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

**Financial Report
For the Year Ended June 30, 2008**

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

Release Date 2/4/09

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2008

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CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA

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MONROE, LOUISIANA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2008

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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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, 2008, 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, 2008, 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 31, 2008 on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that

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

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

The "Management's Discussion and Analysis" presented on pages 5 through 13 and the "Budgetary Comparison Schedules", presented on pages 48 through 50 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Steffens, Huffman, Reynolds & Co., P.C.

(A Professional Accounting Corporation)

December 31, 2008

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF MONROE SCHOOL BOARD
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2008

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, 2008. 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 2007-2008 fiscal year with a fund balance in the General Fund of approximately \$10.7 million.

Other financial highlights for the 2007-08 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 \$40.5 million (net assets).
- Statement of Activities – The total net assets of the City of Monroe School Board increased by \$4.6 million for the year ended June 30, 2008.
- Governmental Funds Balance Sheet – As of the close of the 2007-2008 fiscal year, the City of Monroe School Board's governmental funds reported combined ending fund balance of \$24.1 million, an increase of \$2.1 million in comparison with the prior fiscal year. The majority of this fund balance is comprised of approximately (1) \$10.7 million in General Fund, (2) \$6.4 million in the debt service funds, and (3) \$7 million in the remaining special revenue and capital projects funds.
- Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Total revenues for the year ended June 30, 2008 for the governmental funds of the City of Monroe School Board amounted to \$100.4 million. Approximately 76% of this amount is received from three major revenue sources: (1) \$38.4 million from Minimum Foundation Program, (2) \$13.6 million from local ad valorem taxes, and (3) \$24.6 million from local sales and use taxes.
- Capital Assets – Total capital assets (net of depreciation) were \$64.9 million or 65% 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 \$3.3 million.

Overview of the Financial Statements

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

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City of Monroe School Board's near-term financing decision. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Monroe School Board maintains sixteen governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Bond Redemption and Title 1, all of which are considered to be major funds. Data for the other fourteen governmental fund groups are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

Financial Analysis of Government-wide Activities

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Monroe School Board, assets exceed liabilities by \$40.5 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 \$99.3 million reflects its investment in capital assets of \$64.9 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, 2008</u>	<u>June 30, 2007</u>
Current and other assets	\$ 34,381,675	\$ 31,695,903
Capital assets	<u>64,876,611</u>	<u>65,531,609</u>
Total assets	\$ <u>99,258,286</u>	\$ <u>97,227,512</u>
Current and other liabilities	\$ 10,438,533	\$ 9,682,872
Long-term liabilities	<u>48,345,102</u>	<u>51,625,042</u>
Total liabilities	\$ <u>58,783,635</u>	\$ <u>61,307,914</u>
Invested in capital assets, net of related debt	\$ 20,682,381	\$ 14,342,422
Restricted	10,592,481	11,418,290
Unrestricted	<u>9,199,790</u>	<u>10,158,886</u>
Total net assets	\$ <u>40,474,652</u>	\$ <u>35,919,598</u>

Restricted net assets of \$10.6 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 \$6.4 million of the total, with capital projects accounting for \$4.1 million. The remaining balance is monies restricted for salaries and benefits.

Governmental activities increased the City of Monroe School Board's net assets by \$4.6 million. Key elements of this increase are as follows:

City of Monroe School Board's Changes in Net Assets

	<u>Year Ended June 30, 2008</u>	<u>Year Ended June 30, 2007</u>
Revenues		
Program revenues		
Changes for services	\$ 309,491	\$ 300,571
Operating and capital grants & contributions	22,109,611	19,008,644
General revenues		
Ad valorem taxes	13,587,194	13,352,848
Sales taxes	24,568,773	24,088,111
Minimum Foundation Program	38,388,609	32,454,720
Interest on investments	888,363	1,136,332
Other general revenues	<u>711,587</u>	<u>646,350</u>
Total revenues	<u>100,563,628</u>	<u>90,987,576</u>
Expenses		
Instruction	53,816,136	46,980,996
Support services		
Pupil Support Services	4,839,009	4,099,447
Instructional Staff Support	4,822,890	4,690,323
General administration	2,263,237	1,982,870
School administration	3,949,050	3,578,240
Business services	1,176,068	1,108,987
Plant services	7,728,454	6,397,667
Student transportation services	3,267,104	3,056,430
Central services	3,373,717	2,556,588
School food services	5,055,219	4,932,528
Facility acquisition and construction	3,455,707	2,056,817
Debt service - interest on long-term obligation:	<u>2,254,296</u>	<u>2,401,725</u>
Total expenses	<u>96,000,887</u>	<u>83,842,618</u>
Increase in net assets	<u>\$ 4,562,741</u>	<u>\$ 7,144,958</u>

Governmental Activities

Expenses are classified by functions/programs. Instructional services for fiscal 2008 totaled \$53,816,136, compared to a total of \$46,980,996 for 2007. 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 2008 totaled \$36,474,748 compared to \$32,403,080 for 2007.

The remaining expenditures of \$5,710,003 consist of \$3,455,707 for facility acquisition and construction and \$2,254,296 of interest expense on long-term obligations.

The related program revenues for fiscal year 2008 directly related to these expenses totaled \$22,109,611, along with \$309,491 in charges for such services. The balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- **Minimum Foundation Program (MFP)** – MFP is the funding formula for the 69 school districts in the state of Louisiana. The School Board received \$38,388,609 in MFP funds in 2007-2008. This amounts to 38% of the total revenues received by the School Board.
- **Sales Tax revenues** – sales tax revenues are the second largest source of revenue for the School Board, generating \$24,568,773 in revenue, or 24% of total revenue.
- **Ad Valorem tax revenues** – Ad valorem, or property tax revenues, the third largest source of revenues, accounts for 13% of total revenues or \$13,587,195.

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 \$24,144,678 an increase of \$2.1 million in comparison with the prior fiscal year.
- The General Fund is the chief operating fund of the City of Monroe School Board. At the end of the current fiscal year, the fund balance of the General Fund was \$10,686,460.
- The Debt Service Funds have a total fund balance of \$6,409,298 all of which is reserved for the payment of debt service.
- The Capital Projects Fund has a fund balance of \$4,138,511 all of which is reserved for construction projects.

General Fund Budgetary Highlights

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S 39:1301 et seq), the City of Monroe School Board must adopt a budget for the General Fund and all Special Revenue funds prior to September 15th. The original budget for the School Board was adopted on June 19, 2007.

The original General Fund Budget projected an ending fund balance of \$7.1 million, with the amended budget projecting to end the year with a positive balance of \$8.7 million. The actual ending balance for the General Fund came in at \$10.7 million. Expenses came in slightly higher than projected, primarily in the area of capital outlay. Additionally, several projects that were expected to be completed by the end of the fiscal year were not. Funding for these projects will be rolled into the 2008-2009 budget.

Capital Assets and Debt Administration

Capital Assets: The City of Monroe School Board's investment in capital assets as of June 30, 2008, amounts to \$64,876,611 (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>2008</u>	<u>2007</u>
Land	\$ 1,483,883	\$ 1,483,883
Buildings and improvements	56,594,815	57,476,041
Furniture and equipment	6,770,505	5,699,174
Construction in progress - buildings	<u>27,408</u>	<u>555,485</u>
Total	<u>\$ 64,876,611</u>	<u>\$ 65,214,583</u>

Long-Term Debt

**City of Monroe School Board Outstanding Debt
As of June 30, 2008**

	Balance <u>June 30, 2008</u>	Balance <u>June 30, 2007</u>
School Refunding Bonds		
Series 2001	\$ 14,575,000	\$ 16,605,000
Series 2003	14,380,000	16,055,000
 Sales Tax Bonds		
Series 2001	9,915,000	10,375,000
Series 2002	4,955,000	5,230,000
 Certificates of Indebtedness		
Series 1998	185,000	360,000
Series 2006	1,250,000	1,400,000
Series 2008	<u>1,582,450</u>	<u>-</u>
 Total	<u>\$ 46,842,450</u>	<u>\$ 50,025,000</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 2004 the School Board entered into a lease for approximately 790 computers. In 2006-07, the district borrowed \$1,400,000 to purchase new buses. In 2006-07, the school board entered into a capital lease for computer equipment totaling \$1,086,797. In 2007-2008 the District participated in the Qualified Zone Academy Bond Program (QZAB) for a total issuance of \$1.5 million. The funds will be used to fund school projects such as roof repairs, lockers, HVAC repairs and miscellaneous other improvement projects. Other long-term liabilities include accrued vacation pay and sick leave. Details about long-term obligations are presented in the notes to the financial statements.

Future Operations

The City of Monroe School Board operated with a deficit in the General Fund for over ten years, beginning in 1995. This deficit grew to a high of \$2,691,343 for the fiscal year ended 2001. All operating deficits were eliminated during the 2003-2004 fiscal year. Eliminating this deficit, while simultaneously improving the quality of education provided to students proved to be a great challenge to the School Board. However, the School Board met the challenge and has built a positive fund balance in the General Fund of \$10.7 million for the year ended June 30, 2008.

The district was successful in eliminating the deficit and building the fund balance by viewing each year as a new opportunity for improved fiscal accountability. The following gives a view

of the yearly progress made by the district. The General Fund ended fiscal year 2002-2003 with a deficit fund balance of approximately \$728,000, and fiscal year 2003-2004 with a positive fund balance of just under \$20,000. Fiscal years 2004-2005 and 2005-2006 showed positive fund balances of \$1,387,251 and \$4,648,469 respectively. The district established a goal of having a fund balance equal to 15% of the General Fund budget. This goal has been met and exceeded at the end of the current fiscal year.

