

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

**Financial Report
For the Year Ended June 30, 1997**



(A Professional Accounting Corporation)

CERTIFIED PUBLIC ACCOUNTANTS



**FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 1997**

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

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1997

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

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1997

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Independent Auditor's Report

City of Monroe School Board Monroe, Louisiana

We have audited the accompanying general-purpose financial statements of the **City of Monroe School Board** (the School Board) as of and for the year ended June 30, 1997, as listed in the accompanying Table of Contents. These general-purpose financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; 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. 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 general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the School Board as of June 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 1997 on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Monroe City School Board
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Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the School Board taken as a whole. The accompanying financial information listed as Schedules in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

The financial information for the previous year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the School Board.

A handwritten signature in cursive script that reads "Ruffay, Hoffman & Kerner".

December 19, 1997

GENERAL PURPOSE FINANCIAL STATEMENTS
COMBINED STATEMENTS - OVERVIEW

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1997

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash and Cash Equivalents	\$ 1,988,826	\$ 2,372,173	\$ 2,974,381	\$ 1,171,038
Investments	315,000	-	-	16,821,000
Accounts Receivable	842,935	681,667	-	-
Due From Other Governments:				
Due From Federal Sources	17,186	1,200,208	-	-
Due From State Sources	95,533	147,479	-	-
Due From Local Sources	334,882	28,526	-	-
Due From Other Funds	1,582,336	1,170,298	46,570	3,049
Inventory and Prepaid Expenses	2,620	103,107	-	-
Deferred Compensation Plan Assets	-	-	-	-
General Fixed Assets	-	-	-	-
Amount Available in Debt Service Fund	-	-	-	-
Amount to be Provided for the Retirement of General Long-Term Debt	-	-	-	-
TOTAL ASSETS	<u>\$ 5,179,318</u>	<u>\$ 5,703,458</u>	<u>\$ 3,020,951</u>	<u>\$ 17,995,087</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts Payable	\$ 1,526,943	\$ 102,431	\$ -	\$ 783,173
Salaries and Wages Payable	3,906,666	2,382,958	-	12,211
Due to Other Funds	342,557	2,382,377	-	77,319
Due to Grantors	-	35,483	-	-
Capital Lease Obligations	-	-	-	-
Amounts Held for Other Organizations	-	-	-	-
Deferred Revenues	10,898	66	-	-
Deferred Compensation Liability	-	-	-	-
General Obligation Bonds Payable	-	-	-	-
Obligation for Compensated Absences	-	-	-	-
Total Liabilities	<u>5,787,064</u>	<u>4,903,315</u>	<u>-</u>	<u>872,703</u>
Fund Equity				
Investment in General Fixed Assets	-	-	-	-
Fund Balance (Deficit):				
Reserved for Inventory and Prepaid Expenses	2,620	84,110	-	-
Reserved for Capital Improvements	-	-	-	17,122,384
Reserved for Debt Service	-	-	3,020,951	-
Reserved for Salaries and Wages	-	1,111,793	-	-
Unreserved/Undesignated	<u>(610,366)</u>	<u>(395,760)</u>	<u>-</u>	<u>-</u>
Total Fund Balance (Deficit)	<u>(607,746)</u>	<u>800,143</u>	<u>3,020,951</u>	<u>17,122,384</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 5,179,318</u>	<u>\$ 5,703,458</u>	<u>\$ 3,020,951</u>	<u>\$ 17,995,087</u>

The accompanying notes are an integral part of this financial statement.

Fiduciary Fund Type	Account Groups		Total	
	General	General	(Memorandum Only)	
	Fixed Assets	Long-Term Debt	June 30, 1997	June 30, 1996
\$ 423,111	\$ -	\$ -	\$ 8,929,529	\$ 17,636,917
-	-	-	17,136,000	22,049,432
-	-	-	1,524,602	1,747,648
-	-	-	1,217,394	1,205,089
-	-	-	243,012	107,981
-	-	-	363,408	-
-	-	-	2,802,253	5,329,432
-	-	-	105,727	73,307
102,531	-	-	102,531	47,114
-	68,661,774	-	68,661,774	52,970,278
-	-	2,974,381	2,974,381	2,782,809
-	-	54,835,692	54,835,692	56,720,557
<u>\$ 525,642</u>	<u>\$ 68,661,774</u>	<u>\$ 57,810,073</u>	<u>\$ 158,896,303</u>	<u>\$ 160,670,564</u>

