

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

**Financial Report
For the Year Ended June 30, 2006**

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 1-24-07

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2006

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MONROE, LOUISIANA

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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, 2006, 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, 2006, 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 19, 2006 on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

The "Management's Discussion and Analysis" presented on pages 5 through 13 and the "Budgetary Comparison Schedules", presented on pages 48 through 50 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.



(A Professional Accounting Corporation)

December 19, 2006

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

MONROE CITY SCHOOLS
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2006

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, 2006. 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 2005-2006 fiscal year with a fund balance in the General fund of just over \$4.6 million.

Other financial highlights for the 2005-06 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 \$29 million (net assets).
- **Statement of Activities** – The total net assets of the City of Monroe School Board increased by \$7.2 million for the year ended June 30, 2006.
- **Governmental Funds Balance Sheet** – As of the close of the 2005-2006 fiscal year, the City of Monroe School Board's governmental funds reported combined ending fund balance of \$18.8 million, an increase of \$4.4 million in comparison with the prior fiscal year. The majority of this fund balance is comprised of approximately (1) \$4.6 million in General fund, (2) \$5.9 million which is reserved for debt service, and (3) \$8.2 million in the remaining funds, including sales tax funds.
- **Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances** – Total revenues for the year ended June 30, 2006 for the governmental funds of the City of Monroe School Board amounted to \$89.8 million. Approximately 77% of this amount is received from three major revenue sources: (1) \$30.7 million from Minimum Foundation Program, (2) \$14.8 million from local ad valorem taxes, and (3) \$24.1 million from local sales and use taxes.
- **General Fund's Ending Fund Balance** – At the end of the fiscal year, the fund balance for the General Fund is \$4.6 million.
- **Capital Assets** – Total capital assets (net of depreciation) were \$64.98 million or 69% of the total assets. The Monroe City 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 decreased by approximately \$4.6 million.

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 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 fifteen 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 twelve 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 Monroe City 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 \$29 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 \$94 million reflects its investment in capital assets of \$64.98 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, 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.

Monroe City School Board's Net Assets

	<u>June 30, 2006</u>	<u>June 30, 2005</u>
Current and other assets	\$ 28,647,461	\$ 25,191,790
Capital assets	<u>64,981,632</u>	<u>66,738,149</u>
Total assets	<u>93,629,093</u>	<u>91,929,939</u>
Current and other liabilities	10,033,400	10,995,135
Long-term liabilities	<u>54,363,088</u>	<u>58,941,402</u>
Total liabilities	<u>64,396,488</u>	<u>69,936,537</u>
Net assets:		
Invested in capital assets, net of related debt	11,812,941	8,934,592
Restricted	12,287,443	11,904,509
Unrestricted	<u>5,132,221</u>	<u>1,154,301</u>
Total net assets	<u>\$ 29,232,605</u>	<u>\$ 21,993,402</u>

Restricted net assets of \$12.3 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 \$8.2 million of the total, with capital projects accounting for \$2.6 million. The remaining balance is monies restricted for salaries and benefits.

Governmental activities increased the City of Monroe School Board's net assets by \$7.2 million. Key elements of this increase are as follows:

City of Monroe School Board's Changes in Net Assets

	<u>Year Ended June 30, 2006</u>	<u>Year Ended June 30, 2005</u>
Revenues:		
Program revenues:		
Charges for services	\$ 324,252	\$ 318,316
Operating grants & contributions	18,725,907	16,952,606
General revenues:		
Ad valorem taxes	14,763,629	13,942,307
Sales taxes	24,140,575	22,382,430
Minimum Foundation Program	30,711,057	29,730,682
Interest on investments	709,347	312,457
Other general revenues	471,892	462,475
Total revenues	<u>89,846,659</u>	<u>84,101,273</u>
Expenses:		
Instruction	48,526,915	48,419,165
Support services:		
Pupil Support Services	2,905,708	2,766,809
Instructional Staff Support	4,631,907	4,529,435
General administration	1,880,606	1,987,116
School administration	3,750,527	3,822,246
Business services	909,587	864,586
Plant services	6,269,335	5,660,957
Student transportation services	3,034,652	2,834,511
Central services	1,659,837	1,421,109
School food services	4,857,298	4,649,046
Facility acquisition and construction	1,577,025	1,766,077
Debt service - interest on long-term obligations	<u>2,604,059</u>	<u>2,879,626</u>
Total expenses	<u>82,607,456</u>	<u>81,600,683</u>
Increase in net assets	<u>\$ 7,239,203</u>	<u>\$ 2,500,590</u>

Governmental Activities

Expenses are classified by functions/programs. Instructional services for fiscal 2006 totaled \$48,526,915, compared to a total of \$48,419,165 for 2005. 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 2006 totaled \$29,899,457 compared to \$28,535,815 for 2005.

The remaining expenditures of \$4,181,084 consist of \$1,577,025 for facility acquisition and construction and \$2,604,059 of interest expense on long-term obligations.

The related program revenues for fiscal year 2006 directly related to these expenses totaled \$18,725,907, which along with \$324,252 in charges for such services, resulted in net program expenses of \$63,557,297. 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 68 school districts in the state of Louisiana. The School Board received \$30,711,057 in MFP funds in 2005-2006. This amounts to 34.3% 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 \$24,140,575 in revenue, or 27% of total revenue.
- **Ad Valorem tax revenues** – Ad valorem, or property tax revenues, the third largest source of revenues, accounts for 16.5% of total revenues or \$14,763,629.

Financial Analysis of Governmental Funds

As noted earlier, the Monroe City 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 \$18,754,500 an increase of \$4.4 million 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 \$4,648,469.

- The Debt Service Funds have a total fund balance of \$8,229,376 all of which is reserved for the payment of debt service.
- The Capital Projects Fund has a fund balance of \$2,634,480 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 Monroe City 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 28, 2005.

The original General Fund Budget projected an ending fund balance of \$1,582,013, with the amended budget projecting to end the year with a positive balance of \$3,114,816. The actual ending balance for the General Fund came in at \$4,648,469. Revenue for the district was positively impacted by ad valorem taxes and transfers into the General Fund from the Emergency Impact Aid Funds (Katrina). The district received just over \$1.3 million in Emergency Impact Aid Funds.

Capital Assets and Debt Administration

Capital Assets: The City of Monroe School Board's investment in capital assets as of June 30, 2006, amounts to \$64,981,632 (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)**

	2006	2005
Land	\$ 1,483,883	\$ 1,483,883
Buildings, building improvements and land	59,099,209	59,733,573
Furniture and equipment	4,247,426	4,960,284
Construction in progress - buildings	151,114	560,409
Total	\$ 64,981,632	\$ 66,738,149

Long-Term Debt: The following is a summary of Long-Term Debt.

**Monroe City School Board Outstanding Debt
As of June 30, 2006**

	<u>Balance June 30, 2006</u>	<u>Balance June 30, 2005</u>
School Refunding Bonds		
Series 2001	\$ 18,525,000	\$ 20,350,000
Series 2003	17,645,000	19,140,000
Sales Tax Bonds		
Series 2001	10,815,000	11,230,000
Series 2002	5,490,000	5,750,000
 Certificates of Indebtedness, 1988	 <u>530,000</u>	 <u>690,000</u>
 Total	 <u>\$ 53,005,000</u>	 <u>\$ 57,160,000</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 2003, the School Board entered into a five-year lease for the purchase of 15 buses. Other long-term liabilities include accrued vacation pay and sick leave. Details about long-term obligations are presented in the notes to the financial statements.

Future Operations

The City of Monroe School Board has operated with a deficit in the General Fund for the past several years. This deficit grew to a high of \$2,691,343 for the fiscal year ended 2001. Eliminating this deficit, while simultaneously improving the quality of education provided to students, has proved to be a great challenge to the School Board. However, the School Board has risen to this challenge and has made great strides in eliminating this deficit.