Building this positive fund balance represents great effort on the part of Monroe City Schools, especially in light of continued increases in expenditures associated with district operations. Except for the student gain associated with Hurricane Katrina, the district continues to see a noticeable decline in student enrollment. This decline will continue to negatively impact revenue, as loss of students results in a loss of funding through the State's Minimum Foundation Program. State Minimum Foundation Program Funding, which accounts for 38% of total revenue, is largely based on the number of students served by the District. Even though the district has met the goal for the fund balance, commitment remains to having a district that provides a quality education, while remaining fiscally sound.

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

Increased Health insurance costs:

Monroe City Schools participates in the state managed health care program. The School Board incurs expenses for its portion of employees health care cost. The State Group health care program incurred premium increases averaging 10% per year for several years. Increases in the costs of employee health care will continue to have a significant impact on expenditures, but the percentage increase has lowered in recent years. Also, the cost of health insurance coverage for retirees of the school district continues to rise at an alarming rate due to increased premiums and increased number of retirees.

Mandated contributions to Retirement systems

For several years, School Employees Retirement System discontinued the School Board's matching portion to the retirement system based on actuarial recommendations. In fiscal year 2003-2004, La School Employees Retirement System reinstated the employer's matching portion at the rate of 8.5 percent for salaries for Custodians and Bus Drivers. In 2004-2005 the employer contribution rate was increased to 14.8%. The employer contribution rate for 2005-2006 was set at 18.4%, 19.6% for 2006-2007 and 18.1% for 2007-2008. This represented the first reduction in this rate for several years. The Teachers retirement system set employer rates at 15.9% for 2005-06, 15.8% for 2006-2007 and 16.6% for 2007-2008. Overall, Monroe City Schools continues to make both academic and fiscal improvements throughout the District.

Contacting the School Board's Financial Management

If you have questions about this report or need additional financial information, contact Derenda Flowers, Chief Financial Officer of the 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, 2008

Assets	
Cash and cash equivalents	\$ 22,636,788
Investments	250,000
Receivables	
Ad valorem taxes	78,725
Sales and use taxes	2,608,784
Federal grants	5,387,659
State grants	1,125,557
Other	1,098,467
Bond issuance costs, net	503,774
Inventory	274,721
Other assets	417,200
Capital assets, net:	
Land	1,483,883
Buildings and improvements	56,594,815
Furniture and equipment	6,770,505
Construction in progress	27,408
Total assets	<u>99,258,286</u>
Liabilities	
Accounts payable	838,146
Salaries and wages payable	8,853,125
Deferred revenue	41,952
Interest payable - bonds	705,310
Long-term liabilities	
Due within one year	5,922,523
Due in more than one year	42,422,578
Total liabilities	<u>58,783,634</u>
Net assets	
Invested in capital assets, net of related debt	20,682,381
Restricted for	
Capital projects	4,138,511
Debt service	6,382,711
Salaries and related benefits	71,259
Unrestricted	9,199,790
Total net assets	<u>\$ 40,474,652</u>

See accompanying notes to the basic financial statements

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

**Statement of Activities
Governmental Activities**

For the Year Ended June 30, 2008

	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Functions/programs					
Current					
Instructional services					
Regular programs	\$ 28,456,289	\$ -	\$ 1,040,468	\$ 296,280	\$ (27,119,541)
Special education programs	12,226,195	-	1,653,744	11,387	(10,561,064)
Vocational programs	1,139,592	-	85,594	67,943	(986,055)
Other instructional programs	5,452,404	89,753	1,018,001	-	(4,344,650)
Special programs	6,010,555	-	6,256,250	482,118	727,813
Adult/continuing education	531,101	-	29,273	-	(501,828)
Support services					
Pupil support services	4,839,009	-	1,663,958	11,000	(3,164,051)
Instructional staff support services	4,822,890	-	2,786,652	106,123	(1,930,115)
General administration	2,263,237	-	-	-	(2,263,237)
School administration	3,949,050	-	-	-	(3,949,050)
Business services	1,176,068	-	7,579	-	(1,168,489)
Plant services	7,728,454	-	33,307	2,691,920	(5,003,227)
Student transportation services	3,267,104	-	114,355	-	(3,152,749)
Central services	3,373,717	-	4,486	-	(3,369,231)
Noninstructional services:					
Food service operations	5,055,219	219,738	3,749,173	-	(1,086,308)
Facility acquisition and construction	3,455,707	-	-	-	(3,455,707)
Debt service					
Interest on long-term obligations	2,254,296	-	-	-	(2,254,296)
Total Governmental Activities	\$ 96,000,887	\$ 309,491	\$ 18,442,840	\$ 3,666,771	\$ (73,581,785)
General revenues					
Taxes					
Ad valorem taxes levied for					
General purposes					9,324,632
Debt service purposes					4,262,562
Sales taxes levied for					
General purposes					9,481,447
Salaries and related benefits					15,087,326
Grants and contributions not restricted to specific programs					
Minimum foundation program					38,388,609
State revenue sharing					315,499
Interest and investment earnings					888,363
Gain or (loss) on disposals of assets					7,507
Other					388,581
Total general revenues					78,144,526
Changes in net assets					4,562,741
Net assets at beginning of year					35,911,911
Net assets at end of year					\$ 40,474,652

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, 2008

	<u>MAJOR FUNDS</u>		<u>AGGREGATE REMAINING FUNDS</u>	
	<u>GENERAL</u>	<u>TITLE I</u>	<u>OTHER</u>	<u>TOTAL</u>
	<u>FUND</u>		<u>GOVERNMENTAL</u>	
Assets				
Cash and cash equivalents	\$ 10,282,167	\$ -	\$ 12,354,621	\$ 22,636,788
Investments	250,000	-	-	250,000
Accounts receivable	786,248	-	2,999,728	3,785,976
Due from other governments				
Due from federal sources	27,480	2,952,884	2,407,295	5,387,659
Due from state sources	153,942	-	971,615	1,125,557
Due from other funds	5,185,558	-	-	5,185,558
Inventory	152,579	-	122,142	274,721
Other assets	212,542	5,564	199,094	417,200
Total assets	\$ 17,050,516	\$ 2,958,448	\$ 19,054,495	\$ 39,063,459
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 259,982	\$ 208,930	\$ 369,234	\$ 838,146
Salaries and wages payable	6,104,074	438,074	2,310,977	8,853,125
Due to other funds	-	2,301,467	2,884,091	5,185,558
Deferred revenue and other liabilities	-	9,977	31,975	41,952
Total liabilities	6,364,056	2,958,448	5,596,277	14,918,781
Fund balances				
Reserved for debt service	-	-	6,409,298	6,409,298
Reserved for inventory and prepaids	356,777	-	296,832	653,609
Reserved for capital projects	-	-	4,138,511	4,138,511
Reserved for salaries and related benefits	-	-	71,259	71,259
Unreserved				
Unreserved/undesignated reported in				
General Fund	10,329,683	-	-	10,329,683
Special Revenue Funds	-	-	2,542,318	2,542,318
Total fund balances	10,686,460	-	13,458,218	24,144,678
Total liabilities and fund balances	\$ 17,050,516	\$ 2,958,448	\$ 19,054,495	\$ 39,063,459

See accompanying notes to the basic financial statements.

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

**Reconciliation of the Governmental Funds'
Balance Sheet to Statement of Net Assets
For the Year Ended June 30, 2008**

Total fund balances - governmental funds		\$ 24,144,678
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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	\$ 95,798,986	
Accumulated depreciation	<u>(30,922,375)</u>	64,876,611

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

Bond issuance cost	899,629	
Less accumulated amortization	<u>(395,855)</u>	503,774

Elimination of interfund assets and liabilities

Interfund assets	(5,185,558)	
Interfund liabilities	5,185,558	

See accompanying notes to the basic financial statements.

(Continued)

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

**Reconciliation of the Governmental Funds'
Balance Sheet to Statement of Net Assets (Concluded)
For the Year Ended June 30, 2008**

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, 2007 are:

Long-term liabilities:

Compensated absences payable	(1,752,998)	
General obligation bonds payable	(28,955,000)	
Sales tax bonds payable	(14,870,000)	
Certificates of indebtedness	(3,017,450)	
Capital lease	(369,230)	
Deferred amount on refunding	796,822	
Bond premium	<u>(177,245)</u>	(48,345,101)

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>(705,310)</u>
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Net Assets	<u><u>\$ 40,474,652</u></u>
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See accompanying notes to the basic financial statements.

