for effective internal control. The district has evaluated the internal control procedures and has developed written documentation for the control activity component as outlined in the Committee of Sponsoring Organizations of the Treadway Commission Report (COSO). We are also developing documentation for the Control Environment, Risk Assessment, Information and Communication, and Monitoring which are the other components of COSO. Likewise, the District has utilized many available resources, such as the COSO framework.

**City of Monroe School Board
Monroe, Louisiana
Management Letter
Page 3 of 3**

The District has received the Advisory Services Report from the Legislative Auditor and will address all comments and recommendations. In response, the School Board has already contracted with Forethought Consulting Inc. to complete the Policy Manual. Additionally, the School Board plans to reactivate the Technology Committee to ensure that the Technology Plan is monitored and that MIS supports the needs of the School Board.

Huffman, Huffman, Reynolds, & Siggins

(A Professional Accounting Corporation)

December 30, 2009

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

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2009**

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

AGREED-UPON PROCEDURES

FISCAL YEAR ENDED JUNE 30, 2009

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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE YEAR ENDED JUNE 30, 2009

CITY OF MONROE SCHOOL BOARD MONROE, LOUISIANA

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of City of Monroe School Board (the School Board) and the Legislative Auditor, State of Louisiana (collectively, the Specified Users), solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of City of Monroe School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the Specified Users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules required by state law 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.

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

Education Levels of Public School Staff (Schedule 2)

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

Number and Type of Public Schools (Schedule 3)

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

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

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

Public School Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full-time equivalents reported in the schedule.

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

Class Size Characteristics (Schedule 6)

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

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

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

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

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

The iLeap Tests (Schedule 9)

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

Our twelve procedures enumerated above did not disclose any exceptions.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Huffman, Hoffmann, Royal, & Seigman

(A Professional Accounting Corporation)

December 30, 2009

SCHEDULES REQUIRED BY STATE LAW

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
Fiscal Year Ended June 30, 2009**

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

Classroom Teacher Salaries	\$ 21,091,418
Other Instructional Staff Activities	2,876,855
Employee Benefits	9,324,765
Purchased Professional and Technical Services	858,978
Instructional Materials and Supplies	517,797
Instructional Equipment	91,883

Total Teacher and Student Interaction Activities		\$ 34,761,696
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Other Instructional Activities

Pupil Support Activities	2,774,945	71,947
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	2,774,945	2,774,945

Instructional Staff Services

Less: Equipment for Instructional Staff Services	2,067,077	
Net Instructional Staff Services	9,830	2,057,247

Total General Fund Instructional Expenditures		\$ 39,665,835
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Total General Fund Equipment Expenditures

		\$ 2,852,758
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Certain Local Revenue Sources**Local Taxation Revenue:**

Constitutional Ad Valorem Taxes	\$ 2,364,468
Renewable Ad Valorem Tax	6,880,250
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	286,206
Sales and Use Taxes	-
Total Local Taxation Revenue	\$ 9,530,924

Local Earnings on Investment in Real Property:

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

State Revenue in Lieu of Taxes:

Revenue Sharing-Constitutional Tax	\$ 310,815
Revenue Sharing-Other Taxes	-
Total State Revenue in Lieu of Taxes	\$ 310,815

Nonpublic Transportation Revenue

		\$ -
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Nonpublic Textbook Revenue

		\$ 24,727
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Schedule 2

CITY OF MONROE SCHOOL BOARD
Education Levels of Public School Staff
As of October 1, 2008

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	2	0%	4	33%	-	-	-	-
Bachelor's Degree	350.91	56%	7	58%	-	-	-	-
Master's Degree	168.36	27%	1	8%	6.64	25%	-	-
Master's Degree +30	105.21	17%	-	-	17.87	67%	-	-
Specialist in Education	3	0%	-	-	-	-	-	-
Ph.D. or Ed.D.	2	0%	-	-	2	8%	-	-
Total	631.48	100%	12	100%	26.51	100%	-	-

CITY OF MONROE SCHOOL BOARD
Number and Type of Public Schools
Fiscal Year Ended June 30, 2009

<u>Type</u>	<u>Number</u>
Elementary	12
Middle/ Junior High	3
Secondary	4
Combination	1
Total	20

CITY OF MONROE SCHOOL BOARD
Experience of Public Principals and Full-time
Classroom Teachers
As of October 1, 2008

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	-	2.6	-	1.96	1.95	6.51
Principals	-	-	-	3	5	5	7	20
Classroom Teachers	62	55	176.01	68.33	87.96	81.04	113.14	643.48
Total	62	55	176.01	73.93	92.96	88	122.09	669.99