The General Fund ended fiscal year 2002-2003 with a deficit fund balance of approximately \$728,000, and fiscal year 2003-2004 with a fund balance of just under \$20,000. Fiscal year 2004-2005 and 2005-2006 showed positive fund balances of \$1,387,251 and \$4,648,469 respectively. Building a positive fund balance represents great effort on the part of Monroe City Schools, especially in light of continued increases in expenditures associated with district operations. Except for the student gain associated with Hurricane Katrina, 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 34.2% of total revenue, is largely based on the number of students served by the District. Again, the Board and administration of Monroe City Schools has risen to the challenge and has committed to sound fiscal management.

The increased cost of health insurance for School Board employees and the employer's share of retirement contributions continue to cause significant increases in expenditures.

Increased Health Insurance Costs:

Monroe City Schools participate 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 has continued to see premium increases averaging 10% per year for over seven consecutive years. Increases in the costs of employee health care will continue to have a significant impact on expenditures. Also, the cost of health insurance coverage for retirees of the school district continues to rise at an alarming rate.

Mandated Contributions to Retirement Systems

For several years, School Employees Retirement System discontinued the School Board's matching portion to the retirement system based on actuarial recommendations. In fiscal year 2003-2004, La School Employees Retirement System reinstated the employer's matching portion at the rate of 8.5 percent for salaries for Custodians and Bus Drivers. In 2004-2005 the employer contribution rate was increased to 14.8%. The employer contribution rate for 2005-2006 was set at 18.4%. The Teachers retirement system set employer rates at 15.9% for 2005-2006, up from a 15.5% rate from 2004-2005. Overall, Monroe City Schools continues to make both academic and fiscal improvements throughout the District.

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 Monroe City 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, 2006

Assets:	
Cash and cash equivalents	\$ 16,267,971
Investments	250,000
Receivables:	
Ad valorem taxes	1,040,046
Sales and use taxes	3,143,215
Federal grants	4,084,106
State grants	773,239
Other	2,150,808
Bond issuance costs, net	643,672
Inventory	275,230
Other Assets	19,174
Capital assets, net:	
Land	1,483,883
Buildings and improvements	59,099,209
Furniture and equipment	4,247,426
Construction in progress	151,114
Total assets	<u><u>93,629,093</u></u>
Liabilities:	
Accounts payable	3,115,622
Salaries and wages payable	6,073,812
Deferred Revenue	59,855
Interest payable - bonds	784,111
Long-term liabilities:	
Due within one year	5,198,233
Due in more than one year	49,164,855
Total liabilities	<u><u>64,396,488</u></u>
Net assets:	
Invested in capital assets, net of related debt	11,812,941
Restricted for:	
Capital Projects	2,634,480
Debt service	8,202,789
Salaries and related benefits	1,450,174
Unrestricted	5,132,221
Total net assets	<u><u>\$ 29,232,605</u></u>

See accompanying notes to the basic financial statements

City of Monroe School Board
Monroe, Louisiana

Statement of Activities
Governmental Activities

Fiscal Year Ended June 30, 2006

	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Functions/programs:					
Current					
Instructional services:					
Regular programs	\$ 29,160,661	-	3,541,037	205,154	\$ (23,414,470)
Special education programs	11,164,178	-	962,459	-	(10,201,719)
Vocational programs	1,026,583	-	149,826	41,204	(835,553)
Other instructional programs	1,594,591	53,262	471,528	-	(1,069,801)
Special programs	5,247,104	-	4,384,967	3,668	(858,469)
Adult/continuing education	333,798	-	1,108,897	-	775,099
Support services:					
Pupil support services	2,905,708	-	1,196,288	-	(1,709,420)
Instructional staff support services	4,631,907	-	2,455,454	108,042	(2,068,411)
General administration	1,880,606	-	160,028	-	(1,720,578)
School administration	3,750,527	-	42,405	-	(3,708,122)
Business services	909,587	-	7,263	-	(902,324)
Plant services	6,269,335	-	234,659	14,995	(6,019,681)
Student transportation services	3,034,652	-	29,214	-	(3,005,438)
Central services	1,659,837	-	4,113	-	(1,655,724)
Noninstructional services:					
Food service operations	4,857,298	270,990	3,604,706	-	(981,602)
Facility acquisition and construction	1,577,025	-	-	-	(1,577,025)
Debt service:					
Interest on long-term obligations	2,604,059	-	-	-	(2,604,059)
Total Governmental Activities	\$ 82,607,456	\$ 324,252	\$ 18,352,844	\$ 373,063	(63,557,297)
General revenues:					
Taxes:					
Ad valorem taxes levied for:					
General purposes					9,573,521
Debt service purposes					5,190,108
Sales taxes levied for:					
General purposes					24,140,575
Grants and contributions not restricted to specific programs:					
Minimum Foundation Program					30,711,057
State revenue sharing					316,216
Interest and investment earnings					709,347
Gain or (loss) on disposals of assets					(2,207)
Other					157,883
Total general revenues					70,796,500
Changes in net assets					
Net assets at beginning of year					21,993,402
Adjustment to net assets at beginning of year - Note 4					
Net assets at beginning of year - restated					21,993,402
Net assets at end of year					\$ 29,232,605

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, 2006

	MAJOR FUNDS			AGGREGATE REMAINING FUNDS	
	GENERAL FUND	TITLE I	BOND REDEMPTION DEBT SERVICE	OTHER GOVERNMENTAL	TOTAL
Assets:					
Cash and cash equivalents	\$ 3,387,069	\$ -	\$ 5,480,373	\$ 7,400,529	\$ 16,267,971
Investments	250,000	-	-	-	250,000
Accounts receivable	836,064	2,005,081	385,709	3,143,215	6,370,069
Due from other governments:					
Due from federal sources	22,465	-	-	4,025,641	4,048,106
Due from state sources	29,692	-	-	743,547	773,239
Due from other funds	6,940,079	-	-	5,352	6,945,431
Inventory	113,838	-	-	161,392	275,230
Other assets	3,379	900	-	14,895	19,174
Total assets	\$ 11,582,586	\$ 2,005,981	\$ 5,866,082	\$ 15,494,571	\$ 34,949,220
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 2,736,726	\$ 17,271	\$ -	\$ 361,625	\$ 3,115,622
Salaries and wages payable	3,442,288	374,768	-	2,256,756	6,073,812
Due to other funds	755,103	1,613,942	-	4,576,386	6,945,431
Deferred revenue	-	-	-	59,855	59,855
Total liabilities	6,934,117	2,005,981	-	7,254,622	16,194,720
Fund balances:					
Reserved for debt service	-	-	5,866,082	2,363,294	8,229,376
Reserved for inventory	113,838	-	-	161,392	275,230
Reserved for capital projects	-	-	-	2,634,480	2,634,480
Reserved for salaries and related benefits	-	-	-	1,450,174	1,450,174
Unreserved:					
Unreserved/undesignated reported in:					
General Fund	4,534,631	-	-	-	4,534,631
Special Revenue Funds	-	-	-	1,630,609	1,630,609
Total fund balances	4,648,469	-	5,866,082	8,239,949	18,754,500
Total liabilities and fund balances	\$ 11,582,586	\$ 2,005,981	\$ 5,866,082	\$ 15,494,571	\$ 34,949,220

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
Fiscal Year Ended June 30, 2006**

Total fund balances - governmental funds		\$ 18,754,500
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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	\$ 88,770,126	
Accumulated depreciation	<u>(23,788,494)</u>	64,981,632

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	909,596	
Less accumulated amortization	<u>(265,924)</u>	643,672

Elimination of interfund assets and liabilities

Interfund assets		(6,945,431)
Interfund liabilities		6,945,431

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)
Fiscal Year Ended June 30, 2006**

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, 2005 are:

Long-term liabilities:

Compensated absences payable	(1,988,463)	
General obligation bonds payable	(36,170,000)	
Sales tax bonds payable	(16,305,000)	
Certificates of indebtedness	(530,000)	
Capital lease	(163,691)	
Deferred amount on refunding	1,024,484	
Bond premium	<u>(230,418)</u>	(54,363,088)

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>(784,111)</u>
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Net Assets	<u><u>\$ 29,232,605</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