City of Monroe School Board
Monroe, Louisiana

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

For the Year Ended June 30, 2008

	MAJOR FUNDS		AGGREGATE	TOTAL
	GENERAL FUND	TITLE 1	REMAINING FUNDS OTHER GOVERNMENTAL	
REVENUES				
Local sources				
Ad valorem taxes	\$ 9,324,632	\$ -	\$ 4,262,562	\$ 13,587,194
Sales and use taxes	-	-	24,568,773	24,568,773
Earnings on investments	424,655	-	463,570	888,425
Cash payments for meals	-	-	219,938	219,938
Other local revenue	2,980,803	-	131,049	3,111,852
State sources:				
State equalization	37,988,609	-	400,000	38,388,609
Revenue sharing	315,499	-	-	315,499
Restricted grants-in-aid	421,502	-	1,666,171	2,087,673
Federal sources:				
Federal Restricted grants-in-aid	304,652	6,592,421	10,380,977	17,278,050
Total revenues	<u>51,760,552</u>	<u>6,592,421</u>	<u>42,093,040</u>	<u>100,446,013</u>
EXPENDITURES				
Current				
Instructional services:				
Regular programs	18,011,917	106,867	9,604,631	27,723,415
Special education programs	8,048,503	500	4,166,590	12,215,595
Vocational programs	725,417	-	372,309	1,097,726
Other instructional programs	3,091,339	192,419	2,111,836	5,395,594
Special programs	386,593	3,184,115	2,423,029	8,993,737
Adult/Continuing education programs	332,839	-	191,313	524,152
Support services				
Pupil support services	2,257,854	701,273	1,886,227	4,845,354
Instructional staff support	1,371,472	1,418,272	1,953,481	4,743,225
General administration	1,814,314	-	449,273	2,263,587
School administration	2,948,862	-	1,007,053	3,955,915
Business services	872,141	1,279	286,017	1,159,437
Plant services	4,219,417	11,183	3,462,391	7,692,993
Student transportation services	2,337,889	32,674	594,102	2,964,665
Central services	861,139	-	1,342,090	2,203,229
Noninstructional services				
Food service operations	177,457	-	4,836,648	5,014,105
Debt service				
Principal	175,000	-	4,926,993	5,101,993
Interest	29,753	-	2,102,914	2,132,667
Capital Outlay	2,573,367	445,575	1,884,623	4,903,565
Total expenditures	<u>50,235,275</u>	<u>6,094,159</u>	<u>43,601,520</u>	<u>99,930,954</u>
Excess (deficiency) of revenues over expenditures	<u>1,525,277</u>	<u>498,262</u>	<u>(1,508,480)</u>	<u>515,059</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	7,507	-	-	7,507
Insurance proceeds	10,695	-	-	10,695
Judgments	9,970	-	-	9,970
Proceeds from the issuance of debt	-	-	1,582,450	1,582,450
Transfers in	954,157	-	1,727,608	2,681,765
Transfers out	(146,530)	(498,262)	(2,036,973)	(2,681,765)
Total other financing sources (uses)	<u>835,799</u>	<u>(498,262)</u>	<u>1,273,085</u>	<u>1,610,622</u>
Net change in fund balances	2,361,076	-	(235,395)	2,125,681
Fund balances at beginning of year	8,325,384	-	13,693,613	22,018,997
Fund balances at end of year	<u>\$ 10,686,460</u>	<u>\$ -</u>	<u>\$ 13,458,218</u>	<u>\$ 24,144,678</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
For the Year Ended June 30, 2008**

Total net change in fund balances - Governmental Funds \$ 2,125,681

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

Elimination of operating transfers in and out:

Transfers in	(2,681,765)	
Transfers out	<u>2,681,765</u>	-

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceed capital outlays in the period:

Capital Outlays	\$ 3,286,783	
Depreciation	<u>(4,095,280)</u>	(808,497)

Capital Assets nor depreciation are reported in the Governmental Funds. In the Statement of Net Assets capital assets and accumulated depreciation are reported. When an asset is disposed, it results in a gain or loss on the disposal of the asset in the Statement of Activities. During the current year the School Board sold assets with zero carrying value for \$7,507, resulting in a gain on disposal of capital assets of \$7,507.

The proceeds from the issuance of new debt is recorded as other financing sources in the Governmental Funds. However, the incurrence of debt increases long-term liabilities in the Statement of Net Assets. (1,582,450)

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 4,765,000

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

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

**Reconciliation of the Governmental Funds'
Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities (Continued)
For the Year Ended June 30, 2008**

Repayment of capital leases is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 336,992

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, 2008, there were no bond issuance costs.

Amortization of bond issuance cost (64,948)

In the Statement of Activities, certain operating expenses - compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (\$801,894) exceeded the amounts used (\$649,538). (152,356)

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)
For the Year Ended June 30, 2008**

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

Interest expense payable as of June 30, 2008	(705,310)	
Interest expense payable as of June 30, 2007	<u>735,874</u>	30,564

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>4,562,741</u>
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See accompanying notes to the basic financial statements.

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

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

June 30, 2008

ASSETS

Cash and cash equivalents	\$ 524,880
Certificates of deposit	200,544
Total assets	<u>\$ 725,424</u>

Liabilities and fund balances

Liabilities:

Amounts held for other organizations	\$ <u>725,424</u>
Total liabilities	<u>\$ 725,424</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, 2008**

Note 1 - Summary of Significant Accounting Policies

ORGANIZATION

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

The School Board is composed of a central office, 20 schools and 2 support facilities. The School Board serves approximately 8,400 students. The School Board employs approximately 1,460 persons of which over 750 are directly involved in the instructional process. The remainder provides ancillary support such as general administration, repair and maintenance, bus transportation and food service. The regular school term normally begins during the latter half of August and runs until the end of May.

A. Financial Reporting Entity

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

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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

B. Fund Accounting

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

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

Governmental Funds

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

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

Major Funds:

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

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

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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

Nonmajor Funds:

The School Board has 10 nonmajor Special Revenue Funds, 2 nonmajor Debt Service Funds and 2 nonmajor Capital Projects Funds. For a description of these funds, see the Nonmajor Funds section of this report.

Fiduciary Funds

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

C. *Basis of Accounting / Measurement Focus*

Government-Wide Financial Statements (GWFS)

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

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

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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

General Revenues

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

Allocation of indirect expenses

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

Fund Financial Statements (FFS)

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

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

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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

D. Cash and Cash Equivalents

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

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

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

E. Investments

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

F. Short-Term Interfund Receivables/Payables

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

G. Elimination and Reclassifications

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

H. Bond Issuance Costs/Bond Premiums

Costs associated with issuing bonds (bond rating fees, attorney fees, printing, etc.) 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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

governmental funds as Other Financing Sources when received. Bond premium is reported in the Government-wide Financial Statements as a liability and amortized over the life of the bonds.

I. Inventory

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

J. Capital Assets

Capital Assets, which include land, buildings, and equipment, are reported as governmental funds in the governmental-wide financial statements. The School Board considers assets with an initial individual cost of \$1,000 or more and an estimated life of one year or more as a capital asset.

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

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

Buildings	40 years
Furniture and equipment	3-15 years

K. Interfund Activity

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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

L. Fund Reserves

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

M. Compensated Absences

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

N. Long-Term Liabilities

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

O. Restricted Net Assets

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

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

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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

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

P. Reserves and Designations of Fund Financial Statements

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

Q. Sales and Use Taxes

The voters of Ouachita Parish authorized the City of Monroe School Board and the Ouachita Parish School Board to jointly levy and collect a 0.5% sales and use tax. The net proceeds of the tax are to be allocated and prorated between the two school boards annually on the basis of average daily membership for the preceding school year. Eighty-eight percent of the sales and use tax revenues received by the School Board are to be used for the payment of the salaries of teachers, as defined by the Louisiana State Department of Education. The remaining twelve percent is to be used for the payment of salaries to designated personnel other than teachers.

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

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

R. Use of Estimates

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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

Note 2 - Cash and Cash Equivalents and Investments

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

The following is a schedule of the School Board's cash and certificates of deposit at June 30, 2008. 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	\$ 9,117,427	\$ 11,184,853
Petty Cash	1,100	-
Cash Equivalents:		
LAMP Investments	13,518,261	13,518,261
Certificates of Deposit	250,000	250,000
TOTAL	\$ 22,886,788	\$ 24,953,114

The School Board's deposits are collateralized as follows:

Federal Deposit Insurance	\$	200,000
Pledged Securities:		
Collateralized		23,164,688
Total	\$	23,364,688

The School Board's investments at June 30, 2008, consist of a certificate of deposit with a carrying and market value of \$250,000. It is held by the School Board's agent in the School Board's name, and is collateralized.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

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

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

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

Note 3 - Ad Valorem Taxes

The Sheriff of Ouachita Parish, as provided by State law, bills and collects property taxes on behalf of the School Board using the assessed values determined by the tax assessor of Ouachita Parish. For the year ended June 30, 2008, taxes of 40.62 mills were levied on property with assessed valuations totaling \$326,692,694 and were dedicated as follows:

School Operations, Maintenance, Aid and Support	27.62 mills
Series 1994 & Series 1995 Bonds Debt Service	<u>13.00 mills</u>
	<u><u>40.62 mills</u></u>

The School Board's portion of the total taxes originally levied was \$15,223,569 of which \$13,270,275 was assessed on property owners and \$1,953,294 was assessed under Homestead Exemption. The School Board collected \$13,587,193 through June 30, 2008, of which a nominal amount was for prior year(s) levies. Approximately 85% of the homestead exemption is not appropriated by the State of Louisiana and therefore is not collected.