CITY OF MONROE SCHOOL BOARD
Experience of Public Principals and Full-time Classroom Teachers
As of June 30, 2009

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$53,588.00	\$53,202.00
Average Classroom Teachers' Salary Excluding Extra Compensation	\$53,055.00	\$52,695.00
Number of Teacher full-time Equivalents (FTEs) used in Computation of Average Salaries	644	626

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

CITY OF MONROE SCHOOL BOARD
Class Size Characteristics
As of October 1, 2008

School Type	Class Size Range											
	1 - 20			21-26			27 - 33			34+		
	Percent	Number		Percent	Number		Percent	Number		Percent	Number	
Elementary	67.1%	1,282		31.2%	597		0.7%	13		1.0%	20	
Elementary Activity Classes	64.5%	138		32.7%	70		1.4%	3		1.4%	3	
Middle/Jr. High	70.7%	419		23.9%	142		5.2%	31		0.2%	1	
Middle/Jr. High Activity Classes	78.4%	105		11.9%	16		8.2%	11		1.5%	2	
High	65.9%	623		19.9%	188		13.0%	123		1.2%	11	
High Activity Classes	85.8%	133		7.1%	11		3.9%	6		3.2%	5	
Combination	100.0%	39		0.0%	0		0.0%	0		0.0%	0	
Combination Activity Classes	100.0%	2		0.0%	0		0.0%	0		0.0%	0	

CITY OF MONROE SCHOOL BOARD
Louisiana Educational Assessment Program (LEAP)
Three Fiscal Years Ended June 30, 2009

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	19	3	29	5	25	5	16	2	29	4	27	5
Mastery	149	23	158	24	137	25	84	13	134	20	77	14
Basic	358	56	323	49	258	47	348	54	328	50	287	52
Approaching Basic	94	15	115	17	94	17	140	22	110	17	102	19
Unsatisfactory	21	3	36	5	35	6	53	8	60	9	55	10
Total	641		661		549		641				548	

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	25	4	15	2	17	3	16	3	8	1	24	4
Mastery	94	15	109	17	73	13	86	13	95	14	78	1
Basic	342	53	322	49	284	2	361	56	353	54	312	57
Approaching Basic	141	22	168	25	135	2	128	20	134	20	90	16
Unsatisfactory	39	6	47	7	39	7	49	8	70	11	44	8
Total	641		661		548		640		660		548	

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	4	1	6	1	2	0.3	22	4	12	2	7	1
Mastery	57	9	39	6	32	6	21	3	23	3	12	2
Basic	247	39	270	40	203	35	228	36	283	41	214	37
Approaching Basic	254	41	235	34	247	3	187	30	196	29	171	30
Unsatisfactory	65	10	133	20	93	16	170	27	169	25	172	30
Total	627		683		577		628		683		576	

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	8	1	1	0	3	1	4	1	2	0.3	1	0.2
Mastery	65	10	50	7	32	6	36	6	32	5	2	5
Basic	171	27	214	31	165	29	229	37	241	35	191	33
Approaching Basic	231	37	214	31	204	36	189	30	228	33	200	35
Unsatisfactory	148	24	202	30	171	30	163	26	179	26	15	27
Total	623		681		575		621		682		409	

CITY OF MONROE SCHOOL BOARD
The Graduation Exit Exam (GEE)
Three Fiscal Years Ended June 30, 2009

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 10												
Advanced	7	2	5	1	4	1	25	6	36	8	19	4
Mastery	34	8	39	9	27	6	60	14	62	14	63	1
Basic	190	44	205	45	197	6	220	50	195	3	19	4
Approaching Basic	146	34	125	27	123	29	77	18	1	18	79	18
Unsatisfactory	58	13	82	18	7	18	52	12	83	18	75	17
Total	435		456		358		434		377		255	

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 11												
Advanced	8	2	5	2	8	2	2	1	5	2	2	1
Mastery	43	12	26	8	34	10	35	10	16	5	30	9
Basic	131	37	140	2	140	40	149	42	182	54	186	53
Approaching Basic	108	30	108	32	113	32	102	29	78	23	84	24
Unsatisfactory	65	18	55	17	58	16	66	19	54	16	50	14
Total	355		334		353		354		335		352	