\$ -	\$ -	\$ -	\$ 2,412,547	\$ 3,332,360
-	-	-	6,301,835	5,862,747
-	-	-	2,802,253	5,329,432
-	-	-	35,483	15,431
-	-	60,687	60,687	117,808
423,111	-	-	423,111	244,095
-	-	-	10,964	-
102,531	-	-	102,531	47,114
-	-	56,265,000	56,265,000	57,920,000
-	-	1,484,386	1,484,386	1,465,558
<u>525,642</u>	<u>-</u>	<u>57,810,073</u>	<u>69,898,797</u>	<u>74,334,545</u>
-	68,661,774	-	68,661,774	52,970,278
-	-	-	86,730	-
-	-	-	17,122,384	31,564,864
-	-	-	3,020,951	2,855,820
-	-	-	1,111,793	882,521
-	-	-	(1,006,126)	(1,937,464)
-	68,661,774	-	88,997,506	86,336,019
<u>\$ 525,642</u>	<u>\$ 68,661,774</u>	<u>\$ 57,810,073</u>	<u>\$ 158,896,303</u>	<u>\$ 160,670,564</u>

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1996

	General	Special Revenue	Debt Service	Capital Projects	Total (Memorandum Only)	
					June 30, 1997	June 30, 1996
Revenues						
Local Sources:						
Taxes:						
Ad Valorem	\$ 6,826,931	\$ -	\$ 5,393,005	\$ -	\$ 12,219,936	\$ 11,321,334
Sales and Use Taxes	-	8,658,741	-	-	8,658,741	8,387,638
Earnings on Investments	40,755	92,710	81,010	1,473,641	1,688,116	2,588,573
Other	146,323	327,407	-	-	473,730	476,365
State Sources:						
Unrestricted Grants-in-Aid	23,931,781	-	-	-	23,931,781	21,983,095
Restricted Grants-in-Aid	143,471	353,504	-	-	496,975	343,135
State Contributions to Retirement Systems	65,747	-	-	-	65,747	74,764
Federal Sources:						
Restricted Grants-In-Aid:						
Direct	64,606	-	-	-	64,606	152,749
Subgrants	-	8,154,954	-	-	8,154,954	7,997,408
Total Revenues	31,219,614	17,587,316	5,474,015	1,473,641	55,754,586	53,327,061
Expenditures						
Current:						
Instruction:						
Regular Programs	11,064,065	4,996,869	-	169,256	16,230,190	17,121,018
Special Programs	3,783,996	5,215,350	-	-	8,999,346	9,404,318
Support Services:						
Student Services	1,083,818	4,608,428	-	-	5,692,246	5,824,322
Instructional Staff	312,553	1,229,982	-	-	1,542,535	1,315,471
General Administration	6,743,669	21,195	-	-	6,764,864	6,135,021
School Administration	1,521,079	304,155	-	-	1,825,234	1,923,543
Business Services	368,397	30,315	-	-	398,712	418,696
Plant Services	3,145,033	319,677	-	-	3,464,710	3,596,930
Transportation	1,541,130	123,983	-	-	1,665,113	1,689,115
Other Support	291,142	249,119	-	-	540,261	1,360,937
Capital Outlay	40,039	490,686	-	15,682,381	16,213,106	17,364,500
Debt Service	74,910	-	5,308,884	64,484	5,448,278	3,733,493
Total Expenditures	29,969,831	17,589,759	5,308,884	15,916,121	68,784,595	69,887,364
Excess (Deficiency) of Revenues Over Expenditures						
	1,249,783	(2,443)	165,131	(14,442,480)	(13,030,009)	(16,560,303)
Other Financing Sources (Uses)						
Operating Transfers In	-	400,631	-	-	400,631	455,598
Operating Transfers (Out)	(223,198)	(177,433)	-	-	(400,631)	(455,598)
Transfer of Indirect Cost	127,492	(127,492)	-	-	-	96,196
Total Other Financing Sources (Uses)	(95,706)	95,706	-	-	-	96,196
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)						
	1,154,077	93,263	165,131	(14,442,480)	(13,030,009)	(16,464,107)
Fund Balance (Deficit) at Beginning of Year, As Previously Reported						
	(1,761,823)	706,880	2,855,820	31,564,864	33,365,741	49,884,797
Adjustment for Correction of an Error						
	-	-	-	-	-	(54,949)
Fund Balance (Deficit) at Beginning of Year, as Adjusted	(1,761,823)	706,880	2,855,820	31,564,864	33,365,741	49,829,848
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ (607,746)	\$ 800,143	\$ 3,020,951	\$ 17,122,384	\$ 20,335,732	\$ 33,365,741

The accompanying notes are an integral part of this financial statement.