Fiscal Years Ended June 30, 2006

	MAJOR FUNDS			AGGREGATE	TOTAL
	GENERAL FUND	TITLE I	BOND REDEMPTION DEBT SERVICE	REMAINING FUNDS OTHER GOVERNMENTAL	
REVENUES					
Local sources:					
Ad valorem taxes	\$ 9,573,521	\$ -	\$ 5,190,108	\$ -	\$ 14,763,629
Sales and use taxes	-	-	-	24,140,575	24,140,575
Earnings on investments	208,283	-	215,002	286,062	709,347
Cash payments for meals	-	-	-	270,990	270,990
Other local revenue	311,245	-	-	43,019	354,264
State sources:					
State equalization	30,311,057	-	-	400,000	30,711,057
Revenue sharing	309,386	-	-	-	309,386
Professional Improvement Program	116,820	-	-	-	116,820
State contribution for teacher retirement	13,980	-	-	-	13,980
Restricted grants-in-aid	453,829	-	-	1,328,831	1,782,660
Federal sources:					
Federal Restricted grants-in-aid	256,140	5,065,982	-	11,354,035	16,676,157
Total revenues	<u>41,554,261</u>	<u>5,065,982</u>	<u>5,405,110</u>	<u>37,823,512</u>	<u>89,848,865</u>
EXPENDITURES					
Current:					
Instructional services:					
Regular programs	17,561,258	7,362	-	10,828,249	28,396,769
Special education programs	7,006,261	7,748	-	4,111,062	11,125,071
Vocational programs	554,938	-	-	417,925	972,863
Other instructional programs	878,737	-	-	666,870	1,545,607
Special programs	74,019	2,830,251	-	2,330,373	5,234,643
Adult/Continuing education	220,000	-	-	113,931	333,931
Support services:					
Pupil support services	1,134,474	518,440	-	1,253,346	2,906,260
Instructional staff support	1,206,365	1,231,061	-	2,152,705	4,590,131
General administration	1,466,577	-	150,436	261,359	1,878,372
School administration	2,502,074	31,515	-	1,218,434	3,752,023
Business services	754,030	-	-	144,824	898,854
Plant services	3,743,797	88,611	-	2,412,511	6,244,919
Student transportation services	2,247,042	6,331	-	566,592	2,819,965
Central services	504,170	-	-	996,931	1,501,101
Noninstructional services:					
Food service operations	-	-	-	4,799,451	4,799,451
Debt service:					
Principal	160,000	-	3,320,000	1,154,866	4,634,866
Interest	51,636	-	1,658,022	801,531	2,511,189
Capital Outlay	-	3,668	-	1,289,130	1,292,798
Total expenditures	<u>40,065,378</u>	<u>4,724,887</u>	<u>5,128,458</u>	<u>35,520,090</u>	<u>85,438,813</u>
Excess (deficiency) of revenues over expenditures	<u>1,488,883</u>	<u>341,095</u>	<u>276,652</u>	<u>2,303,422</u>	<u>4,410,052</u>
OTHER FINANCING SOURCES (USES)					
Sale of assets	2,979	-	-	-	2,979
Transfers in	2,012,572	-	-	1,786,357	3,798,929
Transfers out	(243,216)	(341,095)	-	(3,214,618)	(3,798,929)
Total other financing sources (uses)	<u>1,772,335</u>	<u>(341,095)</u>	<u>-</u>	<u>(1,428,261)</u>	<u>2,979</u>
Net change in fund balances	3,261,218	-	276,652	875,161	4,413,031
Fund balances at beginning of year	1,387,251	-	5,589,430	7,364,788	14,341,469
Fund balances at end of year	<u>\$ 4,648,469</u>	<u>\$ -</u>	<u>\$ 5,866,082</u>	<u>\$ 8,239,949</u>	<u>\$ 18,754,500</u>

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
Fiscal Year Ended June 30, 2006**

Total net change in fund balances - Governmental Funds \$ 4,413,031

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

Elimination of operating transfers in and out:

Transfers in	(3,798,929)
Transfers out	3,798,929

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 capital outlays exceed depreciation in the period:

Capital Outlays	\$ 1,162,275	
Depreciation	<u>(2,913,606)</u>	(1,751,331)

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 of 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 zero carrying value for \$2,979, resulting in a gain on disposal of capital assets of \$2,979. In addition, the School Board disposed of certain assets with a carrying value that resulted in a loss on disposal of \$5,186

(5,186)

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

4,155,000

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)
Fiscal Year Ended June 30, 2006**

Repayment of capital leases is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 479,866

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, 2005, there were no bond issuance costs.

Amortization of bond issuance cost (57,163)

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 used (\$768,374) exceeded the amounts earned. 30,693

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)

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)
Fiscal Year Ended June 30, 2006**

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, regardless of when it is due.

Interest expense payable as of June 30, 2006	(784,111)	
Interest expense payable as of June 30, 2005	<u>845,649</u>	61,538

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>7,239,203</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**

For the Year Ended June 30, 2006

ASSETS

Cash and cash equivalents	\$ 540,057
Certificates of deposit	<u>124,975</u>
Total assets	<u>\$ 665,032</u>

Liabilities and fund balances

Liabilities:

Amounts held for other organizations	\$ 665,032
Total liabilities	<u>\$ 665,032</u>

See accompanying notes to the basic financial statements.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

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 9,100 students. The School Board employs approximately 1,400 persons of which over 750 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, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

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, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

Debt Service Funds – Debt Service Funds account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs. The following Debt Service Fund is a major fund:

The Bond Redemption Fund accounts for the 1995 School Improvement Bonds and the related 2001 and 2003 refunding bonds.

Nonmajor Funds:

The School Board has 12 nonmajor Special Revenue 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.

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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

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 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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

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.

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.)

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

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 \$1,000 or more and an estimated life of one year or more as a capital asset.

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

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is used based on the following useful lives:

Buildings	40 years
Furniture and equipment	5 - 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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

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 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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

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 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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

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.

The following is a schedule of the School Board's cash and certificates of deposit at June 30, 2005. 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	\$ 10,608,278	\$ 11,572,490
Cash Equivalents:		
LAMP Investments	5,659,693	5,659,693
Certificates of Deposit	250,000	250,000
TOTAL	\$ 16,517,971	\$ 17,482,183

The School Board's deposits are collateralized as follows:

FDIC Insured Deposits	\$ 200,000
Uninsured Deposits:	
Collateralized	20,551,636
Total Deposits	\$ 20,751,636

The School Board's investments at June 30, 2006, 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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

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.

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, 2005, taxes of 41.99 mills were levied on property with assessed valuations totaling \$338,482,439 and were dedicated as follows:

School Operations, Maintenance, Aid and Support	26.99 mills
Series 1994 & Series 1995 Bonds Debt Service	15.00 mills
	41.99 mills

The School Board's portion of the total taxes originally levied was \$16,128,660 of which \$14,211,919 was assessed on property owners and \$1,915,741 was assessed under Homestead Exemption. The School Board collected \$14,763,629 through June 30, 2006, 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 27, 2005
Levy Date	November 24, 2005
Tax Bills Mailed	November 24, 2005
Total Taxes Are Due	December 31, 2005
Lien Date	January 1, 2006

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
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FOR THE YEAR ENDED JUNE 30, 2006**

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

Note 4 - Capital Assets

A summary of the changes in capital assets for the year ended June 30, 2006, were as follows:

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,483,883	\$ -	\$ -	\$ 1,483,883
Construction-in-progress	560,409	678,735	1,088,030	151,114
Total capital assets not being depreciated	2,044,292	678,735	1,088,030	1,634,997
Capital Assets being depreciated:				
Buildings & improvements	71,338,177	1,107,453	-	72,445,630
Furniture and equipment	14,268,882	464,117	43,500	14,689,499
Total capital assets being depreciated	85,607,059	1,571,570	43,500	87,135,129
Less accumulated depreciation:				
Buildings and improvements	11,604,604	1,741,817	-	13,346,421
Furniture and equipment	9,308,598	1,171,789	38,314	10,442,073
Total accumulated depreciation	20,913,202	2,913,606	38,314	23,788,494
Total capital assets being depreciated, net	64,693,857	(1,342,036)	5,186	63,346,635
Governmental Activities Capital Assets, net	\$ 66,738,149	\$ (663,301)	\$ 1,093,216	\$ 64,981,632

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

Depreciation expense was charged to governmental activities as follows:

Instructional services:	
Regular programs	\$ 775,214
Special education programs	43,543
Vocational programs	54,108
Other instructional programs	49,600
Special programs	14,548
Support services:	
Pupil support services	607
Instructional staff support services	43,606
General Administration	2,974
Business services	11,091
Plant services	36,906
Student transportation services	215,811
Central services	159,335
Food service operations	59,761
Facility acquisition and construction	1,446,502
Total depreciation expense	<u>\$ 2,913,606</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 employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

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 15.8%, 15.5%, and 13.8% for the years ended June 30, 2006, 2005 and 2004 respectively. The School Board's contributions to the TRSL plans for the years ended June 30, 2006, 2005 and 2004 were \$6,686,316, \$6,632,143 and \$6,175,069 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 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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

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 18.4%, 14.8%, and 8.5% for the years ended June 30, 2006, 2005 and 2004 respectively. The School Board's contributions to the LSERS plans for the years ended June 30, 2006, 2005 and 2004 were \$709,043, \$553,487 and \$318,886 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 \$363,144 at June 30, 2006.