Property Tax Calendar

Millage Rates Adopted	September 18, 2007
Levy Date	November 30, 2007
Tax Bills Mailed	November 30, 2007
Total Taxes Are Due	December 31, 2007
Lien Date	January 1, 2008

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
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FOR THE YEAR ENDED JUNE 30, 2008**

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

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

Note 4 - Capital Assets

A summary of the changes in capital assets for the year ended June 30, 2008, is as follows:

	<u>Balance</u>		<u>Deletions</u>	<u>Balance</u>
	<u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2008</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,483,883	\$ -	\$ -	\$ 1,483,883
Construction-in-progress	<u>555,485</u>	<u>174,085</u>	<u>702,162</u>	<u>27,408</u>
Total capital assets not being depreciated	<u>2,039,368</u>	<u>174,085</u>	<u>702,162</u>	<u>1,511,291</u>
Capital Assets being depreciated:				
Buildings & improvements	72,312,410	862,729	-	73,175,139
Furniture and equipment	<u>18,444,534</u>	<u>3,112,453</u>	<u>444,431</u>	<u>21,112,556</u>
Total capital assets being depreciated	<u>90,756,944</u>	<u>3,975,182</u>	<u>444,431</u>	<u>94,287,695</u>
Less accumulated depreciation:				
Buildings and improvements	14,836,369	1,743,955	-	16,580,324
Furniture and equipment	<u>12,428,334</u>	<u>2,351,325</u>	<u>437,608</u>	<u>14,342,051</u>
Total accumulated depreciation	<u>27,264,703</u>	<u>4,095,280</u>	<u>437,608</u>	<u>30,922,375</u>
Total capital assets being depreciated, net	<u>63,492,241</u>	<u>(120,098)</u>	<u>6,822</u>	<u>63,365,320</u>
Governmental Activities Capital Assets, net	<u>\$ 65,531,609</u>	<u>\$ 53,987</u>	<u>\$ 708,984</u>	<u>\$ 64,876,611</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

Depreciation expense was charged to governmental activities as follows:

Instructional services:	
Regular programs	\$ 780,985
Special education programs	31,799
Vocational programs	43,771
Other instructional programs	66,174
Special programs	27,220
Adult/Continuing education	7,859
Support services:	
Pupil support services	2,064
Instructional staff support services	87,896
General Administration	3,578
Business services	18,643
Plant services	48,811
Student transportation services	307,584
Central services	1,174,311
Food service operations	49,816
Facility acquisition and construction	1,444,769
Total depreciation expense	<u>\$ 4,095,280</u>

Note 5 - Significant Concentrations of Risk

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

Note 6 - Pension and Retirement Plans

State-sponsored Plans:

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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

Teachers' Retirement System of Louisiana (TRSL)

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

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

Funding Policy: As provided by statute, the School Board's employer contributions to the TRSL are funded by the State of Louisiana through expenditures by the School Board of state Minimum Foundation Program (MFP) funds and local ad valorem and sales taxes. State statutes also require covered employees to contribute a percentage of their salaries to the system. As further provided by statute, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the system's prior fiscal year. The School Board's contribution rates were 16.6%, 15.8%, and 15.5% for the years ended June 30, 2008, 2006 and 2005 respectively. The School Board's contributions to the TRSL plans for the years ended June 30, 2008, 2007 and 2006 were \$7,902,635, \$6,625,374, and \$6,686,316 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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

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 18.1%, 19.6%, and 18.4% for the years ended June 30, 2007, 2006, and 2005 respectively. The School Board's contributions to the LSERS plans for the years ended June 30, 2008, 2007 and 2006 were \$761,805, \$773,208, and \$709,043 respectively, equal to the statutorily required contributions in each year.

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

School Board-Sponsored Plan:

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

Under the terms of a plan established in accordance with the terms of the amended IRC Section 457, all compensation deferred under the plan, all property and rights acquired with those amounts and all income attributable to those amounts and rights are solely the property and rights of the participants and their beneficiaries. As required by the amended IRC Section 457, the School Board has established custodial accounts with an unrelated third party administrator who holds in trust the assets and income of the plan. The trustee holds assets with a fair market value of \$453,466 at June 30, 2008.

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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

Group health and life insurance is provided to participating employees and retirees through the State Employees Group Benefits Program. In fiscal year 2008, the School Board paid \$8,832,730 in connection with providing these benefits, including \$2,909,039 attributable to 524 retirees.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement will become effective for the City of Monroe School Board for the year ending June 30, 2009. Postemployment benefits (OPEB) includes postemployment healthcare benefits (such as medical insurance) paid on behalf of retired employees. Under Statement No. 45, the School Board will be required to recognize OPEB expense in an amount equal to the annual OPEB cost for the period on the Statement of Activities, regardless of the amount paid in cash. The cumulative difference between amounts expensed and contributions to the plan will create a liability (or asset) on the School Board's Statement of Net Assets. The implementation of this statement will have a tremendous effect on the School Board's government-wide financial statements for the year ending June 30, 2009 and ensuing years.

Note 8 - Long-Term Obligations

The following is a summary of changes in Long-Term Obligations for the year ended June 30, 2008:

	Balance July 1, 2007	Increases	Decreases	Balance July 1, 2008
General obligation bonds	\$ 32,660,000	\$ -	\$ 3,705,000	\$ 28,955,000
Less deferred amount of refunding	(910,653)	-	(113,831)	(796,822)
Unamortized bond Premium	203,831	-	26,586	177,245
Sales tax bonds	15,605,000	-	735,000	14,870,000
Certificates of indebtedness	1,760,000	1,582,450	325,000	3,017,450
Capital leases	706,222	-	336,992	369,230
Compensated absences, net	1,600,642	801,894	649,538	1,752,998
TOTAL	\$ 51,625,042	\$ 2,384,344	\$ 5,664,285	\$ 48,345,101

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

Long-term bonds and certificates of indebtedness outstanding at June 30, 2008 are comprised of the following:

	<u>Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
<u>General Obligation Bonds</u>				
<u>School Refunding Bonds,</u>				
Series 2001	2001	03/01/2014	4.00-4.625	\$ 14,575,000
Series 2003	2003	03/01/2015	2.50-5.00	14,380,000
 <u>Sales Tax Bonds</u>				
Sales Tax Bonds, Series 2001	2001	10/01/2021	3.875-5.00	9,915,000
Sales Tax Bonds, Series 2002	2002	10/01/2021	4.25-4.75	4,955,000
 <u>Certificates of Indebtedness</u>				
Series 1998	1998	07/01/2008	4.70-4.95	185,000
Series 2006	2006	07/01/2011	0.10-5.00	1,250,000
Series 2008	2008	07/01/2017	-	<u>1,582,450</u>
Total Bonds and Certificates of Indebtedness				<u>\$ 46,842,450</u>

Debt service requirements to maturity on all School Board bonds and certificates of indebtedness outstanding at June 30, 2008, including interest of \$10,194,583 are as follows:

<u>Year Ending June 30,</u>	<u>Total Principal & Interest Due</u>
2009	\$ 6,865,724
2010	7,100,668
2011	7,168,724
2012	7,235,493
2013	6,904,806
2014-2018	15,964,785
2019-2022	5,796,833
TOTAL	<u>\$ 57,037,033</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

Note 9 - Lease Commitments and Rental Expense

Operating Leases

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

Rent expense for the year ending June 30, 2008 totaled \$320,180.

Capital Leases

In fiscal 2007, the School Board entered into a capital lease obligation for the purchase of computers and printers. The original amount of the obligations were \$1,039,202 and \$47,595, respectively. Both leases bear an interest rate of 5.15%. Future minimum lease payments until maturity are as follows:

Fiscal Year Ending	Future Minimum Lease Payments
June 30, 2008	\$ 387,842
Less: Amounts representing interest	(18,612)
Present Value of Future Minimum Lease Payments	\$ 369,230

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

Individual balances due to/from other funds at June 30, 2008, are as follows:

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
Unreimbursed expenses:		
Major Funds:		
General Fund	\$ -	\$ 5,185,558
Nonmajor Funds:		
1968 Sales Tax	44,942	-
1994 Sales Tax	138,708	-
Deficit Cash Balances:		
Major Funds:		
Title I	2,301,467	-
Nonmajor Funds:		
Special Education	175,430	-
Vocational/Adult Education	198,261	-
Reading First	192,319	-
2001 Sales Tax	219,986	-
Other Federal Programs	1,407,632	-
State Grants	506,813	-
Total Due To/From Other Funds	<u>\$ 5,185,558</u>	<u>\$ 5,185,558</u>

Note 11 - Interfund Transfers

Transfers to/from other funds for the year ended June 30, 2008 were as follows:

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

	Transfers <u>In</u>	Transfers <u>Out</u>
Major Funds:		
General Fund	\$ 954,157	\$ 146,530
Special Revenue:		
Title I	-	498,262
Nonmajor Funds:		
Special Revenue:		
School Food Service	69,686	-
Special Education	29	175,587
Vocational/Adult Education	1,081	-
Reading First	-	21,484
1994 Sales Tax	48,000	48,000
2001 Sales Tax	-	1,533,079
Other Federal Programs	-	258,749
State Grants	77,704	74
Local Grants	67,715	-
Debt Service:		
2001-2002 Sales Tax Bond Sinking	1,463,393	-
Total	<u>\$ 2,681,765</u>	<u>\$ 2,681,765</u>

Included in the transfers are \$954,082 of indirect cost to the General Fund from various Federal programs and \$1,463,393 from Special Revenue Funds-2001 Sales Tax to Debt Service Funds-2001-2002 Sales Tax Bonds for the use in paying bond principal and interest.

Note 12 - Risk Financing Activities

The School Board manages its exposure under general liability, fleet, and errors and omissions through the purchase of commercial insurance. Qualifying employees and retirees may participate in the state group medical and life insurance plan. Risk of loss under workers' compensation statutes is self-insured by the School Board for up to \$200,000 per occurrence, with reinsurance coverage in force for losses in excess of that 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, 2008, the School Board incurred

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

and paid claims under the worker's compensation plan of approximately \$232,600 net of reimbursements.

