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**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA****Financial Report
For the Year Ended June 30, 2005**

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 1/18/06

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2005

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CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2005

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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, 2005, 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, 2005, 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 22, 2005 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 4 through 13 and the "Budgetary Comparison Schedule" presented on page 49 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 listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, the Schedule of Compensation Paid Board Members and the Combining Non Major Fund Schedules 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 22, 2005

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

CITY OF MONROE SCHOOL BOARD
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2005

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, 2005. 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 2004-2005 fiscal year with a significant fund balance in the General fund for the first time in approximately 10 years.

Other financial highlights for the 2004-05 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 \$22 million (net assets).
- Statement of Activities – The total net assets of the City of Monroe School Board increased by \$2.5 million for the year ended June 30, 2005.
- Governmental Funds Balance Sheet – As of the close of the 2004-2005 fiscal year, the City of Monroe School Board's governmental funds reported combined ending fund balance of \$14.3 million, a decrease of \$590,304 in comparison with the prior fiscal year. This fund balance is comprised of approximately (1) \$3.2 million which is reserved for capital projects within the Capital Projects Fund, (2) \$7.8 million which is reserved for debt service, (3) \$1.4 million in General Fund and (4) 1.9 million in various other funds.
- Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Total revenues for the year ended June 30, 2005 for the governmental funds of the City of Monroe School Board amounted to \$84.1 million. Approximately 80% of this amount is received from three major revenue sources: (1) \$29.7 million from the Minimum Foundation Program, (2) \$13.9 million from local ad valorem taxes, and (3) \$22.4 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 was \$1.4 million. This is the first time the General Fund has shown a significant positive fund balance in recent years.
- Capital Assets – Total capital assets (net of depreciation) were \$66.7 million or 72.6% of the total assets. The City of Monroe School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.
- Long-Term Debt – The School Board's total debt decreased by approximately \$4.4 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's 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, 2001-2002 Sales Tax Sinking and Capital Projects Funds, all of which are considered to be major funds. Data for the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Monroe School Board adopts an annual appropriated budget for its General Fund and all Special Revenue Funds. A budgetary comparison schedule has been provided for the General Fund, the only major fund with an adopted budget to demonstrate compliance with the budget.

- *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, 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 fund. 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 \$22 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 \$92 million reflects its investment in capital assets of \$66.7 million (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The School Board uses these capital assets to provide educational services to children and adults; consequently, these assets are not available for future spending. Although the City of Monroe

School Board's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Monroe School Board's Net Assets

	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Current and other assets	\$ 25,191,790	\$ 25,230,185
Capital assets	<u>66,738,149</u>	<u>67,763,725</u>
Total assets	<u>91,929,939</u>	<u>92,993,910</u>
Current and other liabilities	10,995,135	10,340,127
Long-term liabilities	<u>58,941,402</u>	<u>63,354,041</u>
Total liabilities	69,936,537	73,694,168
Net assets:		
Invested in capital assets, net of related debt	8,934,592	5,564,187
Restricted	11,904,509	13,792,704
Unrestricted	<u>1,154,301</u>	<u>(57,149)</u>
Total net assets	<u>\$ 21,993,402</u>	<u>\$ 19,299,742</u>

Restricted net assets of \$11.9 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 \$7.8 million of the total, with Capital Projects accounting for \$3.2 million. The remaining balance is monies restricted for salaries and benefits.

Governmental activities increased the City of Monroe School Board's net assets by \$2.5 million.

Key elements of this increase are as follows:

City of Monroe School Board's Changes in Net Assets

	<u>Year ended</u> <u>June 30, 2005</u>	<u>Year ended</u> <u>June 30, 2004</u>
Revenues:		
Program revenues:		
Charges for services	\$ 318,316	\$ 358,006
Operating and capital grants & contributions	16,571,257	14,882,854
General revenues:		
Ad valorem taxes	13,942,307	13,602,396
Sales taxes	22,382,430	22,157,232
Minimum Foundation Program	29,730,682	28,590,853
Interest on investments	312,457	185,005
Other general revenues	<u>462,475</u>	<u>323,794</u>
Total revenues	84,101,273	80,100,140
Expenses:		
Instruction	48,419,165	46,071,114
Support services:		
Pupil support services	2,766,809	2,458,435
Instructional staff support	4,529,435	3,969,716
General administration	1,987,116	1,824,301
School administration	3,822,246	3,513,460
Business services	864,586	861,897
Plant services	5,660,957	5,940,693
Student transportation services	2,834,511	2,581,485
Central services	1,421,109	1,182,780
School food services	4,649,046	4,576,756
Facility acquisition and construction	1,766,077	1,685,624
Debt service – interest on long-term obligations	<u>2,879,626</u>	<u>3,001,532</u>
Total expenses	<u>81,600,683</u>	<u>77,667,793</u>
Increase in net assets	<u>\$ 2,500,590</u>	<u>\$ 2,432,347</u>

Governmental Activities

Expenses are classified by functions/programs. Instructional services for fiscal 2005 totaled \$48,419,165, compared to a total of \$46,071,114 for 2004. 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 2005 totaled \$28,535,815 compared to \$26,909,513 for 2004.

The remaining expenditures of \$4,645,703 consist of \$1,766,077 of facility acquisition and construction and \$2,879,626 of interest expense on long-term obligations.

The related program revenues for fiscal year 2005 directly related to these expenses totaled \$16,952,606, which along with \$318,316 in charges for such services, resulted in net program expenses of \$64,329,761. 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 \$29,730,682 in MFP funds in 2004-2005. This amounts to 35.4% 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 \$22,382,430 in revenue, or 26.7% of total revenue.
- **Ad Valorem tax revenues** – Ad valorem, or property tax revenues, the third largest source of revenues, accounts for 16.6% of total revenues or \$13,942,307.

Financial Analysis of Governmental Funds

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

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

- As of the close of the current fiscal year, the City of Monroe School Board's governmental funds reported a combined ending fund balance of \$14,341,470 a decrease of \$590,304 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 \$1,387,251.
- The Debt Service Funds have a total fund balance of \$7,862,106 all of which is reserved for the payment of debt service.
- The Capital Projects Fund has a fund balance of \$3,180,498. The \$832,083 decrease mentioned earlier is due to the construction projects that occurred during 2004-2005.

General Fund Budgetary Highlights

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

The original General Fund Budget projected a fund balance of \$151,702. The amended budget projected a positive balance of \$1,250,117. Revenue increased by approximately \$728,000 over the original budget. This change was largely due to increased property tax revenue. Projected expenditures decreased by approximately \$371,000 from the original budget. Again, the General Fund shows a significant positive fund balance for the first time in approximately ten years.

Capital Assets and Debt Administration

Capital Assets: The City of Monroe School Board's investment in capital assets as of June 30, 2005, amounts to \$66,738,149 (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)

	<u>2005</u>	<u>2004</u>
Land	\$ 1,483,883	\$ 1,483,883
Buildings and improvements	59,733,573	59,096,522
Furniture and equipment	4,960,284	4,963,925
Construction in progress – buildings	<u>560,409</u>	<u>2,219,395</u>
Total	<u>\$ 66,738,149</u>	<u>\$ 67,763,725</u>

Debt:

**City of Monroe School Board Outstanding Debt
As of June 30, 2005**

	<u>Balance June 30, 2005</u>	<u>Balance June 30, 2004</u>
General Obligation Bonds:		
Series 1995 (refinanced 2003)	\$ -	\$ 1,230,000
School Refunding Bonds		
Series 2001	20,350,000	22,090,000
Series 2003	19,140,000	19,310,000
Sales Tax Bonds		
Series 2001	11,230,000	11,625,000
Series 2002	5,750,000	6,000,000
Certificates of Indebtedness, 1998	<u>690,000</u>	<u>840,000</u>
Total	<u>\$ 57,160,000</u>	<u>\$61,095,000</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 and in 2004 the School Board entered into a lease for approximately 790 computers. 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 had operated with a deficit in the General Fund for some ten 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 with the elimination of all deficits during 2003-2004.