Note 7 - Other Employee and Postemployment Benefits

The School Board offers a cafeteria plan fringe benefit program under the Internal Revenue Code Section 125 for all employees who elect to participate. The Plan covers the 75% of the cost of group health coverage of participating employees.

Group health and life insurance is provided to participating employees and retirees through the State Employees Group Benefits Program. In fiscal year 2006, the School

**CITY OF MONROE SCHOOL BOARD
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NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

Board paid \$8,745,872 in connection with providing these benefits, including \$2,711,841 attributable to 474 retirees.

Note 8 - Long-Term Obligations

The following is a summary of changes in Long-Term Obligations for the year ended June 30, 2006:

	Balance July 1, 2005	Increases	Decreases	Balance June 30, 2006
General obligation bond	\$ 39,490,000	\$ -	\$ 3,320,000	\$ 36,170,000
Less deferred amount of refunding	(1,138,316)	-	(113,832)	(1,024,484)
Unamortized bond premium	257,004	-	26,587	230,417
Sales tax bonds	16,980,000	-	675,000	16,305,000
Certificates of indebtedness	690,000	-	160,000	530,000
Capital leases	643,557	-	479,866	163,691
Compensated absences, net	<u>2,019,157</u>	<u>737,680</u>	<u>768,374</u>	<u>1,988,463</u>
TOTAL	<u>\$ 58,941,402</u>	<u>\$ 737,680</u>	<u>\$ 5,315,995</u>	<u>\$ 54,363,087</u>

Long-term bonds and certificates of indebtedness outstanding at June 30, 2006, are comprised of the following:

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
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FOR THE YEAR ENDED JUNE 30, 2006**

	Issue	Maturity Date	Interest Rate	Amount Outstanding
<u>General Obligation Bonds</u>				
School Refunding Bonds,				
Series 2001	2001	3/1/2014	4.00 - 5.00	\$ 18,525,000
Series 2003	2003	3/1/2015	3.00 - 5.00	<u>17,645,000</u>
Total General Obligation Bonds				<u>36,170,000</u>
<u>Sales Tax Bonds</u>				
Sales Tax Bonds, Series 2001	2001	10/1/2021	4.125 - 5.00	10,815,000
Sales Tax Bonds, Series 2002	2002	10/1/2021	4.25 - 4.75	5,490,000
<u>Certificate of Indebtedness</u>	1998	7/1/2008	2.75	<u>530,000</u>
Total Bonds and Certificate of Indebtedness				<u>\$ 53,005,000</u>

Debt service requirements to maturity on all School Board bonds and certificates of indebtedness outstanding at June 30, 2006, including interest of \$14,506,369 are as follows:

Year Ending June 30,	Total Principal & Interest Due
2007	\$ 6,643,618
2008	6,663,168
2009	6,714,724
2010	6,575,818
2011	6,626,899
2012-2016	25,589,612
2017-2021	7,247,699
2022	1,449,831
TOTAL	<u>\$ 67,511,369</u>

The School Board issued \$19,480,000 in General Obligation Bonds with an interest rate of 2.50% to 5.00% in order to advance refund a portion of the 1995 Series Bonds during fiscal year 2003. This refunding resulted in a deferred amount on the refunding of \$1,365,980 which is being amortized over twelve years through March 1, 2005. The balance of the defeased 1995 Series of \$18,215,000 was called on March 1, 2005.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

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 reappropriation clauses. Generally, as equipment leases expire, they are replaced with other leases.

Rent expense for the year ending June 30, 2006 totaled \$255,358.

Capital Leases

In fiscal 2003, the School Board entered into a capital lease obligation for the purchase of 15 buses. The original amount of the obligation was \$787,485 and bears an interest rate of 4.10%. Future minimum lease payments until maturity are as follows:

<u>Fiscal Year Ending</u>	<u>Future Minimum Lease Payments</u>
June 30, 2007	\$ 170,402
Less: Amounts representing interest	(6,711)
Present Value of Future Minimum Lease Payments	\$ 163,691

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

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

Individual balances due to/from other funds at June 30, 2006, are as follows:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
Unreimbursed expenses:		
Major Funds:		
General Fund	\$ 755,103	\$ -
Title I	87,903	-
Nonmajor Funds:		
1994 Sales Tax	-	5,352
Deficit Cash Balances:		
General Fund:		
Major Funds:		
Title I	1,526,039	-
School Food Service	47,588	-
Special Education	535,271	-
Vocational/Adult Education	106,008	-
Reading First	319,916	-
1968 Sales Tax	42,441	-
1994 Sales Tax	135,733	-
2001 Sales Tax	470,209	-
Emergency Impact Aid - Public	509,000	-
Emergency Impact Aid - Nonpublic	2,548	-
Other Federal Programs	1,825,290	-
State Grants	580,526	-
Local Grants	1,856	6,940,079
Total Due To/From Other Funds	<u>\$ 6,945,431</u>	<u>\$ 6,945,431</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

Note 11 - Interfund Transfers

Transfers to/from other funds for the year ended June 30, 2006 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 2,012,572	\$ 243,216
Special Revenue:		
Title I	-	341,095
Nonmajor Funds:		
Special Revenue:		
School Food Service	42,466	-
Special Education	-	126,472
Vocational/Adult Education	13,934	-
Reading First	-	35,560
1994 Sales Tax	40,000	40,000
2001 Sales Tax	-	1,503,142
Emergency Impact Aid - Public	-	1,330,452
Emergency Impact Aid - Nonpublic	-	4,895
Other Federal Programs	8,288	174,097
State Grants	159,518	-
Local Grants	61,477	-
Debt Service:		
2001-2002 Sales Tax Bond Sinking	<u>1,460,674</u>	-
Total	<u>\$ 3,798,929</u>	<u>\$ 3,798,929</u>

Included in the transfers are \$682,106 of indirect cost to the General Fund from various Federal programs. and \$1,460,764 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, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

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, 2005, the School Board incurred and paid claims under the worker's compensation plan of approximately \$134,865 net of reimbursements. There were no material claims outstanding at June 30, 2006.