Note 13 - Litigation and Contingencies

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

**REQUIRED SUPPLEMENTAL INFORMATION
(PART B)**

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

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

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary fund balance at beginning of year	\$ 7,081,890	\$ 8,325,384	\$ 8,325,384	\$ -
Resources (inflows)				
Local sources				
Ad valorem taxes				
Constitutional tax	2,243,751	2,153,440	2,174,647	21,207
Renewable tax	6,670,000	6,800,000	6,881,966	81,966
Other than school taxes	270,000	260,000	268,019	8,019
Earnings on investments	350,000	411,000	424,855	13,855
Other local revenue	452,676	1,017,522	2,980,803	1,963,281
Total local sources	9,986,427	10,641,962	12,730,290	2,088,328
State and federal sources				
State equalization	33,050,000	37,988,614	37,988,609	(5)
State revenue sharing	310,000	327,000	315,499	(11,501)
Federal Restricted grants-in-aid	248,000	309,518	304,652	(4,866)
State Restricted grants-in-aid	436,207	307,351	421,502	114,151
Total state and federal sources	34,044,207	38,932,483	39,030,262	97,779
Other sources				
Proceeds from sale of assets	9,000	5,400	7,507	2,107
Proceeds from the issuance of debt	-	3,635	10,695	7,060
Judgments	-	9,670	9,970	300
Transfers in	600,000	796,700	954,157	157,457
Total other sources	609,000	815,405	982,329	166,924
Amounts available for appropriations	51,721,524	58,715,234	61,068,265	2,353,031
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	16,995,788	18,318,924	18,011,917	307,007
Special education programs	7,214,572	8,256,010	8,048,505	207,505
Vocational programs	686,574	718,039	725,417	(7,378)
Other instructional programs	2,996,120	3,243,375	3,091,339	152,036
Special programs	25,775	398,703	386,593	12,110
Adult/Continuing education programs	34,434	343,913	332,839	11,074
Support Services				
Pupil support services	2,064,339	2,323,735	2,257,854	65,881
Instructional staff support	1,158,686	1,415,214	1,371,472	43,742
General administration	1,614,124	1,860,767	1,814,314	46,453
School administration	3,234,084	3,090,364	2,948,862	141,502
Business services	707,936	987,264	872,141	115,123
Plant services	4,074,626	4,329,320	4,219,417	109,903
Student transportation services	2,356,267	2,598,422	2,337,889	260,533
Central services	1,266,173	911,288	861,139	50,149
Non-Instructional services				
Food service operations	-	188,155	177,457	10,698
Capital outlay	-	596,472	2,573,367	(1,976,895)
Debt service	205,000	245,000	204,753	40,247
Other Uses				
Transfers out	-	142,000	146,530	(4,530)
Total Charges to Appropriations	44,634,498	49,966,965	50,381,805	(414,840)
Budgetary fund balance at end of year	\$ 7,087,026	\$ 8,748,269	\$ 10,686,460	\$ 1,938,191

See accompanying notes to budgetary comparison schedules

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

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

For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgetary fund balance at beginning of year	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Federal sources				
Federal restricted grants-in-aid	7,868,948	6,592,421	6,592,421	-
Total federal sources	<u>7,868,948</u>	<u>6,592,421</u>	<u>6,592,421</u>	<u>-</u>
Amounts available for appropriations	<u>7,868,948</u>	<u>6,592,421</u>	<u>6,592,421</u>	<u>-</u>
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	26,710	106,867	106,867	-
Special education programs	-	500	500	-
Other instructional programs	262,545	192,419	192,419	-
Special programs	3,644,868	3,184,115	3,184,115	-
Pupil support services	757,763	701,273	701,273	-
Instructional staff support	2,080,507	1,418,272	1,418,272	-
Business services	750	1,279	1,279	-
Plant services	27,587	11,185	11,185	-
Student transportation services	78,010	32,674	32,674	-
Capital outlay	354,225	445,575	445,575	-
Other Uses				
Transfers out	628,421	498,262	498,262	-
Total Charges to Appropriations	<u>7,861,386</u>	<u>6,592,421</u>	<u>6,592,421</u>	<u>-</u>
Budgetary fund balance at end of year	\$ <u>7,562</u>	\$ -	\$ -	\$ -

See accompanying notes to budgetary comparison schedules

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

**Notes to Budgetary Comparison Schedules
Fiscal year Ended June 30, 2008**

Budget and Budgetary Accounting

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

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

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

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

SUPPLEMENTAL INFORMATION

NONMAJOR FUNDS

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

**NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet**

June 30, 2008

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 1,872,980	\$ 6,379,875	\$ 4,101,766	\$ 12,354,621
Accounts receivable	2,930,155	29,423	40,150	2,999,728
<i>Due from other governments</i>				
Due from federal sources	2,407,295	-	-	2,407,295
Due from state sources	971,615	-	-	971,615
Inventory	122,142	-	-	122,142
Other assets	199,094	-	-	199,094
Total assets	\$ 8,503,281	\$ 6,409,298	\$ 4,141,916	\$ 19,054,495
 Liabilities and Fund Equity				
Liabilities				
Accounts payable	\$ 365,829	\$ -	\$ 3,405	\$ 369,234
Salaries and wages payable	2,310,977	-	-	2,310,977
Due to other funds	2,884,091	-	-	2,884,091
Other liabilities	31,975	-	-	31,975
Total liabilities	5,592,872	-	3,405	5,596,277
 Fund Equity				
Fund balances				
Reserved for inventory and prepaids	296,832	-	-	296,832
Reserved for salaries and related benefits	71,259	-	-	71,259
Reserved for debt service	-	6,409,298	-	6,409,298
Reserved for capital projects	-	-	4,138,511	4,138,511
Unreserved-undesignated	2,542,318	-	-	2,542,318
Total fund balances	2,910,409	6,409,298	4,138,511	13,458,218
Total liabilities and fund equity	\$ 8,503,281	\$ 6,409,298	\$ 4,141,916	\$ 19,054,495

City of Monroe School Board
Monroe, Louisiana

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

For the Year Ended June 30, 2008

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Local Sources				
Sales tax collections	\$ 24,568,773	\$ -	\$ -	\$ 24,568,773
Ad valorem tax	-	4,262,562	-	4,262,562
Interest	121,920	244,240	97,410	463,570
School food service payment for meals	219,938	-	-	219,938
Other local revenue	52,199	-	78,850	131,049
State Sources				
State equalization	400,000	-	-	400,000
Restricted grants-in-aid	1,666,171	-	-	1,666,171
Federal Sources				
Restricted grants-in-aid	10,380,977	-	-	10,380,977
Total revenues	37,409,978	4,506,802	176,260	42,093,040
Expenditures				
Current				
Instructional				
Regular programs	9,604,631	-	-	9,604,631
Special education programs	4,166,590	-	-	4,166,590
Vocational programs	372,309	-	-	372,309
Other instructional programs	2,111,836	-	-	2,111,836
Special programs	2,423,029	-	-	2,423,029
Adult/Continuing education programs	191,313	-	-	191,313
Support Services				
Pupil support services	1,886,227	-	-	1,886,227
Instructional staff	1,953,481	-	-	1,953,481
General administration	323,951	125,322	-	449,273
School administration	1,007,053	-	-	1,007,053
Business services	286,017	-	-	286,017
Plant services	3,441,298	-	21,093	3,462,391
Student transportation services	594,102	-	-	594,102
Central services	1,342,090	-	-	1,342,090
Noninstructional				
Food service operations	4,836,648	-	-	4,836,648
Debt Service				
Principal	486,993	4,440,000	-	4,926,993
Interest	58,705	2,044,209	-	2,102,914
Capital outlay	1,851,242	-	33,381	1,884,623
Total expenditures	36,937,515	6,609,531	54,474	43,601,520
Excess (Deficiency) of Revenues				
Over Expenditures	472,463	(2,102,729)	121,786	(1,508,480)
Other Financing Sources (Uses)				
Proceeds from issuance of debt	-	-	1,582,450	1,582,450
Transfers in	264,215	1,463,393	-	1,727,608
Transfers out	(2,036,973)	-	-	(2,036,973)
Total other financing sources (Uses)	(1,772,758)	1,463,393	1,582,450	1,273,085
Net Change in Fund Balances	(1,300,295)	(639,336)	1,704,236	(235,395)
Fund Balances at Beginning of Year	4,210,704	7,048,634	2,434,275	13,693,613
Fund Balances at End of Year	\$ 2,910,409	\$ 6,409,298	\$ 4,138,511	\$ 13,458,218

CITY OF MONROE SCHOOL BOARD
Monroe, Louisiana
NONMAJOR FUNDS

As of and for the Year Ended June 30, 2008

Special Revenue Funds

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

- A. The Special Education funds is a Federal program that provides free appropriate education for all identified handicapped children from 3 to 21 years of age in the least restrictive environment.
- B. School Food Service accounts for the revenues and expenditures incurred, in providing to pupils, breakfast and lunch services during the school year and in the Summer Feeding program.
- C. Vocational and Adult Education funds are used to more fully develop the academic and occupational skills of students to enhance their ability to compete in a technologically advancing workplace.
- D. Reading First is a federally financed program to ensure that all children achieve reading mastery by the end of the third grade.
- E. 1968 Sales Tax Fund accounts for the collection and distribution of a one-half percent sales tax to provide for supplemental salaries to School Board personnel. Certified personnel receive 88% of the collections with classified personnel receiving 12%.
- F. 1994 Sales Tax Fund accounts for the collection and distribution of a one-half percent sales tax levied to provide additional support to the school system to including funding of employee salaries and instructional purposes.
- G. 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.
- H. The Other Federal Programs funds account for all other federal programs that were not specifically discussed above.
- I. 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.