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 showed still greater improvement with the General Fund balance growing to \$1,387,251. The elimination of the deficit represents great effort on the part of The City of

Monroe School Board, especially in light of continued increases in expenditures associated with district operations. In addition to increased expenditures, the School Board had to make allowances for declines in revenue. Most of this decline in General Fund revenue resulted from the continued decline in student enrollment. The loss of students results in a loss of funding through the State's Minimum Foundation Program. State Minimum Foundation Program Funding, which accounts for 35.4% of total revenue, is largely based on the number of students served by the District. Again, the Board and administration of The City of Monroe School Board has risen to the challenge and has committed to sound fiscal management.

The Board adopted a balanced budget for the General Fund for 2004-2005 that projected revenue over expenses in the amount of \$151,702. The district has again seen a decline in student enrollment for the 2004-2005 school year. The district spent considerable time assessing staffing needs in relation to student count for the 2004-2005 school year. The administration and board realigned staff where possible to ensure sound fiscal management. Additionally, the Board has adopted a one time retirement incentive plan for 2004-2005 that is intended to significantly reduce personnel related expenses.

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:

The City of Monroe School Board participates in the state managed health care program. The School Board incurs expenses for its portion of employees health care cost. The State Group health care program has continued to see premium increases averaging 10% per year for over six 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 continue to rise at an alarming rate.

Mandated contributions to Retirement systems

For several years, the Louisiana School Employees Retirement System discontinued the School Board's matching portion to the retirement system based on actuarial recommendations. In fiscal year 2003-2004, the Louisiana 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%. Also, the Teachers Retirement System of Louisiana increased its employer contribution rate from 13.8% to 15.5% of applicable salaries.

Overall, The City of Monroe School Board 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 City of Monroe School Board, P. O. Box 4180, Monroe, LA 71211-4180, or call at (318) 325-0601.

BASIC FINANCIAL STATEMENTS

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

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

**Statement of Net Assets
Governmental Activities**

June 30, 2005

Assets:

Cash and cash equivalents	\$ 13,308,315
Investments	250,000
Receivables:	
Ad valorem taxes	73,454
Sales and use taxes	2,715,738
Federal grants	6,258,739
State grants	689,396
Other	873,775
Bond issuance costs, net	700,833
Inventory	317,520
Other Assets	4,020
Capital assets, net:	
Land	1,483,883
Buildings and improvements	59,733,573
Furniture and equipment	4,960,284
Construction in progress	560,409
Total assets	<u>91,929,939</u>

Liabilities:

Accounts payable	2,479,710
Salaries and wages payable	7,372,102
Deferred revenue	297,674
Interest payable - bonds	845,649
Long-term liabilities:	
Due within one year	5,321,680
Due in more than one year	53,619,722
Total liabilities	<u>69,936,537</u>

Net assets:

Invested in capital assets, net of related debt	8,934,592
Restricted for:	
Capital Projects	3,180,498
Debt service	7,835,519
Salaries and related benefits	888,492
Unrestricted	1,154,301
Total net assets	<u>\$ 21,993,402</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, 2005

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</u>
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	
Functions/programs:					
Current					
Instructional services:					
Regular programs	\$ 29,493,993	\$ -	\$ 1,217,850	\$ 250,197	\$ (28,025,946)
Special education programs	11,097,157	-	1,112,639	72,175	(9,912,343)
Vocational programs	284,423	-	225,099	1,895	(57,429)
Other instructional programs	2,779,666	66,027	485,780	-	(2,227,859)
Special programs	4,360,879	-	5,877,621	26,535	1,543,277
Adult/continuing education	403,047	-	99,310	16,359	(287,378)
Support services:					
Pupil support services	2,766,809	-	1,209,162	-	(1,557,647)
Instructional staff support services	4,529,435	-	2,205,266	9,594	(2,314,575)
General administration	1,987,116	-	2,466	-	(1,984,650)
School administration	3,822,246	-	431,047	-	(3,391,199)
Business services	864,586	-	6,872	-	(857,714)
Plant services	5,660,957	-	364,289	-	(5,296,668)
Student transportation services	2,834,511	-	30,736	-	(2,803,775)
Central services	1,421,109	-	3,740	-	(1,417,369)
Noninstructional services:					
Food service operations	4,649,046	252,289	3,299,380	4,594	(1,092,783)
Facility acquisition and construction	1,766,077	-	-	-	(1,766,077)
Debt service:					
Interest on long-term obligations	2,879,626	-	-	-	(2,879,626)
Total Governmental Activities	\$ 81,600,683	\$ 318,316	\$ 16,571,257	\$ 381,349	\$ (64,329,761)
General revenues:					
Taxes:					
Ad valorem taxes levied for:					
General purposes					9,051,403
Debt service purposes					4,890,904
Sales taxes levied for:					
General purposes					22,382,430
Grants and contributions not restricted to specific programs:					
Minimum Foundation Program					29,730,682
State revenue sharing					313,001
Interest and investment earnings					312,457
Gain or (loss) on disposals of assets					(4,746)
Other					154,220
Total general revenues					66,830,351
Changes in net assets					
Net assets at beginning of year					19,299,742
Adjustment to net assets at beginning of year - Note 4					193,070
Net assets at beginning of year - restated					19,492,812
Net assets at end of year					\$ 21,993,402

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, 2005

	MAJOR FUNDS					AGGREGATE REMAINING FUNDS	OTHER GOVERNMENTAL	TOTAL
	GENERAL FUND	BOND REDEMPTION DEBT SERVICE	SALES TAX BOND SINKING DEBT SERVICE	CAPITAL PROJECTS				
Assets:								
Cash and cash equivalents	\$ 307,000	\$ 5,148,138	\$ 2,666,839	\$ 3,796,686	\$	1,389,652	\$ 13,308,315	
Investments	250,000	-	-	-	-	-	250,000	
Accounts receivable	795,277	47,129	-	-	-	2,820,561	3,662,967	
Due from other governments:								
Due from federal sources	-	-	-	-	-	6,258,739	6,258,739	
Due from state sources	-	-	-	-	-	689,396	689,396	
Due from other funds	6,456,843	394,163	-	-	-	-	6,851,006	
Inventory	162,296	-	-	-	-	155,224	317,520	
Other assets	1,724	-	-	-	-	2,296	4,020	
Total assets	\$ 7,973,140	\$ 5,589,430	\$ 2,666,839	\$ 3,796,686	\$	11,315,868	\$ 31,341,963	
Liabilities and fund balances								
Liabilities:								
Accounts payable	\$ 1,926,620	\$	\$	\$ 128,531	\$	424,559	\$ 2,479,710	
Salaries and wages payable	4,388,543	-	-	-	-	2,983,559	7,372,102	
Due to other funds	-	-	394,163	487,657	-	5,969,186	6,851,006	
Deferred revenue	270,726	-	-	-	-	26,949	297,675	
Total liabilities	\$ 6,585,889	\$	\$ 394,163	\$ 616,188	\$	9,404,253	\$ 17,000,493	
Fund balances:								
Reserved for debt service	-	5,589,430	2,272,676	-	-	-	7,862,106	
Reserved for inventory	162,296	-	-	-	-	51,893	214,189	
Reserved for capital projects	-	-	-	3,180,498	-	-	3,180,498	
Reserved for salaries and related benefits	-	-	-	-	-	888,491	888,491	
Unreserved:								
Unreserved/undesignated reported in:								
General Fund	1,224,955	-	-	-	-	-	1,224,955	
Special Revenue Funds	-	-	-	-	-	971,231	971,231	
Total fund balances	\$ 1,387,251	\$ 5,589,430	\$ 2,272,676	\$ 3,180,498	\$	1,911,615	\$ 14,341,470	
Total liabilities and fund balances	\$ 7,973,140	\$ 5,589,430	\$ 2,666,839	\$ 3,796,686	\$	11,315,868	\$ 31,341,963	

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, 2005**

Total fund balances - governmental funds		\$ 14,341,470
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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	\$ 87,651,351	
Accumulated depreciation	<u>(20,913,202)</u>	66,738,149

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	943,104	
Less accumulated amortization	<u>(242,271)</u>	700,833

Elimination of interfund assets and liabilities

Interfund assets		(6,851,006)
Interfund liabilities		6,851,006

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, 2005**

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	(2,019,157)	
General obligation bonds payable	(39,490,000)	
Sales tax bonds payable	(16,980,000)	
Certificates of indebtedness	(690,000)	
Capital lease	(643,557)	
Deferred amount on refunding	1,138,317	
Bond premium	<u>(257,004)</u>	(58,941,401)