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)**

Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary fund balance at beginning of year	\$ 1,387,250	\$ 1,387,250	\$ 1,387,250	\$ -
Resources (inflows)				
Local sources:				
Ad valorem taxes:				
Constitutional tax	2,083,000	2,110,758	2,235,702	124,944
Renewable tax	6,610,000	6,684,861	7,076,131	391,270
Other than school taxes	250,000	270,000	261,688	(8,312)
Earnings on investments	-	180,000	208,283	28,283
Other local revenue	645,207	293,475	311,245	17,770
Total local sources	<u>9,588,207</u>	<u>9,539,094</u>	<u>10,093,049</u>	<u>553,955</u>
State and federal sources:				
State equalization	29,423,156	30,311,057	30,311,057	-
State revenue sharing	324,000	310,000	309,386	(614)
Professional Improvement Program	375,128	193,000	116,820	(76,180)
Federal Restricted grants-in-aid	242,100	239,614	256,141	16,527
State Restricted grants-in-aid	29,900	409,037	453,829	44,792
State contribution for teacher retirement	39,166	39,166	13,980	(25,186)
Total state and federal sources	<u>30,433,450</u>	<u>31,501,874</u>	<u>31,461,213</u>	<u>(40,661)</u>
Other sources:				
Proceeds from sale of assets	28,700	3,000	2,979	(21)
Transfers in	489,000	1,402,387	2,012,572	610,185
Total other sources	<u>517,700</u>	<u>1,405,387</u>	<u>2,015,551</u>	<u>610,164</u>
Amounts available for appropriations	<u>41,926,607</u>	<u>43,833,605</u>	<u>44,957,063</u>	<u>1,123,458</u>
Charges to appropriations (outflows)				
Current:				
Instructional services:				
Regular programs	17,793,917	17,775,906	17,561,258	214,648
Special education programs	6,954,633	7,081,492	7,096,261	75,231
Vocational programs	24,500	428,066	554,938	(126,872)
Other instructional programs	1,070,194	962,904	878,737	84,167
Special programs	44,769	61,772	74,019	(12,247)
Adult/Continuing education programs	205,893	224,914	220,000	4,914
Support Services:				
Pupil support services	1,166,029	1,157,759	1,134,474	23,285
Instructional staff support	1,218,158	1,301,060	1,206,365	94,695
General administration	1,456,275	1,583,220	1,466,577	116,643
School administration	2,497,712	2,510,536	2,502,074	8,462
Business services	864,118	897,690	754,030	143,660
Plant services	3,701,250	3,824,389	3,743,797	80,792
Student transportation services	2,293,764	2,224,972	2,247,042	(22,070)
Central services	488,882	434,709	504,170	(69,461)
Capital outlay	5,500	9,000	-	9,000
Debt service	209,000	240,200	211,636	28,564
Other Uses:				
Transfers out	350,000	-	243,316	(243,316)
Total Charges to Appropriations	<u>40,344,594</u>	<u>40,718,789</u>	<u>40,308,594</u>	<u>410,195</u>
Budgetary fund balance at end of year	\$ <u>1,582,013</u>	\$ <u>3,114,816</u>	\$ <u>4,648,469</u>	\$ <u>1,533,653</u>

See accompanying notes to budgetary comparison schedules

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

**Title I
Budgetary Comparison Schedule (GAAP Basis)**

Fiscal Year Ended June 30, 2006

	<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	5,657,456	5,065,981	5,065,981	-
Total federal sources	<u>5,657,456</u>	<u>5,065,981</u>	<u>5,065,981</u>	<u>-</u>
Amounts available for appropriations	<u>5,657,456</u>	<u>5,065,981</u>	<u>5,065,981</u>	<u>-</u>
Charges to appropriations (outflows)				
Current:				
Instructional services:				
Regular programs	-	7,262	7,262	-
Special education programs	-	7,748	7,748	-
Special programs	3,622,219	2,830,251	2,830,251	-
Pupil support services	421,169	518,440	518,440	-
Instructional staff support	1,121,124	1,231,061	1,231,061	-
General administration	3,000	-	-	-
School administration	-	31,515	31,515	-
Plant services	79,886	88,610	88,610	-
Student transportation services	-	6,331	6,331	-
Capital outlay	14,514	3,668	3,668	-
Other Uses:				
Transfers out	395,544	341,095	341,095	-
Total Charges to Appropriations	<u>5,657,456</u>	<u>5,065,981</u>	<u>5,065,981</u>	<u>-</u>
Budgetary fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to budgetary comparison schedules

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

**Notes to Budgetary Comparison Schedules
Fiscal year Ended June 30, 2006**

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 budgets are adopted at the time the grant applications are approved by the grantor. Separate annual budgets are adopted for unencumbered appropriations of grant-oriented Special Revenue Funds at the beginning of the following fiscal year.

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

SUPPLEMENTAL INFORMATION

NONMAJOR FUNDS

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

NONMAJOR FUNDS

As of and for the Year Ended June 30, 2005

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. Emergency Impact Aid – Public Fund accounts for funds from the United States Department of Education to assist students displaced by Hurricanes Katrina and Rita attending City of Monroe schools.
- F. Emergency Impact Aid – Non-Public Fund accounts for funds from the United States Department of Education to assist students displaced by Hurricanes Katrina and Rita attending non public schools.
- G. 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%.
- H. 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.
- I. 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.

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana
NONMAJOR FUNDS

As of and for the Year Ended June 30, 2005

- J. The Other Federal Programs funds account for all other federal programs that were not specifically discussed above.
- K. 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.
- L. The Local Grants funds account for all grants from entities within the local community.

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 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 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 GOVERNMENTAL FUNDS
Combining Balance Sheet

June 30, 2006

Special Revenue Funds

ASSETS	Special Education	School Food Service	Vocational/Adult Education	Rending First	Emergency Impact Aid Public	Emergency Impact Aid Non-Public	1968 Sales Tax	1994 Sales Tax	2001 Sales Tax	Other Federal Programs	State Grants	Local Grants	Total
Cash and cash equivalents	\$ -	\$ 315,407	\$ -	\$ -	\$ -	\$ -	\$ 89,275	\$ 434,752	\$ 1,523,468	\$ -	\$ 29,900	\$ 9,953	\$ 2,402,755
Accounts receivable	-	-	-	-	-	-	331,493	499,477	2,312,245	-	-	-	3,143,215
Due from other governments:													
Due from federal sources	632,164	40,964	168,992	412,172	509,000	127,378	-	-	-	2,134,971	-	-	4,025,641
Due from state sources	26,901	-	-	-	-	-	-	5,352	-	-	717,546	-	743,547
Due from other funds	-	161,392	-	-	-	-	-	-	-	-	-	-	5,352
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	161,392
Other assets	2,700	10	740	-	-	-	-	950	1,739	8,756	-	-	14,895
Total assets	\$ 660,865	\$ 517,773	\$ 169,732	\$ 412,172	\$ 509,000	\$ 127,378	\$ 420,768	\$ 940,531	\$ 3,837,452	\$ 2,143,727	\$ 747,446	\$ 9,953	\$ 10,496,797

Liabilities and Fund Equity

Liabilities:	2,720	109,437	218,843	47,588	13,437	660,865	2,720	109,437	218,843	47,588	13,437	660,865	
Accounts payable	2,720	109,437	218,843	47,588	13,437	660,865	2,720	109,437	218,843	47,588	13,437	660,865	
Salaries and wages payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Fund Equity:

Fund balances:	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserved for inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserved for salaries and related benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved-undesignated	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities and fund equity	\$ 660,865	\$ 517,773	\$ 169,732	\$ 412,172	\$ 509,000	\$ 127,378	\$ 420,768	\$ 940,531	\$ 3,837,452	\$ 2,143,727	\$ 747,446	\$ 9,953	\$ 10,496,797

City of Monroe School Board
Monroe, Louisiana

NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Fiscal Year Ended June 30, 2006