CITY OF MONROE SCHOOL BOARD
iLEAP Tests
Three Fiscal Years Ended June 30, 2009

iLEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	15	2	20	3	10	1	7	1
Mastery	139	20	91	13	58	8	95	14
Basic	319	5	332	47	283	0	319	45
Approaching Basic	160	23	168	24	279	40	185	26
Unsatisfactory	73	10	94	13	79	11	99	14
Total	706		705		709		705	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	17	3	23	4	7	1	11	2
Mastery	59	10	53	9	72	13	0	9
Basic	295	1	25	44	205	36	252	44
Approaching Basic	127	22	116	20	199	35	157	27
Unsatisfactory	77	13	133	23	92	16	105	18
Total	575		350		575		525	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	9	1	30	5	4	1	17	3
Mastery	81	13	69	11	57	9	31	5
Basic	310	49	300	47	246	39	290	46
Approaching Basic	138	22	115	18	218	34	179	28
Unsatisfactory	97	15	122	19	108	17	117	19
Total	635		636		633		634	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	18	3	16	2	6	1	3	1
Mastery	60	9	44	6	47	7	44	6
Basic	275	39	284	41	210	30	283	41
Approaching Basic	226	32	194	28	235	34	205	29
Unsatisfactory	121	17	164	23	201	29	162	23
Total	700		702		699		697	

District Achievement Level Results	English Language Arts		Mathematics	
	2007		2007	
	Number	Percent	Number	Percent
Grade 9				
Advanced	2	0.3	7	1
Mastery	32	6	12	2
Basic	203	35	214	37
Approaching Basic	247	43	171	30
Unsatisfactory	93	16	172	30
Total	575		576	

(Continued)

CITY OF MONROE SCHOOL BOARD
iLEAP Tests
Three Fiscal Years Ended June 30, 2009

iLEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	14	2	34	5	7	1	18	3
Mastery	125	18	99	14	62	9	76	11
Basic	303	44	309	45	262	38	311	5
Approaching Basic	158	23	140	20	239	35	183	27
Unsatisfactory	89	13	107	16	119	17	100	15
Total	689		689		689		688	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	16	3	37	8	4	1	21	4
Mastery	79	16	43	9	57	12	69	14
Basic	233	47	218	44	186	38	209	42
Approaching Basic	113	23	105	21	161	33	120	24
Unsatisfactory	53	11	91	18	86	17	75	15
Total	494		494		494		494	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	8	1	35	6	5	1	7	1
Mastery	59	10	49	9	46	8	41	7
Basic	305	54	280	49	253	44	248	44
Approaching Basic	126	22	88	15	184	32	175	31
Unsatisfactory	72	13	118	21	82	14	99	17
Total	570		570		570		570	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	20	3	5	1	1	0.2	2	0.3
Mastery	70	11	32	5	52	8	24	4
Basic	250	40	270	43	187	30	261	42
Approaching Basic	194	31	156	25	214	34	176	28
Unsatisfactory	89	14	160	26	168	27	159	26
Total	623		623		622		622	

District Achievement Level Results	English Language Arts		Mathematics	
	2008		2008	
	Number	Percent	Number	Percent
Grade 9				
Advanced	6	1	12	2
Mastery	39	6	23	3
Basic	270	40	283	41
Approaching Basic	235	34	196	29
Unsatisfactory	133	20	169	25
Total	683		683	

(Continued)

CITY OF MONROE SCHOOL BOARD
iLEAP Tests
Three Fiscal Years Ended June 30, 2009

iLEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	46	7	49	7	29	4	16	2
Mastery	165	24	134	19	128	18	178	26
Basic	307	44	311	45	289	42	317	46
Approaching Basic	112	16	119	17	183	26	109	16
Unsatisfactory	64	6	81	12	65	9	72	10
Total	694		694		694		692	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	15	2	27	4	6	1	38	6
Mastery	107	18	62	10	93	15	76	13
Basic	291	48	319	53	269	45	313	52
Approaching Basic	126	21	97	16	164	27	117	19
Unsatisfactory	65	11	99	16	72	12	60	10
Total	604		604		604		604	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	18	4	47	9	5	1	23	5
Mastery	83	17	64	13	60	12	38	8
Basic	249	50	263	52	218	43	215	43
Approaching Basic	105	21	69	14	175	35	144	29
Unsatisfactory	47	9	59	12	44	9	82	16
Total	502		502		502		502	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	13	2	17	3	3	1	2	0
Mastery	42	8	50	9	67	12	60	11
Basic	242	44	276	50	240	44	259	47
Approaching Basic	182	33	132	24	158	29	138	25
Unsatisfactory	74	13	80	14	82	15	91	17
Total	553		555		550		550	

District Achievement Level Results	English Language Arts		Mathematics	
	2009		2009	
	Number	Percent	Number	Percent
Grade 9				
Advanced	3	0	24	4
Mastery	47	7	55	8
Basic	354	53	294	44
Approaching Basic	207	31	161	24
Unsatisfactory	57	9	137	21
Total	668		668	

(Concluded)