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>(845,649)</u>
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Net Assets	\$ <u>21,993,402</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, 2005

	MAJOR FUNDS					AGGREGATE		TOTAL
	GENERAL FUND	BOND REDEMPTION DEBT SERVICE	BOND SINKING DEBT SERVICE	SALES TAX	CAPITAL PROJECTS	REMAINING FUNDS	OTHER GOVERNMENTAL	
REVENUES								
Local sources:								
Ad valorem taxes	9,051,402	\$	4,890,904	\$	-	\$	-	\$
Sales and use taxes	-	-	-	-	-	-	22,382,429	13,942,306
Earnings on investments	59,845	101,138	37,605	75,966	-	37,903	312,457	22,382,429
Cash payments for meals	-	-	-	-	-	257,216	573,375	312,457
Other local revenue	452,416	-	-	-	-	120,959	-	257,216
State sources:								
State equalization	29,330,682	-	-	-	-	400,000	-	573,375
Revenue sharing	313,001	-	-	-	-	-	-	29,730,682
Professional Improvement Program	303,483	-	-	-	-	-	-	313,001
State contribution for teacher retirement	36,036	-	-	-	-	-	-	303,483
Restricted grants-in-aid	125,638	-	-	-	-	1,813,439	-	36,036
Federal sources:								
Federal Restricted grants-in-aid	190,526	-	-	-	-	14,125,415	-	1,813,439
Total revenues	39,863,029	4,992,042	37,605	75,966	-	39,137,361	-	14,315,941
EXPENDITURES								
Current:								
Instructional services:								
Regular programs	17,899,569	-	-	-	-	10,762,790	-	28,662,359
Special education programs	6,759,271	-	-	-	-	4,329,633	-	11,088,904
Vocational programs	15,025	-	-	-	-	227,301	-	242,326
Other instructional programs	921,771	-	-	-	-	1,838,400	-	2,760,171
Special programs	40,668	-	-	-	-	4,307,930	-	4,348,598
Adult/Continuing education	196,530	-	-	-	-	207,072	-	403,602
Support services:								
Pupil support services	1,060,666	-	-	-	-	1,709,401	-	2,770,067
Instructional staff support	1,491,971	-	-	-	-	2,979,452	-	4,471,423
General administration	1,628,717	144,121	-	-	-	214,545	-	1,987,383
School administration	2,445,879	-	-	-	-	1,381,628	-	3,827,507
Business services	683,765	-	-	-	-	171,716	-	855,481
Plant services	3,288,667	-	-	-	73,469	2,267,819	-	5,629,955
Student transportation services	2,087,252	-	-	-	-	507,381	-	2,594,633
Central services	356,663	-	-	-	-	982,007	-	1,338,670

(Continued)

City of Monroe School Board
Monroe, Louisiana

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONCLUDED)

Fiscal Years Ended June 30, 2005

	MAJOR FUNDS					AGGREGATE REMAINING FUNDS OTHER GOVERNMENTAL	TOTAL
	GENERAL FUND	2001 SALES TAX SPECIAL REVENUE	BOND REDEMPTION DEBT SERVICE	CAPITAL PROJECTS			
Noninstructional services:							
Food service operations	-	-	-	1,346		4,609,679	4,611,025
Debt service:							
Principal	150,000	3,140,000	645,000	-		460,966	4,395,966
Interest	42,157	1,799,133	802,702	-		45,291	2,689,283
Capital Outlay	7,730	-	-	833,234		1,179,744	2,020,708
Total expenditures	39,076,301	5,083,254	1,447,702	908,049		38,182,755	84,698,061
Excess (deficiency) of revenues over expenditures	786,728	(91,212)	(1,410,097)	(832,083)		954,606	(592,058)
OTHER FINANCING SOURCES (USES)							
Sale of assets	1,754	-	-	-		-	1,754
Transfers in	581,144	-	1,462,620	-		65,941	2,109,705
Transfers out	-	-	-	-		(2,109,705)	(2,109,705)
Total other financing sources (uses)	582,898	-	1,462,620	-		(2,043,764)	1,754
Net change in fund balances	1,369,626	(91,212)	52,523	(832,083)		(1,089,158)	(590,304)
Fund balances at beginning of year	17,625	5,680,642	2,220,153	4,012,581		3,000,773	14,931,774
Fund balances at end of year	<u>\$ 1,387,251</u>	<u>\$ 5,589,430</u>	<u>\$ 2,272,676</u>	<u>\$ 3,180,498</u>		<u>\$ 1,911,615</u>	<u>\$ 14,341,470</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, 2005**

Total net change (decrease) in fund balances - Governmental Funds	\$ (590,304)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Elimination of operating transfers in and out:

Transfers in	2,109,705
Transfers out	(2,109,705)

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

Capital Outlays	\$ 1,659,780	
Depreciation	<u>(2,871,928)</u>	(1,212,148)

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 \$1,754, resulting in a gain on disposal of capital assets of \$1,754. In addition, the School Board disposed of certain assets with a carrying value that resulted in a loss of \$6,500.

(6,500)

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, 2005**

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	3,935,000
Repayment of capital leases is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	460,981
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	(68,270)
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 (\$800,646) exceeded the amounts earned	103,903
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, 2005**

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, 2005	(845,649)	
Interest expense payable as of June 30, 2004	<u>810,822</u>	(34,827)

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><u>\$ 2,500,590</u></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, 2005

ASSETS

Cash and cash equivalents	\$ 474,049
Certificates of Deposit	140,549
Total assets	<u>\$ 614,598</u>

Liabilities and fund balances

Liabilities:

Amounts Held for Other Organizations	\$ 614,598
Total liabilities	<u>\$ 614,598</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, 2005**

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 9,200 students. The School Board employs approximately 1,450 persons of which over 800 are directly involved in the instructional process. The remainder provides ancillary support such as general administration, repair and maintenance, bus transportation and food service. The regular school term normally begins during the latter half of August and runs until the end of May.

A. Financial Reporting Entity

The School Board is 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, 2005**

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.

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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

The following Debt Service Funds are major funds:

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

The 2001-2002 Sales Tax Bond Sinking Fund accounts for the 2001 and 2002 Series Sales Tax Bonds.

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

The School Board's one Capital Project Fund is a major fund. It accounts for resources accumulated and expended for improvements, acquisitions and construction of School Board facilities.

Nonmajor Funds:

The School Board has 11 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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

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 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., expenditure and other financing uses) in net current assets.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

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

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

D. Cash and Cash Equivalents

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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

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.) 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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

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 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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

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.

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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

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.

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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

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	\$ 6,349,613	\$ 6,675,059
Cash Equivalents:		
LAMP Investments	6,958,702	6,958,702
Certificates of Deposit	250,000	250,000
TOTAL	\$ 13,558,315	\$ 13,883,761

The School Board's deposits are collateralized as follows:

FDIC Insured Deposits	\$ 200,000
Uninsured Deposits:	
Collateralized	15,381,897
Total Deposits	\$ 15,581,897

The School Board's investments at June 30, 2005, consist of a certificate of deposit with a carrying and market value of \$250,000. It is held by the School Board's agent in the School Board's name, and is collateralized.

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

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

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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

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 \$324,300,469 and were dedicated as follows:

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

The School Board's portion of the total taxes originally levied was \$15,524,003 of which \$13,617,414 was assessed on property owners and \$1,906,589 was assessed under Homestead Exemption. The School Board collected \$13,942,307 through June 30, 2005, of which a nominal amount was for prior year(s) levies. Approximately 86% of the homestead exemption is not appropriated by the State of Louisiana and therefore is not collected.