Special Revenue Funds

	Special Revenue Funds											Total
	Special Education	School Food Service	Vocational/Adult Education	Reading First	Emergency Impact Aid Public	Emergency Impact Aid Non-Public	1968 Sales Tax	1994 Sales Tax	2001 Sales Tax	Other Federal Programs	State Grants	
Revenues												
Local Sources:												
Sales tax collections	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Interest												
School food service payment for meals		270,990						13,361				
Other local revenue		110									42,989	
State Sources:												
State equalization		400,000										400,000
Restricted grants-on-aid	37,134								190,410	1,161,287		1,328,831
Federal Sources:												
Restricted grants-on-aid	1,805,989	3,604,706	169,591	1,023,666	1,330,452	244,753			3,174,878			11,254,025
Total Revenues	1,843,123	4,275,806	169,591	1,023,666	1,330,452	244,753	4,343,603	6,366,847	13,310,092	1,161,287	42,909	37,619,417
Expenditures												
Current:												
Instructional:												
Regular programs				68,562		239,858	2,254,646	3,410,821	3,900,220	362,508	31,060	10,828,349
Special education programs	813,880						998,216	1,061,599	4,100			4,111,062
Vocational programs			127,695				83,659	77,574	77,512	51,485		417,935
Other Instructional Programs							43,415	109,866	202,013	308,440		666,170
Special programs				790,640			2,317	2,410	104,747	224,778		2,330,372
Adult/Continuing education programs			4,133				32,698	31,334	40,337			119,931
Support Services:												
Pupil support services	517,938						145,371	230,414	184,566	28,642		1,251,340
Instructional staff	343,061		4,788	128,935			135,590	323,248	166,569	152,533	61,477	2,152,708
General administration							33,442	48,289	179,028			361,399
School Administration							206,592	416,925	348,729			1,218,144
Business services	7,198			66			15,951	32,488	88,921	246,188		443,824
Plant services							115,190	183,237	1,994,533			2,227,837
Student transportation services	14,574		5,705				93,869	102,904	339,231			566,392
Central services							29,458	199,735	766,607			996,931
News/Instructional							128,801	117,268	411,805			4,799,451
Food service operations		4,141,577										4,141,577
Desk Service												
Principal												
Interest												
Capital outlay			41,204					43,530	295,975	146,831	11,849	703,778
Total expenditures	1,716,651	4,141,577	183,525	988,106	339,858	244,753	4,321,215	6,416,862	10,444,916	1,330,805	104,386	33,399,933
Excess (Deficiency) of Revenues Over Expenditures	126,472	134,229	(13,934)	35,560	1,330,452	4,895	22,388	151,985	2,465,156	(169,518)	(61,477)	4,219,494
Other Financing Sources (Uses)												
Transfers in												
Transfers out	(126,472)	42,468	13,934	(33,560)	(1,330,452)	(4,895)		40,000	8,288	159,518	61,477	325,685
Total other financing sources (uses)	(126,472)	42,468	13,934	(33,560)	(1,330,452)	(4,895)		(40,000)	(1,203,142)	159,518	61,477	(2,214,618)
Net Change in Fund Balance		176,697					22,388	151,985	962,014			1,390,561
Fund Balances at Beginning of Year		51,892					59,673	75,182	1,724,867			1,911,614
Fund Balances at End of Year	\$	\$ 228,589	\$	\$	\$	\$	\$ 82,061	\$ 227,167	\$ 2,686,881	\$	\$	\$ 3,322,175

DEBT SERVICE FUND

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

**NONMAJOR DEBT SERVICE FUND
Balance Sheet**

June 30, 2006

	2001-2002 Sales Tax <u>Bond Sinking</u>
ASSETS	
Cash and cash equivalents	\$ <u>2,363,294</u>
Total assets	\$ <u><u>2,363,294</u></u>
FUND EQUITY	
Fund balance - reserved for debt service	\$ <u>2,363,294</u>
Total fund equity	\$ <u><u>2,363,294</u></u>

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

**NONMAJOR DEBT SERVICE FUND
Statement of Revenues, Expenditures,
and Changes in Fund Balances**

Year Ended June 30, 2006

	<u>2001-2002 Sales Tax Bond Sinking</u>
Revenues	
Local Sources	
Interest	\$ <u>80,087</u>
Total revenues	80,087
Expenditures	
Debt Service	
Principal	675,000
Interest	<u>775,143</u>
Total expenditures	<u>1,450,143</u>
Excess (deficiency) of revenues over expenditures	(1,370,056)
Other financing sources	
Transfers in	<u>1,460,674</u>
Total other financing sources	<u>1,460,674</u>
Net change in fund balance	90,618
Fund balance at beginning of year	<u>2,272,676</u>
Fund balance at end of year	<u>\$ <u>2,363,294</u></u>

CAPITAL PROJECTS FUND

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

**NONMAJOR CAPITAL PROJECTS FUND
Balance Sheet**

June 30, 2006

	<u>Capital Projects</u>
ASSETS	
Cash and cash equivalents	\$ <u>2,634,480</u>
Total assets	\$ <u><u>2,634,480</u></u>
FUND EQUITY	
Fund balance - reserved for capital projects	\$ <u>2,634,480</u>
Total fund equity	\$ <u><u>2,634,480</u></u>

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

**NONMAJOR CAPITAL PROJECTS FUND
Statement of Revenues, Expenditures,
and Changes in Fund Balances**

Year Ended June 30, 2006

	<u>Capital Projects</u>
Revenues	
Local Sources	
Interest	\$ 124,008
Total revenues	<u>124,008</u>
Expenditures	
Current	
Support Services	
Plant services	84,674
Capital outlay	<u>585,352</u>
Total expenditures	<u>670,026</u>
Excess (deficiency) of revenues over expenditures	(546,018)
Fund balance at beginning of year	<u>3,180,498</u>
Fund balance at end of year	<u>\$ 2,634,480</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, 2005**

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

SUPPLEMENTARY INFORMATION –GRANT ACTIVITY



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

John L. Luffey, MBA, CPA (1983-2002)

**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER
FINANCIAL REPORTING 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 **City of Monroe School Board** (the School Board) as of and for the year ended June 30, 2006, and have issued our report thereon dated December 19, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Compliance

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

Internal Control over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School Board's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 06-01.

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

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 06-01 described above to be a material weakness.

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



(A Professional Accounting Corporation)

December 19, 2006



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

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

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

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

Compliance

We have audited the compliance of the **City of Monroe School Board** (the School Board) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2006. 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, 2006.

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

Internal Control Over Compliance

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

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

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



(A Professional Accounting Corporation)

December 19, 2006

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006**

<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 I C	N/A	Not Available	\$ 151,610
U.S. DEPARTMENT OF EDUCATION			
Impact Aid	84 041	28-LA-2006-2701	68,417
Gear UP	84 334	P334A050088-05	571,873
Physical Education Program	84 215F	Q215F050007-06	293,483
Total U.S. Department of Education			<u>933,773</u>
Total Direct Programs			1,085,383
PASS THROUGH PROGRAMS:			
U. S. DEPARTMENT OF EDUCATION			
Passed through Louisiana Department of Education:			
Title I Grants to Local Educational Agencies			
Part A - Basic			
2006 Regular Program	84 010A	S010A050018	4,492,609
2005 Regular Program	84 010A	28-05-T1-65	573,373
School Improvement	84 010A	28-05-TB-65	32,067
Total Title I			<u>5,098,049</u>
SPECIAL EDUCATION CLUSTER:			
Special Education-Individuals With Disabilities Education Act IDEA B Preschool and School Programs:			
IDEA B 2006	84 027A	IDEA PART B 611	1,622,123
IDEA B 2005	84 027A	28-05-B1-65	156,403
Preschool 2006	84 173A	PRESCHOOL 619	19,064
Preschool 2005	84 173A	28-05-P1-65	8,400
Total Special Education Cluster			<u>1,805,990</u>
Emergency Impact Aid:			
Emergency Impact Aid - Regular Education	84 938C	2806IP-65	1,330,453
Non-Public Emergency Impact Aid	84 938C	2806IA-65	244,753
			<u>1,575,206</u>
Title II - Part A, Teacher and Principal Training and Recruiting			
2005 Regular	84 367A	28-05-50-65	21,049
2006 Regular	84 367A	S367A050017	1,104,677
Total Title II			<u>1,125,726</u>
Title IV - Safe and Drug-Free Schools and Communities - State Grants			
2005 Regular	84 186A	28-05-70-65	34,649
2006 Regular	84 186A	Q186A050019	181,341
Total Title IV			<u>215,990</u>
Title V - Innovative Education Program Strategies			
2005 Regular	84 298A	28-05-80-65	6,151
2006 Regular	84 298A	S298A50018	28,856
Total Title V			<u>35,007</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C.F.D.A. NUMBER	GRANT NUMBER	CURRENT YEAR EXPENDITURES
Educational Technology State Grants			
SchoolTech Grant 2006	84 318X	28-06-46-65	134,453
SchoolTech Grant 2005	84 318X	28-05-46-65	8,762
SchoolTech Grant 2004	84 318X	28-04-54-65	18,807
Technology Literacy Challenge Grant 2006	84 318X	28-06-14-65	142,643
Technology Literacy Challenge Grant 2005	84 318X	28-05-14-65	105,633
Enhancing Education Through Technology IIG	84 318X	28-05-49-65	47,474
Enhancing Education Through Technology IIG	84 318X	28-06-49-65	60,466
Enhancing Education Through Technology State Grant	84 318X	28-05-46-65	7,028
Total Educational Technology State Grants			525,266
Reading First	84 357A	28-05-RF-65	136,957
Reading First	84 357A	28-06-RF-65	307,430
Reading First	84 357A	28-04-RF-65 C/O	67,063
Reading First	84 357A	28-05-RF-65 C/O	513,226
Total Reading First			1,023,666
Math & Science Partnership	84 366B	2805MR-65	315,187
Total Educational Technology State Grants			315,187
Vocational Education	84 048A	28-06-02-65	135,625
Tech Prep	84 048A	28-06-03-65	599
Vocational Education	84 048A	28-05-02-65 C	33,367
Total Vocational Education			169,591
Total U.S. Dept. of Education			11,889,678
U.S. DEPARTMENT OF AGRICULTURE (USDA)			
Passed through State			
Department of Education:			
CHILD NUTRITION CLUSTER:			
School Breakfast Program	10 553	Not Available	947,388
School Lunch Program	10 555	Not Available	2,337,568
Commodities	10 555	Not Available	206,833
Summer Feeding	10 559	Not Available	112,917
Total Child Nutrition Cluster			3,604,706
Total U.S. Dept. of Agriculture			3,604,706
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through State Department of Education:			
Strategies to Empower People	93 558	28-05-EP-25	1,690
LA4 TANF/Preschool	93 558	28-06-35-65	58,590
Total U.S. Dept. of Health and Human Services			60,280
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Louisiana			
Department of Military:			
Public Assistance Grant (Hurricanes Katrina & Rita)	97 036	FEMA-1603-DR-1.A	36,114
Total U.S. Dept. of Homeland Security			36,114
TOTAL PASS THROUGH PROGRAMS			15,590,778
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 16,676,161