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

NONMAJOR FUNDS

As of and for the Year Ended June 30, 2008

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

Debt Service Funds:

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

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

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

Capital Projects Funds:

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

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

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

City of Monroe School Board
Monroe, Louisiana

NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet

June 30, 2008

Special Revenue Funds

	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	\$ -	\$ 654,316	\$ 813	\$ -	\$ 91,902	\$ 654,236	\$ 446,710	\$ -	\$ 20,724	\$ 4,279	\$ 1,872,980
Accounts receivable	-	300	-	-	320,103	507,883	2,101,869	-	-	-	2,930,155
Due from other governments	-	-	-	-	-	-	-	-	-	-	-
Due from federal sources	262,329	39,166	224,551	245,944	-	-	-	1,635,305	-	-	2,407,295
Due from state sources	22,741	-	-	-	-	-	-	233,271	715,603	-	971,615
Inventory	-	122,142	-	-	-	-	-	-	-	-	122,142
Other assets	472	-	-	-	-	-	174,690	23,171	761	-	199,094
Total assets	285,542	815,924	225,364	245,944	412,005	1,162,119	2,723,269	1,891,747	737,088	4,279	8,503,281

Liabilities and Fund Equity

Liabilities											
Accounts payable	\$ 3,633	\$ 20,337	\$ 17,904	\$ 48,707	\$ -	\$ 8,074	\$ 124,334	\$ 123,371	\$ 19,469	\$ -	\$ 365,829
Salaries and wages payable	106,479	236,909	9,199	4,918	295,804	571,694	544,163	326,726	210,806	4,279	2,310,977
Due to other funds	175,430	-	198,261	192,319	44,942	138,708	219,986	1,407,632	506,813	-	2,884,091
Other liabilities	-	-	-	-	-	-	-	31,975	-	-	31,975
Total liabilities	285,542	257,246	225,364	245,944	340,746	718,476	888,483	1,889,704	737,088	4,279	5,592,872

Fund Equity

Fund balances											
Reserved for inventory and prepaids	-	122,142	-	-	-	-	174,690	-	-	-	296,832
Reserved for salaries and related benefits	-	-	-	-	71,259	-	-	-	-	-	71,259
Unreserved-undesignated	-	436,536	-	-	-	443,643	1,660,096	2,043	-	-	2,542,318
Total fund balances	-	558,678	-	-	71,259	443,643	1,834,786	2,043	-	-	2,910,409
Total liabilities and fund equity	\$ 285,542	\$ 815,924	\$ 225,364	\$ 245,944	\$ 412,005	\$ 1,162,119	\$ 2,723,269	\$ 1,891,747	\$ 737,088	\$ 4,279	\$ 8,503,281

City of Monroe School Board
Monroe, Louisiana

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

For the Year Ended June 30, 2008

	Special Revenue Funds										Total
	Special Education	School Food Service	Vocational/Adult Education	Reading First	1998 Sales Tax	1994 Sales Tax	2001 Sales Tax	Other Federal Programs	State Grants	Local Grants	
Revenues											
Local Sources											
Sales tax collections	\$ -	\$ -	\$ -	\$ -	\$ 4,250,941	\$ 6,782,289	\$ 13,515,543	\$ -	\$ -	\$ -	\$ 24,588,773
Interest	-	-	-	-	31,245	62,692	27,983	-	-	-	121,970
School food service payment for meals	-	219,938	-	-	-	-	-	-	-	-	219,938
Other local revenues	-	231	-	-	-	-	-	-	51,968	-	52,199
State Sources											
State equalization	47,300	400,000	-	-	-	-	-	500,530	1,118,321	-	400,000
Restricted grants-in-aid	-	-	-	-	-	-	-	-	-	-	1,666,171
Federal Sources											
Restricted grants-in-aid	2,101,521	3,747,921	229,551	629,581	-	-	-	3,677,403	-	-	10,180,977
Total revenues	2,148,821	4,368,090	229,551	629,581	4,282,186	6,844,981	13,563,526	4,177,933	1,118,321	51,968	37,409,978
Expenditures											
Current											
Instructional											
Regular programs	-	-	-	-	1,963,137	3,209,810	3,495,829	712,221	174,589	48,843	9,604,631
Special education programs	915,106	-	-	-	912,655	1,081,521	1,233,194	-	2,114	-	4,166,590
Vocational programs	-	-	83,311	-	90,047	100,633	94,932	-	3,364	-	372,369
Other instructional programs	-	-	-	-	390,094	492,447	609,401	431,837	228,057	-	2,111,836
Special programs	-	-	-	-	6,585	48,533	16,146	1,573,254	263,337	-	2,423,039
Adult/Continuing education programs	-	-	-	-	41,956	44,819	45,072	-	59,466	-	191,313
Support Services											
Pupil support services	814,254	-	63,897	-	240,052	368,517	292,228	64,192	45,087	-	1,886,227
Instructional staff	203,561	-	10,929	94,881	323,805	322,955	162,191	827,865	236,374	-	1,933,481
General administration	-	12	-	-	35,153	49,542	239,242	-	-	70,840	323,951
School administration	-	-	-	-	200,897	474,951	331,205	-	-	-	1,007,053
Business services	6,150	-	-	42	16,776	149,704	113,237	108	-	-	286,017
Plant services	-	-	-	-	118,060	218,734	3,082,382	22,122	-	-	3,441,298
Student transportation services	22,905	-	452	-	86,158	111,426	314,837	44,448	13,976	-	594,102
Central services	-	-	-	-	51,014	317,363	969,227	4,486	-	-	1,342,090
Noninstructional	-	-	-	-	120,099	151,063	415,999	1,232	-	-	4,836,648
Food service operations	-	4,148,235	-	-	-	-	-	-	-	-	4,148,235
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	11,387	96,380	67,943	-	-	445	1,225,141	257,543	192,403	-	1,851,242
Total expenditures	1,973,263	4,344,637	223,632	608,097	4,398,638	6,999,497	13,207,981	3,939,130	1,226,767	119,683	36,937,515
Excess (Deficiency) of Revenues	175,558	123,463	(1,081)	21,484	(116,452)	(154,516)	355,545	238,623	(102,446)	(67,715)	472,463
Over Expenditures											
Other Financing Sources (Uses)											
Transfers in	29	69,686	1,081	-	-	48,000	-	-	77,704	67,715	264,215
Transfers out	(175,587)	-	-	(21,484)	-	(48,000)	(1,533,079)	(238,749)	(74)	-	(2,636,973)
Total other financing sources (uses)	(175,558)	69,686	1,081	(21,484)	-	(48,000)	(1,533,079)	(238,749)	77,630	67,715	(1,772,338)
Net Change in Fund Balances	-	193,149	-	-	(116,452)	(154,516)	(1,177,534)	(20,126)	(24,816)	-	(1,300,295)
Fund Balances at Beginning of Year	-	365,929	-	-	187,711	598,160	3,012,319	22,169	24,816	-	4,210,704
Fund Balances at End of Year	\$ -	\$ 558,678	\$ -	\$ -	\$ 71,259	\$ 443,644	\$ 1,834,785	\$ 2,043	\$ -	\$ -	\$ 2,910,409

DEBT SERVICE FUNDS

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

**NONMAJOR DEBT SERVICE FUND
Balance Sheet**

June 30, 2008

	<u>Bond Redemption</u>	<u>2001-2002 Sales Tax Bond Sinking</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 3,796,811	2,583,064	\$ 6,379,875
Receivables	29,423	-	29,423
Total assets	<u>\$ 3,826,234</u>	<u>2,583,064</u>	<u>\$ 6,409,298</u>
 Fund Equity			
Fund balance - reserved for debt service	<u>\$ 3,826,234</u>	<u>2,583,064</u>	<u>\$ 6,409,298</u>
Total fund equity	<u>\$ 3,826,234</u>	<u>2,583,064</u>	<u>\$ 6,409,298</u>

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

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

For the Year Ended June 30, 2008

	<u>Bond Redemption Debt Service</u>	<u>2001-2002 Sales Tax Bond Sinking</u>	<u>Total</u>
Revenues			
Local Sources			
Ad valorem tax	\$ 4,262,562	\$ -	\$ 4,262,562
Interest	<u>167,353</u>	<u>76,887</u>	<u>244,240</u>
Total revenues	4,429,915	76,887	4,506,802
Expenditures			
General Administration	125,322	-	125,322
Debt Service			
Principal	3,705,000	735,000	4,440,000
Interest	<u>1,335,794</u>	<u>708,415</u>	<u>2,044,209</u>
Total expenditures	<u>5,166,116</u>	<u>1,443,415</u>	<u>6,609,531</u>
Excess (deficiency) of revenues over expenditures	(736,201)	(1,366,528)	(2,102,729)
Other financing sources			
Transfers in	<u>-</u>	<u>1,463,393</u>	<u>1,463,393</u>
Total other financing sources	<u>-</u>	<u>1,463,393</u>	<u>1,463,393</u>
Net change in fund balances	(736,201)	96,865	(639,336)
Fund balances at beginning of year	<u>4,562,434</u>	<u>2,486,200</u>	<u>7,048,634</u>
Fund balances at end of year	<u>3,826,233</u>	<u>\$ 2,583,065</u>	<u>6,409,298</u>

CAPITAL PROJECTS FUNDS

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

**NONMAJOR CAPITAL PROJECTS FUND
Balance Sheet**

June 30, 2008

	<u>QZAB Projects</u>	<u>Capital Projects</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 1,574,101	\$ 2,527,665	\$ 4,101,766
Receivables	-	40,150	40,150
Total assets	<u>\$ 1,574,101</u>	<u>\$ 2,567,815</u>	<u>\$ 4,141,916</u>
Liabilities and Fund Equity			
Liabilities			
Accounts Payable	\$ 3,405	\$ -	\$ 3,405
Fund Equity			
Fund balance - reserved for capital projects	<u>1,570,696</u>	<u>2,567,815</u>	<u>4,138,511</u>
Total liabilities and fund equity	<u>\$ 1,574,101</u>	<u>\$ 2,567,815</u>	<u>\$ 4,141,916</u>

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

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

For the Year Ended June 30, 2008

	QZAB Projects	Capital Projects	Total
Revenues			
Local Sources			
Interest	\$ 658	\$ 96,752	\$ 97,410
Other local revenue	-	78,850	78,850
Total revenues	658	175,602	176,260
Expenditures			
Current			
Support Services			
Plant services	3,405	17,688	21,093
Facility Acquisition & Construction	9,007	24,374	33,381
Total expenditures	12,412	42,062	54,474
Excess (deficiency) of revenues over expenditures	(11,754)	133,540	121,786
Other Financing Sources			
Proceeds from issuance of debt	1,582,450	-	1,582,450
Net change in fund balances	1,570,696	133,540	1,704,236
Fund balances at beginning of year	-	2,434,275	2,434,275
Fund balances at end of year	\$ 1,570,696	2,567,815	\$ 4,138,511

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, 2008**

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

SUPPLEMENTARY INFORMATION -GRANT ACTIVITY

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

City of Monroe School Board
Monroe, Louisiana

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the **City of Monroe School Board** (the School Board) as of and for the year ended June 30, 2008, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 31, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Internal Control over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

Huffman, Huffman, Reynolds, & Siggins

(A Professional Accounting Corporation)

December 31, 2008

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

Francis ..
Philip A. Ragsdale,
David Ray Solgnier, CPA, ...