Property Tax Calendar

Millage Rates Adopted	October 21, 2004
Levy Date	November 24, 2004
Tax Bills Mailed	November 24, 2004
Total Taxes Are Due	December 31, 2004
Lien Date	January 1, 2005

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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

Note 4 - Capital Assets

A summary of the changes in capital assets for the year ended June 30, 2005, were as follows:

	Balance <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2005</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,483,883	\$ -	\$ -	\$ 1,483,883
Construction-in-progress	<u>2,219,396</u>	<u>551,232</u>	<u>2,210,219</u>	<u>560,409</u>
Total capital assets not being depreciated	3,703,279	551,232	2,210,219	2,044,292
Capital Assets being depreciated:				
Buildings & improvements	68,956,150	2,382,027	-	71,338,177
Furniture and equipment	<u>13,621,485</u>	<u>936,740</u>	<u>289,343</u>	<u>14,268,882</u>
Total capital assets being depreciated	82,577,635	3,318,767	289,343	85,607,059
Less accumulated depreciation:				
Buildings and improvements	9,859,628	1,744,976	-	11,604,604
Furniture and equipment	<u>8,464,489</u>	<u>1,126,952</u>	<u>282,843</u>	<u>9,308,598</u>
Total accumulated depreciation	<u>18,324,117</u>	<u>2,871,928</u>	<u>282,843</u>	<u>20,913,202</u>
Total capital assets being depreciated, net	<u>64,253,518</u>	<u>446,839</u>	<u>6,500</u>	<u>64,693,857</u>
Governmental Activities Capital Assets, net	<u>\$ 67,956,797</u>	<u>\$ 998,071</u>	<u>\$ 2,216,719</u>	<u>\$ 66,738,149</u>

Accumulated depreciation at the beginning of the year was decreased by \$193,070 due to a computational error in the prior year.

Depreciation expense was charged to governmental activities as follows:

Instructional services:	
Regular programs	\$ 871,031
Special education programs	23,495
Vocational programs	42,430
Other instructional programs	23,289
Special programs	18,258
Support services:	
Pupil support services	550
Instructional staff support services	64,158
General Administration	2,465

**CITY OF MONROE SCHOOL BOARD
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NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

Business services	\$	10,281
Plant services		38,740
Student transportation services		243,444
Central services		84,279
Food service operations		44,359
Facility acquisition and construction		<u>1,405,149</u>
Total depreciation expense	\$	<u>2,871,928</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.

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.

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FOR THE YEAR ENDED JUNE 30, 2005**

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

Funding Policy: As provided by statute, the School Board's employer contributions to the TRSL are funded by the State of Louisiana through expenditures by the School Board of state Minimum Foundation Program (MFP) funds and local ad valorem and sales taxes. State statutes also require covered employees to contribute a percentage of their salaries to the system. As further provided by statute, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the system's prior fiscal year. The School Board's contribution rates were 15.5% 13.8%, and 13.1% for the years ended June 30, 2005, 2004 and 2003 respectively. The School Board's contributions to the TRSL plans for the years ended June 30, 2005, 2004 and 2003 were \$6,632,143, \$6,175,069, and \$4,886,324 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 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 14.8% and 8.5% for the years ended June 30, 2005, 2004 respectively. The School Board's contributions to the LSERS plans for the years ended June 30, 2005, 2004 and 2003 were \$553,487, \$318,886, and \$10,792 respectively, equal to the

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

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 \$346,869 at June 30, 2005.

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 2005, the School Board paid \$7,709,455 in connection with providing these benefits, including \$2,227,231 attributable to 451 retirees.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

Note 8 - Long-Term Obligations

The following is a summary of changes in Long-Term Obligations for the year ended June 30, 2005:

	Balance July 1, 2004	Increases	Decreases	Balance June 30, 2005
General obligation bonds	\$ 42,630,000	\$ -	\$ 3,140,000	\$ 39,490,000
Less deferred amount of refunding	(1,252,148)	-	(113,832)	(1,138,316)
Unamortized bond Premium	283,591	-	26,587	257,004
Sales tax bonds	17,625,000	-	645,000	16,980,000
Certificates of indebtedness	840,000	-	150,000	690,000
Capital leases	1,104,538	-	460,981	643,557
Compensated absences, net	2,123,060	696,743	800,646	2,019,157
TOTAL	\$ 63,354,041	\$ 696,743	\$ 5,109,382	\$ 58,941,402

Long-term bonds and certificates of indebtedness outstanding at June 30, 2005, are comprised of the following:

	Issue	Maturity Date	Interest Rate	Amount Outstanding
<u>General Obligation Bonds</u>				
School Refunding Bonds,				
Series 2001	2001	3/1/2014	4.00 - 4.625	\$20,350,000
Series 2003	2003	3/1/2015	2.50 - 5.00	19,140,000
Total General Obligation Bonds				39,490,000
<u>Sales Tax Bonds</u>				
Sales Tax Bonds, Series 2001	2001	10/1/2021	3.875 - 5.00	11,230,000
Sales Tax Bonds, Series 2002	2002	10/1/2021	4.25 - 4.75	5,750,000
<u>Certificate of Indebtedness</u>	1998	7/1/2008	4.70 - 4.95	690,000
Total Bonds and Certificate of Indebtedness				\$57,160,000

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

Debt service requirements to maturity on all School Board bonds and certificates of indebtedness outstanding at June 30, 2005, including interest of \$16,953,713 are as follows:

Year Ending June 30,	Total Principal & Interest Due
2006	\$ 6,602,348
2007	6,643,618
2008	6,663,168
2009	6,714,724
2010	6,575,818
2011-2015	30,765,090
2016-2020	7,251,349
2021-2022	2,897,600
TOTAL	\$ 74,113,713

In order to advance refund a portion of the 1995 Series Bonds during fiscal year 2003, the School Board issued \$19,480,000 in General Obligation Bonds with an interest rate of 2.50% to 5.00%. The net proceeds from the issuance of the general obligation bonds were used to purchase government securities which were deposited in an irrevocable trust with an escrow agent to provide debt service until the bonds are called. The advance refunding met the requirement of an in-substance debt defeasance and \$18,215,000 of the Series 1995 bonds were removed from the School Board's financial statements. The balance of the defeased 1995 Series of \$18,215,000, was called on March 1, 2005.

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, 2005 totaled \$269,256.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

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%. In fiscal 2004, the School Board entered into a capital lease obligation for the purchase of 788 computers. The original amount of the obligation was \$968,500 and also bears an interest rate of 4.10%. Future minimum lease payments until maturity are as follows:

Fiscal Year Ending	Future Minimum Lease Payments
June 30, 2006	\$ 506,256
June 30, 2007	170,407
Total	676,663
Less: Amounts representing interest	(33,106)
Present Value of Future Minimum Lease Payments	\$ 643,557

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

Individual balances due to/from other funds at June 30, 2005, are as follows:

	Due From Other Funds
Major Funds:	
Unreimbursed expenses:	
General Fund:	
Capital Projects	\$ 487,657
Bond Redemption Fund:	
2001-2002 Sales Tax Bond	394,163
Deficit cash balances:	
General Fund:	
Title I	2,698,529
Vocational/Adult Education	141,364
School Food Service	14,838
Other Federal Programs	1,106,033
State Grants	54,074

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

Special Education	\$	584,003	\$	-
Other Federal Programs		639,651		-
State Grants		589,669		-
2001 Sales Tax		141,025		5,969,186
Total Due To/From Other Funds	\$	<u>6,851,006</u>	\$	<u>6,851,006</u>

Note 11 - Interfund Transfers

Transfers to/from other funds for the year ended June 30, 2005 were as follows:

		<u>Transfers In</u>		<u>Transfers Out</u>
Major Funds				
General Fund	\$	581,144	\$	-
Debt Service:				
2001-2002 Sales Tax Bond		1,462,620		-
Nonmajor Funds				
Special Revenues				
School Food Service		65,941		15,815
Title I		-		355,397
Reading First		-		16,480
Special Education		-		108,124
Vocational/Adult Education		-		2,000
Other Federal Programs		-		97,231
State Grants		-		1,912
2001 Sales Tax		-		1,512,746
Total	\$	<u>2,109,705</u>	\$	<u>2,109,705</u>

Included in the transfers are \$579,232 of indirect cost to the General Fund from various Federal programs. and \$1,462,620 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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

under workers' compensation statutes is self-insured by the School Board for up to \$200,000 per occurrence, with reinsurance coverage in force for losses in excess of that amount. The self-insured plan is administered by a third party, with the claims under the self-insured amount paid by the General Fund; certain Special Revenue funds reimburse the General Fund for payment of their claims. Consistent with the provisions of GASB Statement No. 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the School Board uses the General Fund to account for its risk financing activities. During the year ended June 30, 2005, the School Board incurred and paid claims under the worker's compensation plan of approximately \$173,000 net of reimbursements. There were no material claims outstanding at June 30, 2005.

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.