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006**

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, 2006:

	<u>Title 1</u>	<u>Special Education</u>	<u>Reading First</u>	<u>Vocational/ Adult Education</u>	<u>Other Federal Programs</u>	<u>Child Nutrition Cluster</u>
Total Expenditures	\$ 4,724,887	\$ 1,679,518	\$ 988,106	\$ 169,591	\$ 3,000,781	\$ 3,604,706
Transfer of						
Indirect Cost	<u>341,095</u>	<u>126,472</u>	<u>35,560</u>	<u>-</u>	<u>174,097</u>	<u>-</u>
Expenditures per Schedule	<u>\$ 5,065,982</u>	<u>\$ 1,805,990</u>	<u>\$ 1,023,666</u>	<u>\$ 169,591</u>	<u>\$ 3,174,878</u>	<u>\$ 3,604,706</u>
				<u>General Fund</u>		
	<u>Emergency Impact Aid Public</u>	<u>Emergency Impact Aid Non-Public</u>	<u>Impact Aid</u>	<u>R.O.T.C.</u>	<u>Public Assistance</u>	<u>Total</u>
Total Expenditures	\$ 1,330,453	\$ 239,858	\$ 68,417	\$ 151,610	\$ 36,115	\$ 15,994,042
Transfer of						
Indirect Cost	<u>-</u>	<u>4,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>682,119</u>
Expenditures per Schedule	<u>\$ 1,330,453</u>	<u>\$ 244,753</u>	<u>\$ 68,417</u>	<u>\$ 151,610</u>	<u>\$ 36,115</u>	<u>\$ 16,676,161</u>

Included in the Child Nutrition Cluster is \$206,833 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, 2006

Section 1 – Summary of Auditor’s Results

Financial Statements:

Type of Auditor’s Report Issued: Unqualified

Internal Control Over Financial Reporting:

Material Weakness(es) identified? Yes No

Reportable Condition(s) identified not considered to be material weaknesses? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal Control Over Major Programs:

Material weakness(es) identified? Yes No

Reportable condition(s) identified not considered to be material weakness(es)? Yes No

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 \$500,285

Auditee qualified as low-risk auditee? Yes No

Identification of Major Programs:

<u>CFDA #</u>	<u>PROGRAM TITLE</u>
84.027 and 84.173	Special Education Cluster
84.318	Education Technology Grants
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs
84.938	Hurricane Education Recovery Act Programs

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2006

Section II – Financial Statement Findings and Questioned Costs:

06-01 Bank Reconciliations

Finding:

During our test of cash for the year ended June 30, 2006 we noted that the bank reconciliation for the master bank account had not been prepared in a timely manner. The reconciliation for June 30, 2006 was not completed until November, 2006. Due to the limited size of the accounting staff, a back log developed within the accounting department causing the delay in reconciling the bank accounts

Recommendation:

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

Management's Corrective Plan:

In May, 2006 an additional accountant was added to the accounting department staff, thereby decreasing the individual workload within the department. In subsequent years, the Chief Accountant will ensure that all bank reconciliations are prepared in a timely manner by setting deadlines for completion.

Section III – Federal Awards Findings and Questioned Costs:

None reported.

**CITY OF MONROE SCHOOL BOARD
SUMMARY STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006**

The following is a summary of the status of the prior year management letter comments included in the Luffey, Huffman & Monroe, CPA's management letter dated December 22, 2005 in connection with the audit of the financial statements of the City of Monroe School Board as of and for the year ended June 30, 2006.

05-01 Sales Tax Distribution

Status:

On November 29, 2005, the superintendents for City of Monroe School Board and Ouachita Parish School Board met and jointly certified the applicable ratio for the allocations of the 1968 tax. The two districts will continue to meet yearly to determine the applicable ratios.

05-02 Bank Reconciliations

Status:

The district continues to work diligently to strengthen its internal controls. We have improved internal communication and coordination in regards to accounting entries. Additionally, in May, 2006 we hired a special projects accountant, thereby decreasing the individual workloads within the department. Even with the improvements, the district struggled to provide timely bank reconciliations. With the addition of the accountant, bank reconciliations for future years will be in a timely and accurate manner.

Management Letter

Capital Asset Accounting

The School Board has improved its accounting of Capital Assets. We will continue to review the software system and update it for any improvements that may be considered necessary. The chief accountant will continue to monitor the input into the fixed asset system to ensure that accurate reports are produced.

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

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2006**

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

AGREED-UPON PROCEDURES

FISCAL YEAR ENDED JUNE 30, 2006

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(A Professional Accounting Corporation)
CERTIFIED PUBLIC ACCOUNTANTS

Luffey
Huffman
& Monroe

Francis J. Huffman, CPA
L. Fred Monroe, CPA
Esther Atteberry, CPA

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

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2006**

**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,

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

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

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.

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

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.

Of the 25 teachers tested we noted no exceptions to the salaries reported. Though we noted two teachers listed who should have been reported as less than 1 full-time equivalent that were listed as 1 full-time equivalent.

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.

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

The Iowa and 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.

Eleven of the twelve procedures enumerated above did not disclose any exceptions. However, see procedure number 8.

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.