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

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

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

Compliance

We have audited the compliance of the **City of Monroe School Board** (the School Board) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2008. 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, 2008.

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

Internal Control Over Compliance

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

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

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

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

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

Shuffey, Huffman, Roydale, & Sagnier

(A Professional Accounting Corporation)

December 31, 2008

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C.F.D.A. NUMBER	GRANT NUMBER	CURRENT YEAR EXPENDITURES
DIRECT PROGRAMS:			
U.S. DEPARTMENT OF DEFENSE			
R.O.T.C.	N/A	Not Available	\$ 165,688
U.S. DEPARTMENT OF EDUCATION			
Impact Aid	84.041	S0418-2008-2116	115,388
Gear UP	84.334	P334A050088-05	837,305
Gear UP Carryover	84.334	P334A050088-08	257,032
Physical Education Program	84.215F	Q215F050007-07	271,866
Safe Schools Healthy Students	84.184L	Q184L070132-08	110,943
Safe Schools Healthy Students	84.184L	Q184L070132	50,083
Total U.S. Department of Education			<u>1,642,617</u>
Total Direct Programs			1,808,306
PASS THROUGH PROGRAMS:			
U. S. DEPARTMENT OF EDUCATION			
Passed through Louisiana			
Department of Education:			
Title I Grants to Local Educational Agencies			
Part A - Basic			
Regular Program	84.010A	S010A060018	5,668,861
School Improvement	84.010A	28-05-TB-05	24,169
School Improvement	84.010A	28-05-TS-65	1,434
School Improvement	84.010A	28-07-TA-65	536,650
School Improvement	84.010A	28-05-TI-65	156,222
School Improvement	84.010A	28-06-TA-65	205,085
Total Title I			<u>6,592,421</u>
SPECIAL EDUCATION CLUSTER:			
Special Education-Individuals With			
Disabilities Education Act IDEA B:			
IDEA B	84.027A	H027A070033	2,021,240
Assistive Technology Program	84.027A	Not Available	10,250
Preschool	84.173A	H173S070082	80,282
Total Special Education Cluster			<u>2,111,772</u>
Emergency Impact Aid:			
Hurricane Relief-Education for Homeless Children and Youth	84.938B	28-06-IH-65	6,191
Total Emergency Impact Air			<u>6,191</u>
Title II - Part A, Teacher and Principal			
Training and Recruiting			
Regular Program	84.367A	S367A070017	1,202,778
Total Title II			<u>1,202,778</u>
Title III - English Language Acquisition Grants			
Student Influx	84.365A	28-07-S3-65	2,142
Total Title III			<u>2,142</u>
Title IV - Safe and Drug-Free Schools and			
Communities - State Grants			
Regular Program	84.186A	Q186A070019	76,096
Total Title IV			<u>76,096</u>
21st Century	84.287C	28-06-1C-65	432,998
Title V - Innovative Education Program Strategies			
Regular Program	84.298A	S2998A70018	10,185
Total Title V			<u>10,185</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C.F.D.A. NUMBER	GRANT NUMBER	CURRENT YEAR EXPENDITURES
Educational Technology State Grants			
Technology Literacy Challenge Grant	84.318X	28-08-14-65	187,173
Enhancing Education Through Technology	84.318X	28-08-49-65	56,708
Enhancing Education Through Technology	84.318X	28-07-49-65	7,370
Total Educational Technology State Grants			251,251
Reading First			
Reading First	84.357A	28-08-RF-65	426,634
Reading First	84.357A	28-07-RF-65	72,116
Reading First	84.357A	28-07-RS-65	40,152
Reading First	84.357A	28-07-RF-65 C/O	2,321
Reading First	84.357A	28-06-RF-65 C/O	64,768
Reading First	84.357A	28-06-RS-65 C/O	23,589
Total Reading First			629,580
Math & Science Partnership			
Math & Science Partnership	84.366B	28-06-MC-65	45,008
Math & Science Partnership	84.366B	28-07-MP-65	123,525
Franklin Parish Math & Science Partnership	84.366B	28-07-MC-21	13,325
Total Educational Technology State Grants			181,858
Vocational Education			
Vocational Education	84.048A	28-08-02-65	203,887
Vocational Education	84.048A	28-07-02-65-C	20,664
Total Vocational Education			224,551
Total U.S. Dept. of Education			11,721,823
U.S. DEPARTMENT OF AGRICULTURE (USDA)			
Passed through State			
Department of Education:			
CHILD NUTRITION CLUSTER:			
School Breakfast Program	10.553	Not Available	1,014,588
School Lunch Program	10.555	Not Available	2,402,262
School Snack Program	10.555	Not Available	19,262
Commodities	10.555	Not Available	199,899
Summer Feeding	10.559	Not Available	111,911
Total Child Nutrition Cluster			3,747,922
Total U.S. Dept. of Agriculture			3,747,922
TOTAL PASS THROUGH PROGRAMS			15,469,744
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 17,278,050

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, 2008**

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, 2008:

	Title I	Special Education	Reading First	Vocational/ Adult Education	Other Federal Programs	Child Nutrition Cluster
Total Expenditures	\$ 6,094,159	\$ 1,925,935	\$ 608,097	\$ 224,551	\$ 3,418,652	\$ 3,747,922
Transfer of						
Indirect Cost	498,262	175,587	21,484	-	258,750	-
Expenditures per Schedule	<u>\$ 6,592,421</u>	<u>\$ 2,101,522</u>	<u>\$ 629,581</u>	<u>\$ 224,551</u>	<u>\$ 3,677,402</u>	<u>\$ 3,747,922</u>

	General Fund				
	Impact Aid	R.O.T.C.	Assistive Technology	Math & Science	Total
Total Expenditures	\$ 115,388	\$ 165,688	\$ 10,250	\$ 13,325	\$ 16,323,967
Transfer of					
Indirect Cost	-	-	-	-	954,083
Expenditures per Schedule	<u>\$ 115,388</u>	<u>\$ 165,688</u>	<u>\$ 10,250</u>	<u>\$ 13,325</u>	<u>\$ 17,278,050</u>

Included in the Child Nutrition Cluster is \$199,899 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, 2008

Section 1 – Summary of Auditor’s Results

Financial Statements:

Type of Auditor’s Report Issued: Unqualified

Internal Control Over Financial Reporting:

Significant Deficiencies identified? ___ Yes X No

Significant Deficiencies identified not considered to be material weaknesses?
___ Yes X None Reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards:

Internal Control Over Major Programs:

Material weakness(es) identified? ___ Yes X No

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

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

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

Dollar threshold used to distinguish between Type A and Type B programs \$518,342

Auditee qualified as low-risk auditee? X Yes ___ No

Identification of Major Programs:

<u>CFDA #</u>	<u>PROGRAM TITLE</u>
84.010A	Title I
84.027A & 84.173A	Special Education Cluster
84.357A	Reading First State Grants

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2008

Section II – Financial Statement Findings and Questioned Costs:

None Reported

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, 2008**

The following is a summary of the status of the prior year audit findings included in the Luffey, Huffman & Monroe (APAC) audit report dated December 21, 2007 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, 2007.

07-01 Accounting for Capital Lease

When we were informed of the need to record the capital lease, the required entry was immediately made in the general ledger and the equipment was entered into the capital asset system. We continue to properly record all capital leases and the equipment will be capitalized when acquired.

07-02 Accounting for E-rate Revenues

The district now records the entire value of capital projects as revenue and the entire cost as capital expenditures even though the funds are not received directly into the district, nor expenditures paid directly from district funds.

Management Letter

Documentation of Internal Control

The district has many existing procedures in place that provide for effective internal control. The district has evaluated the internal control procedures and has developed written documentation for the control activity component as outlined in the Committee of Sponsoring Organizations of the Treadway Commission Report (COSO). We are also developing documentation for the Control Environment, Risk Assessment, Information and Communication, and Monitoring which are the other components of COSO. The district has used many available resources, including the COSO framework and has gone through a Best Practices in Government review by the Legislative Auditor to ensure proper internal controls. We are awaiting the issuance of the report from the Legislative Auditor and will incorporate any recommendations that may be helpful in maintaining effective internal control.

Review of Bank Reconciliations

The district continues to complete bank reconciliations in a timely manner. Reconciliation reports are now initialed and dated by both the accountant preparing the reconciliation and the accounting supervisor.

**CITY OF MONROE SCHOOL BOARD
SUMMARY STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008**

Personnel Files

The human resources department has conducted a review of all employees' files to ensure that proper documentation is present in each file. Additionally, each employee has been offered new withholding forms at the beginning of the calendar year.