Note 14 - Subsequent Events

A catastrophic natural disaster was caused by Hurricanes Katrina and Rita which occurred in the southern region of Louisiana in August and September of 2005. The Louisiana economy has been devastated by this catastrophe. The School Board receives over half of its funding from the State of Louisiana. The financial effects of these events have not been determined and cannot be reasonably estimated by management at this time.

**REQUIRED SUPPLEMENTAL INFORMATION
(PART B)**

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

**General Fund
Budgetary Comparison Schedule (GAAP Basis)**

Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary fund balance at beginning of year	\$ 26,666	\$ 26,666	\$ 17,625	\$ (9,041)
Resources (inflows)				
Local sources:				
Ad valorem taxes:				
Constitutional tax	1,920,000	2,110,758	2,110,758	-
Renewable tax	6,070,000	6,684,861	6,684,861	-
Other than school taxes	250,000	255,783	255,783	-
Earnings on investments	38,500	59,845	59,845	-
Other local revenue	681,191	456,792	452,416	(4,376)
Total local sources	8,959,691	9,568,039	9,563,663	(4,376)
State and federal sources:				
State equalization	29,330,682	29,330,682	29,330,682	-
State revenue sharing	324,000	313,001	313,001	-
Professional Improvement Program	375,128	303,483	303,483	-
Federal Restricted grants-in-aid	212,328	190,526	190,526	-
State Restricted grants-in-aid	29,900	123,936	125,638	1,702
State contribution for teacher retirement	39,166	36,036	36,036	-
Total state and federal sources	30,311,204	30,297,664	30,299,366	1,702
Other sources:				
Proceeds from sale of assets	28,700	1,754	1,754	-
Transfers in	421,000	580,935	581,144	209
Total other sources	449,700	582,689	582,898	209
Amounts available for appropriations	39,747,261	40,475,058	40,463,552	(11,506)
Charges to appropriations (outflows)				
Current:				
Instructional services:				
Regular programs	18,185,885	17,899,569	17,899,569	-
Special education programs	6,740,893	6,759,271	6,759,271	-
Vocational programs	29,302	15,025	15,025	-
Other instructional programs	515,508	921,771	921,771	-
Special programs	33,000	40,668	40,668	-
Adult/Continuing education programs	254,764	196,530	196,530	-
Support Services:				
Pupil support services	1,105,957	1,060,666	1,060,666	-
Instructional staff support	1,549,538	1,492,056	1,491,971	85
General administration	1,422,648	1,614,976	1,628,717	(13,741)
School administration	2,360,150	2,445,879	2,445,879	-
Business services	804,386	706,723	683,765	22,958
Plant services	3,762,618	3,405,207	3,288,667	116,540
Student transportation services	2,176,459	2,110,050	2,087,252	22,798
Central services	428,451	356,663	356,663	-
Capital outlay	18,000	7,730	7,730	-
Debt service	208,000	192,157	192,157	-
Total Charges to Appropriations	39,595,559	39,224,941	39,076,301	148,640
Budgetary fund balance at end of year	\$ 151,702	\$ 1,250,117	\$ 1,387,251	\$ 137,134

See accompanying notes to budgetary comparison schedules

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

**Notes to Budgetary Comparison Schedules
Fiscal year Ended June 30, 2005**

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

**COMBINING
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. 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.
- B. 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.
- C. 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.
- D. 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.
- E. Reading First is a federally financed program to ensure that all children achieve reading mastery by the end of the third grade.
- F. 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%.
- G. 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.
- H. 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.
- I. The Other Federal Programs funds account for all other federal programs that were not specifically discussed above.

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

NONMAJOR FUNDS

As of and for the Year Ended June 30, 2005

- J. 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.
- K. The Local Grants funds account for all grants from entities within the local community.

City of Monroe School Board
Monroe, Louisiana

NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet

June 30, 2005

Special Revenue Funds

	Title I	Special Education	School Food Service	Vocational/Adult Education	Reading First	1968 Sales Tax	1994 Sales Tax	2001 Sales Tax	Other Federal Programs	State Grants	Local Grants	Total
ASSETS												
Cash and cash equivalents	\$ 80,820	\$ 660	\$ 117,980	\$ -	\$ -	\$ 54,389	\$ 331,753	\$ 685,394	\$ 3,983	\$ 114,673	\$ -	\$ 1,389,652
Accounts receivable	-	-	-	-	-	340,487	473,341	1,948,857	-	-	57,876	2,820,561
Due from other governments:												
Due from federal sources	3,151,909	718,692	36,021	271,292	497,440	-	-	-	1,583,385	-	-	6,258,739
Due from state sources	-	-	-	4,355	-	-	-	-	-	685,041	-	689,396
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	155,224	-	-	-	-	-	-	-	-	155,224
Other assets	-	1,596	-	-	-	-	-	700	-	-	-	2,296
Total assets	\$ 3,232,729	\$ 720,948	\$ 309,225	\$ 275,647	\$ 497,440	\$ 394,876	\$ 805,094	\$ 2,634,951	\$ 1,587,368	\$ 799,714	\$ 57,876	\$ 11,315,868

Liabilities:												
Accounts payable	\$ 22,379	\$ 14,471	\$ 15,536	\$ 121,703	\$ 84,046	\$ -	\$ 19,825	\$ 66,333	\$ 1,394	\$ 20,996	\$ 57,876	\$ 424,559
Salaries and wages payable	511,820	97,322	226,958	12,580	62,842	335,203	710,087	702,728	171,016	153,003	-	2,983,559
Due to other funds	2,698,530	602,031	14,838	141,364	339,723	-	-	141,023	1,405,962	625,715	-	5,969,186
Other liabilities	-	7,124	-	-	10,829	-	-	-	8,996	-	-	26,949
Total liabilities	\$ 3,232,729	\$ 720,948	\$ 257,332	\$ 275,647	\$ 497,440	\$ 335,203	\$ 729,912	\$ 910,084	\$ 1,587,368	\$ 799,714	\$ 57,876	\$ 9,404,253

Fund Equity:												
Fund balances:												
Reserved for debt service	-	-	-	-	-	-	-	-	-	-	-	-
Reserved for inventory	-	-	51,893	-	-	-	-	-	-	-	-	51,893
Reserved for salaries and related benefits	-	-	-	-	-	59,673	52,628	776,190	-	-	-	888,491
Unreserved-undesignated	-	-	-	-	-	59,673	22,554	948,677	-	-	-	971,231
Total fund balances	-	-	51,893	-	-	59,673	75,182	1,724,867	-	-	-	1,911,615
Total liabilities and fund equity	\$ 3,232,729	\$ 720,948	\$ 309,225	\$ 275,647	\$ 497,440	\$ 394,876	\$ 805,094	\$ 2,634,951	\$ 1,587,368	\$ 799,714	\$ 57,876	\$ 11,315,868