(A Professional Accounting Corporation)

December 19, 2006

SCHEDULES REQUIRED BY STATE LAW

MONROE CITY SCHOOL BOARD
Monroe, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
Fiscal Year Ended June 30, 2006**

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

Classroom Teacher Salaries	\$	15,356,367	
Other Instructional Staff Activities		2,671,009	
Employee Benefits		8,858,299	
Purchased Professional and Technical Services		5,660	
Instructional Materials and Supplies		334,457	
Instructional Equipment		87,329	

Total Teacher and Student Interaction Activities	\$		27,313,121
--	----	--	------------

Other Instructional Activities

61,409

Pupil Support Activities

1,162,517

Less: Equipment for Pupil Support Activities

-

Net Pupil Support Activities

1,162,517

Instructional Staff Services

1,492,767

Less: Equipment for Instructional Staff Services

71,351

Net Instructional Staff Services

1,421,416

Total General Fund Instructional Expenditures

\$ 29,958,463**Total General Fund Equipment Expenditures**\$ 158,680**Certain Local Revenue Sources****Local Taxation Revenue:**

Constitutional Ad Valorem Taxes	\$	2,235,702
Renewable Ad Valorem Tax		7,076,131
Debt Service Ad Valorem Tax		5,190,108
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		261,688
Sales and Use Taxes		24,140,574
Total Local Taxation Revenue	\$	<u>38,904,203</u>

Local Earnings on Investment in Real Property:

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

State Revenue in Lieu of Taxes:

Revenue Sharing-Constitutional Tax	\$	309,386
Revenue Sharing-Other Taxes		-
Total State Revenue in Lieu of Taxes	\$	<u>309,386</u>

Nonpublic Transportation Revenue\$ -**Nonpublic Textbook Revenue**\$ 29,692

MONROE CITY SCHOOL BOARD
Education Levels of Public School Staff
As of October 3, 2005

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	25%	-	-	-	-
Bachelor's Degree	359	58%	5	63%	-	-	-	-
Master's Degree	152	25%	1	13%	6	20%	-	-
Master's Degree +30	103	17%	-	0%	21	70%	-	-
Specialist in Education	1	0%	-	0%	1	3%	-	-
Ph.D. or Ed.D.	1	0%	-	0%	2	7%	-	-
Total	616	100%	8.00	100%	30	100%	-	-

Schedule 3

CITY OF MONROE SCHOOL BOARD
Number and Type of Public Schools
Fiscal Year Ended June 30, 2006

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

Schedule 4

MONROE CITY SCHOOL BOARD
Experience of Public Principals and Full-time
Classroom Teachers
As of October 3, 2005

	Assistant Principals	Principals	Classroom Teachers	Total
0-1 Yr.	-	-	48	48
2-3 Yrs.	-	-	55	55
4-10 Yrs.	2	1	154	157
11-14 Yrs.	-	3	87	90
15-19 Yrs.	2	5	104	111
20-24 Yrs.	1	2	73	76
25+ Yrs.	4	10	103	117
Total	9	21	624	654

MONROE CITY SCHOOL BOARD
Public School Staff Data
As of June 30, 2006

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$43,231.61	\$42,992.22
Average Classroom Teachers' Salary Excluding Extra Compensation	\$42,555.03	\$42,326.34
Number of Teacher full-time Equivalent (FTEs) used in Computation of Average Salaries	650	639

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 schedule. This schedule excludes day-to-day substitutes and temporary employees.

CITY OF MONROE SCHOOL BOARD
Class Size Characteristics
As of October 3, 2005

School Type	Class Size Range											
	1 - 20		21-26		27 - 33		34+					
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	60.3%	1,089	37.9%	685	1.4%	25	0.4%	7				
Elementary Activity Classes	60.9%	131	36.3%	78	0.9%	2	1.9%	4				
Middle/Jr. High	61.5%	385	31.0%	194	6.7%	42	0.8%	5				
Middle/Jr. High Activity Classes	74.0%	94	15.7%	20	7.1%	9	3.1%	4				
High	61.4%	583	26.3%	250	11.9%	113	0.1%	1				
High Activity Classes	85.6%	143	8.4%	14	3.6%	6	2.4%	4				
Combination	100.0%	85	0.0%	0	0.0%	0	0.0%	0				
Combination Activity Classes	100.0%	6	100.0%	6	100.0%	6	100.0%	6				

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

CITY OF MONROE
Louisiana Educational Assessment Program (LEAP) for the 21st Century
Three Fiscal Years Ended June 30, 2006

District Achievement Results	English Language Arts						Mathematics					
	2006		2005		2004		2006		2005		2004	
Students	#	%	#	%	#	%	#	%	#	%	#	%
Grade 4												
Advanced	23	4	31	4	14	2	27	4	6	1	9	1
Proficient	101	16	67	9	112	15	117	119	53	7	73	10
Basic	325	52	378	50	298	40	294	47	352	46	252	33
Approaching Basic	103	17	231	30	172	23	118	19	209	28	206	27
Unsatisfactory	72	12	53	7	158	21	68	11	140	18	214	28
Total	624		760		754		624		760		754	

District Achievement Results	Science						Social Studies					
	2006		2005		2004		2006		2005		2004	
Students	#	%	#	%	#	%	#	%	#	%	#	%
Grade 8												
Advanced	2	0	2	0	3	0	3	1	1	0	2	0
Proficient	35	6	30	5	55	8	27	5	39	6	51	7
Basic	165	28	188	29	178	25	233	40	244	38	246	35
Approaching Basic	239	41	234	37	230	32	181	31	158	25	232	33
Unsatisfactory	141	24	186	29	245	34	138	24	196	31	182	26
Total	582		640		711		582		638		713	

CITY OF MONROE
The Graduation Exit Exam for the 21st Century
Three Fiscal Years Ended June 30, 2006

District Achievement Results	English Language Arts						Mathematics					
	2006		2005		2004		2006		2005		2004	
Students	#	%	#	%	#	%	#	%	#	%	#	%
Grade 10												
Advanced	4	1	5	1	10	2	39	9	29	6	5	1
Proficient	59	14	65	13	51	11	66	16	57	12	65	13
Basic	216	51	180	37	165	34	188	45	164	34	180	37
Approaching Basic	80	19	138	29	117	24	46	11	80	17	138	29
Unsatisfactory	61	15	95	20	138	29	79	19	147	31	95	20
Total	420		483		481		418		477		483	

District Achievement Results	Science						Social Studies					
	2006		2005		2004		2006		2005		2004	
Students	#	%	#	%	#	%	#	%	#	%	#	%
Grade 11												
Advanced	9	2	14	4	4	1	3	1	1	0	2	0
Proficient	30	7	54	15	38	8	22	5	27	7	33	7
Basic	140	35	133	36	149	33	187	46	157	42	205	45
Approaching Basic	120	30	102	27	119	26	98	24	102	27	120	26
Unsatisfactory	104	26	69	19	147	32	93	23	84	23	95	21
Total	403		372		457		403		371		455	

CITY OF MONROE
IOWA AND ILEAP Tests
Three Fiscal Years Ended June 30, 2006

	Composites	
	2005	2004
IOWA Test of Basic Skills (ITBS)		
Grade 3	57	53
Grade 5	52	45
Grade 6	39	39
Grade 7	37	38
IOWA Tests of Educational Development (ITED)		
Grade 9	42	37

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

iLEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	18	3	17	3	10	2	13	2
Mastery	118	19	86	14	58	9	81	13
Basic	276	44	231	37	225	36	274	44
Approaching Basic	126	20	175	28	236	38	159	25
Unsatisfactory	89	14	118	19	98	16	100	16
Total	627		627		627		627	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	14	2	23	3	4	1	7	1
Mastery	88	13	65	9	45	7	38	6
Basic	272	40	283	41	216	31	260	38
Approaching Basic	175	25	144	21	263	38	204	30
Unsatisfactory	139	20	174	25	159	23	178	26
Total	688		689		687		687	

(Continued)

CITY OF MONROE
IOWA AND ILEAP Tests
Three Fiscal Years Ended June 30, 2006

District Achievement Level Results	English Language Arts 2006		Mathematics 2006		Science 2006		Social Studies 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	17	3	23	3	11	2	20	3
Mastery	97	14	58	9	54	8	43	6
Basic	284	42	310	46	240	36	251	37
Approaching Basic	171	25	127	19	245	36	190	28
Unsatisfactory	104	15	156	23	123	18	169	25
Total	673		674		673		673	

District Achievement Level Results	English Language Arts 2006		Mathematics 2006		Science 2006		Social Studies 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	12	2	6	1	6	1	3	0
Mastery	63	8	26	3	26	3	30	4
Basic	270	35	266	35	189	25	274	36
Approaching Basic	259	34	218	28	292	38	237	31
Unsatisfactory	167	22	253	33	255	33	223	29
Total	771		769		768		767	

District Achievement Level Results	English Language Arts 2006		Mathematics 2006	
	Number	Percent	Number	Percent
Grade 9				
Advanced	6	1	19	3
Mastery	66	9	46	6
Basic	316	42	320	43
Approaching Basic	270	36	161	22
Unsatisfactory	91	12	195	26
Total	749		741	