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

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2008**

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

AGREED-UPON PROCEDURES

FISCAL YEAR ENDED JUNE 30, 2008

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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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

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

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE YEAR ENDED JUNE 30, 2008

CITY OF MONROE SCHOOL BOARD MONROE, LOUISIANA

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

Our procedures and findings relate to the accompanying schedules required by state law and are as follows:

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

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

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

Education Levels of Public School Staff (Schedule 2)

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

Number and Type of Public Schools (Schedule 3)

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

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

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

Public School Staff Data (Schedule 5)

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

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

Class Size Characteristics (Schedule 6)

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

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

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

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

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

The iLeap Tests (Schedule 9)

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

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.

Jeffrey Huffman, Registered Accountant

(A Professional Accounting Corporation)

December 31, 2008

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, 2008**

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

Classroom Teacher Salaries	\$ 18,919,501	
Other Instructional Staff Activities	2,626,652	
Employee Benefits	8,790,168	
Purchased Professional and Technical Services	22,212	
Instructional Materials and Supplies	473,509	
Instructional Equipment	<u>283,323</u>	
Total Teacher and Student Interaction Activities		\$ 31,115,365
Other Instructional Activities		75,877
Pupil Support Activities	2,533,816	
Less: Equipment for Pupil Support Activities	<u>-</u>	
Net Pupil Support Activities		2,533,816
Instructional Staff Services	1,865,056	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		<u>1,865,056</u>
Total General Fund Instructional Expenditures		<u>\$ 35,590,114</u>

Total General Fund Equipment Expenditures \$ 2,364,680

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

Constitutional Ad Valorem Taxes	\$ 2,174,647
Renewable Ad Valorem Tax	6,881,966
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	268,020
Sales and Use Taxes	-
Total Local Taxation Revenue	<u>\$ 9,324,633</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	\$ 315,499
Revenue Sharing-Other Taxes	-
Total State Revenue in Lieu of Taxes	<u>\$ 315,499</u>

Nonpublic Transportation Revenue \$ -

Nonpublic Textbook Revenue \$ 30,100

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

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	2	0.3%	5	41.7%	-	-	-	-
Bachelor's Degree	357	56.9%	6	50.0%	-	-	-	-
Master's Degree	159	25.4%	1	8.3%	7	26.9%	-	-
Master's Degree +30	105	16.7%	-	0.0%	16	61.5%	-	-
Specialist in Education	3	0.5%	-	-	-	0.0%	-	-
Ph.D. or Ed.D.	1	0.2%	-	-	3	11.5%	-	-
Total	627	100.0%	12	100.0%	26	100.0%	-	-

CITY OF MONROE SCHOOL BOARD
Number and Type of Public Schools
Fiscal Year Ended June 30, 2008

<u>Type</u>	<u>Number</u>
Elementary	12
Middle/ Junior High	4
Secondary	4
Combination	1
Total	21

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

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	-	2	-	2	2	6
Principals	-	-	-	5	4	4	7	20
Classroom Teachers	62	48	165	76	95	76	117	639
Total	62	48	165	83	99	82	126	665

CITY OF MONROE SCHOOL BOARD
Public School Staff Data
As of June 30, 2008

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$51,469.00	\$51,165.00
Average Classroom Teachers' Salary Excluding Extra Compensation	\$50,270.00	\$49,964.00
Number of Teacher full-time Equivalents (FTEs) used in Computation of Average Salaries	620	605

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, 2007

School Type	Class Size Range											
	1 - 20			21-26			27 - 33			34+		
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number		
Elementary	52.6%	944	47.0%	844	0.4%	8	0.0%	0	0.0%	0		
Elementary Activity Classes	51.5%	102	48.0%	95	0.5%	1	0.0%	0	0.0%	0		
Middle/Jr. High	59.7%	335	29.4%	165	10.9%	61	0.0%	0	0.0%	0		
Middle/Jr. High Activity Classes	77.5%	100	12.4%	16	8.5%	11	1.6%	2	0.0%	0		
High	59.6%	523	26.6%	233	13.6%	119	0.2%	2	0.0%	0		
High Activity Classes	79.3%	111	16.4%	23	2.9%	4	1.4%	2	0.0%	0		
Combination	100.0%	40	0.0%	0	0.0%	0	0.0%	0	0.0%	0		
Combination Activity Classes	100.0%	4	0.0%	0	0.0%	0	0.0%	0	0.0%	0		

CITY OF MONROE SCHOOL BOARD
Louisiana Educational Assessment Program (LEAP)
Three Fiscal Years Ended June 30, 2008

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	29	4	25	5	23	4	29	4	27	5	27	4
Mastery	158	24	134	25	101	16	134	20	77	14	117	19
Basic	323	49	258	47	325	52	328	50	287	52	294	47
Approaching Basic	115	17	94	17	103	17	110	17	102	19	118	19
Unsatisfactory	36	5	35	6	72	12	60	9	55	10	68	11
Total	661		546		624		661		548		624	

District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	15	2	17	3	11	2	8	1	24	4	15	2
Mastery	109	16	73	13	65	10	95	14	78	14	65	10
Basic	322	49	284	52	282	45	353	53	312	57	317	51
Approaching Basic	168	25	135	25	216	35	134	20	90	16	148	24
Unsatisfactory	47	7	39	7	50	8	70	11	44	8	79	13
Total	661		548		624		660		548		624	

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	6	1	2	0	5	1	12	2	7	1	5	1
Mastery	39	6	32	6	21	4	23	3	12	2	8	1
Basic	270	40	203	35	223	38	283	41	214	37	228	35
Approaching Basic	235	34	247	43	298	51	196	29	171	30	211	32
Unsatisfactory	133	19	93	16	43	7	169	25	172	30	202	31
Total	683		577		590		683		576		654	

District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	1	0	3	1	2	0	2	0	1	0	3	1
Mastery	50	7	32	6	35	6	32	5	27	5	27	5
Basic	214	31	165	29	165	28	241	35	191	33	233	40
Approaching Basic	214	31	204	35	239	41	228	33	200	35	181	31
Unsatisfactory	202	30	171	30	141	24	179	26	155	27	138	24
Total	681		575		582		682		574		582	

CITY OF MONROE SCHOOL BOARD
The Graduation Exit Exam (GEE)
Three Fiscal Years Ended June 30, 2008

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	5	1	4	1	4	1	36	8	19	4	39	9
Mastery	39	9	27	6	59	14	62	14	63	15	66	16
Basic	205	45	197	46	216	51	195	42	194	45	188	45
Approaching Basic	125	27	123	29	80	19	81	18	79	18	46	11
Unsatisfactory	82	18	76	18	61	15	83	18	74	17	79	19
Total	456		427		420		457		429		418	

District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	5	1	8	2	9	2	5	1	2	1	3	1
Mastery	26	8	34	10	30	7	16	5	30	9	22	5
Basic	140	42	140	40	140	35	182	54	186	53	187	46
Approaching Basic	108	32	113	32	120	30	78	23	84	24	98	24
Unsatisfactory	55	16	58	16	104	26	54	16	50	14	93	23
Total	334		353		403		335		352		403	

CITY OF MONROE SCHOOL BOARD
ILEAP Tests
Three Fiscal Years Ended June 30, 2008

ILEAP Tests

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

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

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

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

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

(Continued)

CITY OF MONROE SCHOOL BOARD
iLEAP Tests
Three Fiscal Years Ended June 30, 2008

iLEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	15	4	20	6	10	3	7	2
Mastery	139	19	91	18	58	15	95	16
Basic	319	42	332	41	283	40	319	45
Approaching Basic	160	21	168	20	279	29	185	22
Unsatisfactory	73	14	94	15	76	12	99	15
Total	706		705		706		705	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	17	3	23	4	7	1	11	2
Mastery	59	10	53	9	72	13	50	9
Basic	295	51	250	43	205	36	252	44
Approaching Basic	127	22	116	20	199	35	157	27
Unsatisfactory	77	13	133	23	92	16	105	18
Total	575		575		575		575	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	9	1	30	5	4	1	17	3
Mastery	81	13	69	11	57	9	31	5
Basic	310	49	300	47	246	39	290	46
Approaching Basic	138	22	115	18	218	34	178	28
Unsatisfactory	97	15	122	19	108	17	117	18
Total	635		636		633		633	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	18	3	16	2	6	1	3	0
Mastery	60	9	44	6	47	7	44	6
Basic	275	39	284	40	210	30	283	41
Approaching Basic	226	32	194	28	235	34	205	29
Unsatisfactory	121	17	164	23	201	29	162	23
Total	700		702		699		697	

District Achievement Level Results	English Language Arts		Mathematics	
	2007		2007	
	Number	Percent	Number	Percent
Grade 9				
Advanced	3	0	24	3
Mastery	58	7	44	6
Basic	365	45	300	38
Approaching Basic	308	38	207	26
Unsatisfactory	69	9	225	28
Total	803		800	

(Continued)

CITY OF MONROE SCHOOL BOARD
ILEAP Tests
Three Fiscal Years Ended June 30, 2008

ILEAP Tests

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

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	16	3	37	7	4	1	21	4
Mastery	79	16	43	9	57	12	69	14
Basic	233	47	218	44	186	38	209	42
Approaching Basic	113	23	105	21	161	33	120	24
Unsatisfactory	53	11	91	18	86	17	75	15
Total	494		494		494		494	

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

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	20	3	5	1	1	0	2	0
Mastery	70	11	32	5	52	8	24	4
Basic	250	40	270	43	187	30	261	42
Approaching Basic	194	31	156	25	214	34	176	28
Unsatisfactory	89	14	160	26	168	27	159	26
Total	623		623		622		622	

District Achievement Level Results	English Language Arts		Mathematics	
	2008		2008	
	Number	Percent	Number	Percent
Grade 9				
Advanced	7	1	16	2
Mastery	53	8	28	4
Basic	287	43	292	44
Approaching Basic	237	36	167	25
Unsatisfactory	79	12	158	24
Total	663		661	