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, 2005

Special Revenue Funds

	Title I	Special Education	School Food Service	Vocational/Adult Education	Reading First	1968 Sales Tax	1994 Sales Tax	2001 Sales Tax	Other Federal Programs	State Grants	Local Grants	Total
Revenues												
Local Sources:												
Sales tax collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,149,196	\$ 6,083,383	\$ 12,149,850	\$ -	\$ -	\$ -	\$ 22,382,429
Interest	-	-	-	-	-	13,511	19,858	4,514	-	-	-	37,903
School food service payment for meals	-	-	252,289	-	-	-	-	4,927	-	-	-	257,216
Other local revenue	-	-	3,058	-	-	-	-	-	-	-	117,901	120,959
State Sources:												
State equalization	-	-	400,000	-	-	-	-	-	-	-	-	400,000
Restricted grants-in-aid	-	31,306	-	4,355	-	-	-	-	-	1,777,778	-	1,813,439
Federal Sources:												
Restricted grants-in-aid	5,722,587	1,875,838	3,303,974	272,751	865,269	-	-	-	2,084,996	-	-	14,125,415
Total Revenues	5,722,587	1,907,144	3,959,321	277,106	865,269	4,162,707	6,103,241	12,159,311	2,084,996	1,777,778	117,901	39,137,361
Expenditures												
Current:												
Instructional:												
Regular programs	17,206	-	-	-	1,409	2,470,095	4,055,162	3,421,345	243,915	548,144	5,514	10,762,790
Special education programs	-	954,381	-	-	-	967,590	1,265,455	1,127,870	1,510	12,827	-	4,329,633
Vocational programs	-	-	-	223,823	-	577	1,090	1,811	-	-	-	227,301
Other Instructional Programs	10,587	-	-	3,953	-	35,149	162,315	136,484	1,129,868	355,019	5,025	1,838,400
Special programs	3,404,662	-	-	42,286	705,088	32,205	42,873	35,860	38,848	185,530	-	4,307,950
Support Services:												
Pupil support services	580,894	391,656	-	-	-	120,702	257,036	153,477	79,073	126,563	-	1,709,401
Instructional staff	1,244,840	355,196	-	3,149	132,468	151,752	473,370	197,586	293,374	72,717	55,000	2,979,452
General administration	-	-	-	-	-	31,582	47,713	135,250	-	-	-	214,545
School Administration	-	-	-	-	-	201,991	473,726	299,008	-	406,903	-	1,381,628
Business services	-	6,735	-	-	-	15,345	34,189	115,310	-	137	-	171,716
Plant services	83,657	-	-	-	-	109,730	214,897	1,859,535	-	-	-	2,267,819
Student transportation services	8,633	18,877	-	-	-	86,997	112,127	277,522	-	3,225	-	507,381
Central services	-	-	-	-	-	32,191	284,011	636,702	29,103	-	-	982,007
Noninstructional:												
Food service operations	-	-	3,983,292	-	-	120,009	143,067	363,311	-	-	-	4,609,679
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	460,966	-	-	-	460,966
Interest	-	-	-	-	-	-	-	45,291	-	-	-	45,291
Capital outlay	16,711	72,175	4,593	1,895	9,824	-	27,693	770,704	172,074	51,713	52,362	1,179,744
Total expenditures	5,367,190	1,799,020	3,987,885	275,106	848,789	4,375,915	7,594,724	10,050,682	1,987,765	1,777,778	117,901	38,182,755
Excess (Deficiency) of Revenues Over Expenditures	355,397	108,124	(28,564)	2,000	16,480	(213,208)	(1,491,483)	2,108,629	97,231	-	-	934,606
Other Financing Sources (Uses)												
Transfers in	-	-	65,941	-	-	-	-	-	-	-	-	65,941
Transfers out	(355,397)	(108,124)	(15,815)	(2,000)	(16,480)	-	-	(1,512,746)	(97,231)	(1,912)	-	(2,109,705)
Total other financing sources (Uses)	(355,397)	(108,124)	50,126	(2,000)	(16,480)	-	-	(1,512,746)	(97,231)	(1,912)	-	(2,043,764)
Net Change in Fund Balance	-	-	21,562	-	-	(213,208)	(1,491,483)	595,883	-	(1,912)	-	(1,089,158)
Fund Balances at Beginning of Year	-	-	30,331	-	-	272,881	1,566,665	1,128,984	-	1,912	-	3,000,773
Fund Balances at End of Year	\$ -	\$ -	\$ 51,893	\$ -	\$ -	\$ 59,673	\$ 75,182	\$ 1,724,867	\$ -	\$ -	\$ -	\$ 1,911,615

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

**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, 2005, and have issued our report thereon dated December 22, 2005. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned Costs as item 05-01.

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 certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the School Board's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 05-01 and 05-02.

**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 items 05-01 and 05-02 described above to be material weaknesses. We also noted an other matter involving the internal control over financial reporting which we have reported to management of the School Board in a separate letter dated December 22, 2005.

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 22, 2005



Luffey
Huffman
& Monroe

(A Professional Accounting Corporation)

CERTIFIED PUBLIC ACCOUNTANTS

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, 2005. 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, 2005.

**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 22, 2005

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>C.F.D.A. NUMBER</u>	<u>GRANT NUMBER</u>	<u>EXPENDITURES</u>
DIRECT PROGRAMS:			
U.S. DEPARTMENT OF DEFENSE			
R.O.T.C.	N/A	Not Available	\$ 82,091
U.S. DEPARTMENT OF EDUCATION			
Impact Aid	84.041	28-LA-2006-2701	<u>108,435</u>
Total Direct Programs			190,526
PASS THROUGH PROGRAMS:			
U. S. DEPARTMENT OF EDUCATION			
Passed through Louisiana			
Department of Education:			
Title I Grants to Local Educational Agencies			
Part A - Basic			
2005 Regular Program	84.010A	28-05-T1-65	4,839,993
2004 Regular Program	84.010A	04-T1-65	141,806
2003 Carryover	84.010A	03-T1-65 C/O	19,575
2004 Carryover	84.010A	28-04-T1-65 C/O	<u>721,212</u>
Total Title I			5,722,586
SPECIAL EDUCATION CLUSTER:			
Special Education-Individuals With Disabilities Education Act IDEA B			
Preschool and School Programs:			
IDEA B 2004	84.027A	28-04-B1-65	70,230
IDEA B 2005	84.027A	28-05-B1-65	1,682,105
IDEA B Assistive Technology	84.027A	Not Available	10,000
IDEA B 2003 Carryover	84.027A	28-03-B1-65	22,273
IDEA B 2004 Carryover	84.027A	28-04-B1-65 C/O	468
IDEA Pre-GED Skills Options	84.027A	28-03-BG-65	36,278
Preschool 2004	84.173A	28-04-P1-65	7,794
Preschool 2005	84.173A	28-05-P1-65	46,580
Preschool Flow-Through C/O	84.173A	28-04-P1-65 C/O	<u>110</u>
Total Special Education Cluster			1,875,838
Title II - Part A, Teacher and Principal Training and Recruiting			
2004 Regular	84.367A	28-04-50-65	9,138
2005 Regular	84.367A	28-05-50-65	1,175,097
2003 Carryover	84.367A	03-50-65C/O	<u>51,033</u>
Total Title II			1,235,268
Title IV - Safe and Drug-Free Schools and Communities - State Grants			
2004 Regular	84.186A	28-04-70-65	10,740
2005 Regular	84.186A	28-05-70-65	49,050
2003 Carryover	84.186A	28-03-70-65C/O	<u>11,481</u>
Total Title IV			71,271
Title V - Innovative Education Program Strategies			
2004 Regular	84.298A	04-80-65	229
2005 Regular	84.298A	28-05-50-65	45,210
2003 Carryover	84.298A	03-80-65 C/O	<u>816</u>
Total Title V			46,255

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C.F.D.A. NUMBER	GRANT NUMBER	EXPENDITURES
Adult Education -			
State Administered Basic Grant 2004	84.002A	28-05-44-65	44,286
State Administered Basic Grant 2003 Carryover	84.002A	V002A030018	1,459
Total Basic Grant			<u>45,745</u>
Educational Technology State Grants:			
Educational Technology State Grants	84.318X	28-04-46-65	30,504
Educational Technology State Grants	84.318X	28-05-46-65	134,210
Technology Literacy Challenge Grant	84.318X	28-04-14-65	48,807
Technology Literacy Challenge Grant	84.318X	28-05-14-65	121,374
Enhancing Education Through Technology 2005	84.318X	28-05-49-65	97,980
Enhancing Education Through Technology 2004	84.318X	28-04-49-65	20,892
Total Educational Technology State Grants			<u>453,767</u>
JAVITS G/T	84.206A	28-03 GT-65	1,000
JAVITS G/T	84.206A	28-03-JT-65	510
Total JAVITS G/T			<u>1,510</u>
FIE Earmark Grant	84.215	U215K040042	49,234
Reading First	84.357A	28-04-RF-65	242,092
Reading First	84.357A	28-05-RF-65	623,177
Total Reading First			<u>865,269</u>
Math & Science Partnership	84.366	Not Available	113,664
Strategies to Empower People	93.558	28-05-EP-65	30,207
Strategies to Empower People	93.558	28-04-EP-65	25,000
Vocational Education	84.048	28-05-02-65	215,691
Vocational Education	84.048	28-04-02-65C/O	2,715
Tech Prep	84.048	Not Available	8,600
Total Vocational Education			<u>282,213</u>
Total U.S. Dept. of Education			10,871,055
U.S. DEPARTMENT OF AGRICULTURE (USDA)			
Passed through State			
Department of Education:			
CHILD NUTRITION CLUSTER:			
School Breakfast Program	10.553	Not Available	919,181
School Lunch Program	10.555	Not Available	2,148,501
Commodities	10.555	Not Available	147,043
Summer Feeding Program	10.559	Not Available	89,249
Total Child Nutrition Cluster			<u>3,303,974</u>
Total U.S. Dept. of Agriculture			3,303,974
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (USDHHS)			
Passed through Louisiana			
Department of Education:			
Starting Point	93.558	28-05-35	58,821
Total U.S. Dept. of Health and Human Services			<u>58,821</u>
TOTAL PASS THROUGH PROGRAMS			<u>14,125,415</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 14,315,941</u>

See Notes to Schedule of Expenditures of Federal Awards

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005**

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, 2005:

	<u>Title I</u>	<u>Special Education</u>	<u>Reading First</u>	<u>Adult/ Vocational Education</u>	<u>Other Federal Programs</u>
Total Expenditures	\$ 5,367,190	\$ 1,767,714	\$ 848,789	\$ 270,751	\$ 1,987,765
Transfer of Indirect Cost	<u>355,397</u>	<u>108,124</u>	<u>16,480</u>	<u>2,000</u>	<u>97,231</u>
Expenditures per Schedule	<u>\$ 5,722,587</u>	<u>\$ 1,875,838</u>	<u>\$ 865,269</u>	<u>\$ 272,751</u>	<u>\$ 2,084,996</u>

	<u>Child Nutrition Cluster</u>	<u>General Fund</u>		<u>Total</u>
		<u>Impact Aid</u>	<u>R.O.T.C.</u>	
Total Expenditures	\$ 3,303,974	\$ 108,435	\$ 82,091	\$ 13,736,709
Transfer of Indirect Cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>579,232</u>
Expenditures per Schedule	<u>\$ 3,303,974</u>	<u>\$ 108,435</u>	<u>\$ 82,091</u>	<u>\$ 14,315,941</u>

Included in the Child Nutrition Cluster is \$147,043 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, 2005

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 \$429,478

Auditee qualified as low-risk auditee? Yes No

Identification of Major Programs:

<u>CFDA #</u>	<u>PROGRAM TITLE</u>
84.010	Title I
84.357	Reading First

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section II -- Financial Statement Findings and Questioned Costs:

05-01 Sales Tax Distribution

Finding:

In 1968, the voters of the City of Monroe and Ouachita Parish approved a one-half cent sales tax to be used to supplement other revenues available to the City of Monroe and Ouachita Parish School Boards for salaries of school board personnel. The tax proposition stipulated that the net proceeds of the tax are to be allocated and prorated between the school boards annually on the basis of average daily membership for the preceding school year. For the year ended June 30, 2005, the tax proceeds were distributed 62% to the Ouachita Parish School Board and 38% to the City of Monroe School Board. Based on the most recent student counts available at the time, the ratio should have been 65% to Ouachita Parish School Board and 35% to the City of Monroe School Board for the school boards' year ended June 30, 2003 and 66% and 34% respectively for the school boards' year ended June 30, 2004.

The City of Monroe is designated as the official collector of sales and use tax for all entities in Ouachita Parish. In 1994, the City of Monroe (the Collector) entered into an agreement with both school boards for collection of sales and use taxes. This agreement stipulated the collection and distribution process and defined the powers of the Collector along with the responsibilities of the school boards. The agreement stated in part, "Tax shall be allocated and distributed... in a ratio based on the average daily membership for the preceding school year of the respective school systems... The ratio or percentage (based on said average daily membership) for the distribution of the School Tax proceeds between the respective school boards shall be jointly certified to said Collector by the Superintendents of School for the respective school boards and their certification shall be binding for the purpose of distributing the available School Tax proceeds under the provisions of this agreement. The said Superintendents of School may certify a new percentage at any time circumstances may require and the latest certification shall always be used by said Collector in distributing the School Tax proceeds collected after the first day of the month in which the certification is received." It has been several years since a certification has been filed with the Collector and therefore the same percentage has been used by the Collector to make the distributions.

Recommendation:

In order to be in compliance with the 1968 Proposition and the 1994 Agreement, whereby distributions to both school boards will be made by "a ratio based on the average daily membership for the preceding school year of the respective school systems;" we recommend the Superintendent file a certification with the Collector as soon as possible after the end of each school year when the average daily membership numbers become available. The Collector will then be able to distribute

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

the school tax proceeds collected after the first day of the month in which the certification is received, in accordance with the new percentage.

Management's Corrective Action Plan:

The School Board asserts that all sales tax receipts from the 1968 Sales and Use Tax were received in accordance with the "Agreement for Collections of Sales and Use Taxes of 1994. Basically, this agreement states that the designated percentages would remain effective until changed by a meeting and certification of both school districts (Monroe City Schools and Ouachita Parish Schools). On November 29, 2005, both school districts jointly certified that beginning in December of 2005, the applicable ratio for the allocations of the 1968 tax would be 66.19% for the Ouachita Parish School District and 33.81% for Monroe City Schools.

05-02 Bank Reconciliations

Finding:

During our testing of the City of Monroe School Board's cash accounts for the year ended June 30, 2005, we observed several discrepancies between the reconciliation balances and the general ledger balances. After further investigation, we learned that these discrepancies were primarily attributable to cash transfers recorded on the books but not actually completed until months later and payroll fund checks written in July but posted to cash in June. This resulted in a net understatement of approximately \$350,000 of cash at year end. The failure to accurately reconcile the bank balances to the general ledger and recording transactions before they are completed could result in inaccurate financial statements.

Recommendations:

Journal entries affecting cash should be made known to the accountant preparing the bank reconciliations so that he is able to produce accurate reconciliations. In addition, no transactions should be recorded on the books unless the transaction has actually been completed. Also, transactions related to the fiscal year but made in the subsequent period should be recorded in the proper asset or liability accounts and not to the cash account.

Management's Corrective Action Plan:

The School Board will work to strengthen its internal controls. Specifically, the School Board will improve its communication and coordination to assure that all accounting entries are recorded in the proper period and in a timely manner. Only those transactions that have been completed and reviewed by the Chief Accountant will be recorded.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

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, 2005**

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 20, 2004 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, 2004.

1. Fixed Asset Accounting

Finding:

The School Board consumed considerable time in producing an accurate detail listing of equipment included in capital assets at June 30, 2004.

Status:

The School Board will continuously review the system and update it for any improvements that may be considered necessary. In the 2004-2005 fiscal year, there was a change in personnel in the Chief Accountant's position, resulting in a shortfall in the monitoring process. In subsequent years, the chief accountant will monitor the input into the fixed asset system to ensure that accurate reports are produced.

2. Inventory of Supplies and Parts

Finding:

Except for supplies used in the School Food Services Department, the School Board does not record inventory of consumable supplies nor does it record parts used to maintain buses and other equipment in its general ledger. While the amount of inventory on hand at any one time may be immaterial to the financial statements taken as a whole, there is a considerable amount of parts and supplies consumed throughout the year.

Status:

The district continues to make improvement on inventory control and has instituted a perpetual inventory system and recorded inventory of supplies and parts in the general ledger.

**CITY OF MONROE SCHOOL BOARD
SUMMARY STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005**

3. Unauthorized Purchases

Finding:

During the year ended June 30, 2004, an employee of the School Board made unauthorized purchases of fuel on a School Board issued credit card and allowed others to make purchases on the card. The employee was a school bus attendant who was provided with a Fuelman card and Personal Identification Number (PIN) to be used when she was required to transport a special needs student in a school board vehicle.

Status:

The City of Monroe School Board closely monitors all purchases made with School Board Credit Cards. In particular, the transportation manager and his staff monitors all purchases made with the district Fuelman credit cards, with the signature of the transportation manager verifying the authenticity of each transaction. All employees using a Fuelman card have been issued a personal identification number (PIN), with the abolishment of "substitute or spare" card numbers. The PIN for terminated employees is cancelled immediately. Duties have been segregated so that the employee who issues cards and PINs is not the same employees who provide weekly monitoring of invoices. The School Board is awaiting the criminal trial of individuals identified in the theft. The School Board has received \$270 in reimbursement from one of the identified parties and awaits the orders for future reimbursements.



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

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

MANAGEMENT LETTER

Members of the School Board City of Monroe School Board Monroe, Louisiana

In planning and performing our audit of the general purpose financial statements of the City of Monroe School Board (the School Board) for the year ended June 30, 2005, we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure or overall compliance with laws and regulations.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 22, 2005 on the basic financial statements of the School Board.

Capital Asset Accounting

Finding:

As in previous years considerable time was consumed in producing an accurate detail listing of equipment included in capital assets at June 30, 2005. It appears that this condition was a result of a combination of errors in software updates implemented in the prior year and data input errors by School Board staff.

Recommendation:

The School Board should work closely with the software vendor to ensure that the software provides accurate and timely information. Also, all data input into the system by the School Board should be reviewed by supervisory personnel within the accounting department prior to running final capital assets reports. This review should include information previously entered as well as new information. These records should be continuously reviewed and updated to provide timely and accurate information on the capital assets owned by the School Board.

**Members of the School Board
City of Monroe School Board
Management Letter**

Management's Corrective Action Plan:

The School Board will continuously review the fixed asset system and update it for any improvements that may be considered necessary. In the 2004-2005 fiscal year, there was a change in personnel in the Chief Accountant's position, resulting in a gap in the monitoring process. In subsequent years, the chief accountant will monitor the input into the fixed asset system to ensure that accurate and timely reports are produced.

A handwritten signature in black ink, appearing to read "Ruffley Huffman & Kenner". The signature is written in a cursive, flowing style.

(A Professional Accounting Corporation)

December 22, 2005

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

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2005**

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

AGREED-UPON PROCEDURES

FISCAL YEAR ENDED JUNE 30, 2005

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Francis I. Huffman, CPA
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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2005**

**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,

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

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

For the 25 teachers tested we noted no exceptions to the salaries reported. We noted one exception to the full-time equivalents for those teachers. The list of teacher salaries presented to us contained at least 5 employees with salaries totaling approximately \$293,00 who were not teachers. In addition, we noted several 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 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 22, 2005

SCHEDULES REQUIRED BY STATE LAW

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
Fiscal Year Ended June 30, 2005**

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

Classroom Teacher Salaries	\$ 11,366,302	
Other Instructional Staff Activities	505,261	
Employee Benefits	6,251,296	
Purchased Professional and Technical Services	8,500	
Instructional Materials and Supplies	180,196	
Instructional Equipment	151,844	
Total Teacher and Student Interaction Activities		\$ 18,463,399
Other Instructional Activities		93,946
Pupil Support Activities	1,188,455	
Less: Equipment for Pupil Support Activities	1,228	
Net Pupil Support Activities		1,187,227
Instructional Staff Services	1,620,091	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		1,620,091
Total General Fund Instructional Expenditures		<u>\$ 21,364,663</u>

Total General Fund Equipment Expenditures**\$ 164,599****Certain Local Revenue Sources****Local Taxation Revenue:**

Constitutional Ad Valorem Taxes	\$ 2,110,758
Renewable Ad Valorem Tax	6,684,861
Debt Service Ad Valorem Tax	4,890,904
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	255,783
Sales and Use Taxes	22,382,430
Total Local Taxation Revenue	<u>\$ 36,324,736</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	\$ 313,001
Revenue Sharing-Other Taxes	-
Total State Revenue in Lieu of Taxes	<u>\$ 313,001</u>

Nonpublic Transportation Revenue

\$ -

Nonpublic Textbook Revenue

\$ 27,770

CITY OF MONROE SCHOOL BOARD
Education Levels of Public School Staff
As of October 1, 2004

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	373	60%	16	76%	-	-	-	-
Master's Degree	140	23%	5	24%	6	21%	-	-
Master's Degree +30	102	16%	-	0%	20	69%	-	-
Specialist in Education	1	0%	-	0%	1	3%	-	-
Ph.D. or Ed.D.	3	0%	-	0%	2	7%	-	-
Total	619	100%	21	100%	29	100%	-	-

CITY OF MONROE SCHOOL BOARD
Number and Type of Public Schools
Fiscal Year Ended June 30, 2005

<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	<u>20</u>

Schedule 4

CITY OF MONROE SCHOOL BOARD
Experience of Public Principals and Full-time
Classroom Teachers
As of October 1, 2004

	Assistant Principals	Principals	Classroom Teachers	Total
0-1 Yr.	-	-	64	64
2-3 Yrs.	-	-	47	47
4-10 Yrs.	2	1	162	165
11-14 Yrs.	-	2	92	94
15-19 Yrs.	2	6	94	102
20-24 Yrs.	1	3	66	70
25+ Yrs.	4	8	115	127
Total	9	20	640	669

CITY OF MONROE SCHOOL BOARD
Public School Staff Data
As of June 30, 2005

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$41,257	\$41,196
Average Classroom Teachers' Salary Excluding Extra Compensation	\$40,400	\$40,346
Number of Teacher full-time Equivalents (FTEs) used in Computation of Average Salaries	745	723

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

CITY OF MONROE SCHOOL BOARD
Class Size Characteristics
As of October 1, 2004

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	64.8%	1,035	32.7%	523	2.5%	40	0.0%	0				
Elementary Activity Classes	88.1%	296	11.3%	38	0.6%	2	0.0%	0				
Middle/Jr. High	36.7%	159	44.1%	191	19.2%	83	0.0%	0				
Middle /Jr. High Activity Classes	80.5%	198	890.0%	22	6.1%	15	4.5%	11				
High	41.9%	265	33.2%	210	22.9%	145	1.9%	12				
High Activity Classes	87.8%	208	9.2%	22	3.0%	7	0.0%	0				
Combination	100.0%	43	0.0%	0	0.0%	0	0.0%	0				
Combination Activity Classes	100.0%	6	0.0%	0	0.0%	0	0.0%	0				

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

CITY OF MONROE SCHOOL BOARD
Louisiana Educational Assessment Program (LEAP) for the 21st Century
Three Fiscal Years Ended June 30, 2005

District Achievement Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
Students	#	%	#	%	#	%	#	%	#	%	#	%
Grade 4												
Advanced	14	2	14	2	3	0	19	2	9	1	10	1
Proficient	166	22	112	15	71	9	118	16	73	10	72	9
Basic	344	45	298	40	354	45	343	45	252	33	308	39
Approaching Basic	147	19	172	23	212	27	161	21	206	27	210	26
Unsatisfactory	91	12	158	21	153	19	120	16	214	28	193	24
Total	762		754		793		761		754		793	

District Achievement Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
Students	#	%	#	%	#	%	#	%	#	%	#	%
Grade 8												
Advanced	2	0	3	0	3	0	1	0	2	0	1	0
Proficient	30	5	55	8	49	8	39	6	51	7	18	3
Basic	188	29	178	25	168	28	244	38	246	35	208	34
Approaching Basic	234	37	230	32	233	38	158	25	232	33	220	36
Unsatisfactory	186	29	245	34	156	26	196	31	182	26	164	27
Total	640		711		609		638		713		611	

CITY OF MONROE SCHOOL BOARD
The Graduation Exit Exam for the 21st Century
Three Fiscal Years Ended June 30, 2005

District Achievement Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
Students	#	%	#	%	#	%	#	%	#	%	#	%
Grade 10												
Advanced	5	1	10	2	1	0	29	6	26	5	19	3
Proficient	65	13	51	11	33	6	59	12	50	10	42	7
Basic	184	36	165	34	165	30	170	34	170	33	168	30
Approaching Basic	142	27	117	24	141	26	87	17	100	20	111	20
Unsatisfactory	122	24	138	29	202	37	183	31	162	32	227	40
Total	518		481		542		528		508		567	

District Achievement Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
Students	#	%	#	%	#	%	#	%	#	%	#	%
Grade 11												
Advanced	14	4	4	1	1	0	1	0	2	0	7	2
Proficient	54	15	38	8	44	10	27	7	33	7	29	7
Basic	142	36	149	33	158	37	173	42	205	45	184	42
Approaching Basic	114	27	119	26	125	29	107	27	120	26	104	24
Unsatisfactory	87	19	147	32	104	24	100	23	95	21	111	26
Total	411		457		432		408		455		435	

CITY OF MONROE SCHOOL BOARD
The IOWA Tests
Three Fiscal Years Ended June 30, 2005

	Composite		
	2005	2004	2003
Test of Basic Skills (ITBS)			
Grade 3	57	53	49
Grade 5	52	45	48
Grade 6	39	39	40
Grade 7	37	38	38
Tests of Educational Development (ITED)			
Grade 9	42	37	38

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.