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, CAPITAL PROJECTS FUND AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1997

Revenues	General Fund		
	Actual	Budget	Variance - Favorable (Unfavorable)
Local Sources:			
Ad Valorem Taxes	\$ 6,826,931	\$ 6,570,000	\$ 256,931
Sales & Use Taxes	-	-	-
Earnings on Investments	40,755	40,000	755
Other	146,323	130,725	15,598
State Sources:			
Unrestricted Grants-in-Aid	23,931,781	23,931,780	1
Restricted Grants-in-Aid	143,471	34,000	109,471
Other State Revenue	65,747	64,600	1,147
Federal Sources:			
Restricted Grants-in-Aid:			
Direct	64,606	61,658	2,948
Subgrants	-	-	-
Total Revenues	<u>31,219,614</u>	<u>30,832,763</u>	<u>386,851</u>
Expenditures			
Current:			
Instruction:			
Regular Programs	11,064,065	11,038,215	(25,850)
Special Programs	3,783,996	3,732,059	(51,937)
Support Services:			
Student Services	1,083,818	1,095,708	11,890
Instructional Staff	312,553	290,186	(22,367)
General Administration	6,743,669	6,821,186	77,517
School Administration	1,521,079	1,513,753	(7,326)
Business Services	368,397	341,925	(26,472)
Plant Services	3,145,033	3,235,900	90,867
Transportation	1,541,130	1,478,600	(62,530)
Other Support	291,142	261,200	(29,942)
Capital Outlay	40,039	25,000	(15,039)
Interest and Fiscal Charges	74,910	75,000	90
Total Expenditures	<u>29,969,831</u>	<u>29,908,732</u>	<u>(61,099)</u>
Excess (Deficiency) of Revenues Over Expenditures	1,249,783	924,031	325,752
Other Financing Sources (Uses)			
Operating Transfers In	-	-	-
Operating Transfers (Out)	(223,198)	(243,761)	20,563
Transfer of Indirect Cost	127,492	130,000	(2,508)
Total Other Financing Sources (Uses)	<u>(95,706)</u>	<u>(113,761)</u>	<u>18,055</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	1,154,077	810,270	343,807
Fund Balance (Deficit) - Beginning of Year	<u>(1,761,823)</u>	<u>(1,761,823)</u>	<u>-</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ (607,746)</u>	<u>\$ (951,553)</u>	<u>\$ 343,807</u>

The accompanying notes are an integral part of this financial statement

Capital Projects Fund

<u>Actual</u>	<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ -	\$ -	\$ -
-	-	-
1,473,641	1,535,000	(61,359)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>1,473,641</u>	<u>1,535,000</u>	<u>(61,359)</u>
169,256	350,500	181,244
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
15,682,381	15,485,016	(197,365)
64,484	64,484	-
<u>15,916,121</u>	<u>15,900,000</u>	<u>(16,121)</u>
(14,442,480)	(14,365,000)	(77,480)
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
(14,442,480)	(14,365,000)	(77,480)
31,564,864	31,564,864	-
<u>\$ 17,122,384</u>	<u>\$ 17,199,864</u>	<u>\$ (77,480)</u>

(Continued)

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, CAPITAL PROJECTS FUND AND SPECIAL REVENUE FUNDS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 1997

	<u>Special Revenue Funds</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues			
Local Sources:			
Sales & Use Taxes	\$ 8,658,741	\$ 8,622,900	\$ 35,841
Earnings on Investments	92,710	92,700	10
Other	327,407	368,000	(40,593)
State Sources:			
Restricted Grants-in-Aid	353,504	348,794	4,710
Federal Sources:			
Restricted Grants-in-Aid:			
Subgrants	8,154,954	8,794,829	(639,875)
Total Revenues	<u>17,587,316</u>	<u>18,227,223</u>	<u>(639,907)</u>
Expenditures			
Current:			
Instruction:			
Regular Programs	4,996,869	5,023,300	26,431
Special Programs	5,215,350	5,804,686	589,336
Support Services:			
Student Services	4,608,428	4,612,135	3,707
Instructional Staff	1,229,982	1,296,136	66,154
General Administration	21,195	4,736	(16,459)
School Administration	304,155	295,500	(8,655)
Business Services	30,315	28,200	(2,115)
Plant Services	319,677	316,053	(3,624)
Transportation	123,983	109,667	(14,316)
Other Support	249,119	384,617	135,498
Capital Outlay	490,686	365,297	(125,389)
Total Expenditures	<u>17,589,759</u>	<u>18,240,327</u>	<u>650,568</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,443)	(13,104)	10,661
Other Financing Sources (Uses)			
Operating Transfers In	400,631	428,762	(28,131)
Operating Transfers (Out)	(177,433)	(185,000)	7,567
Transfer of Indirect Cost	(127,492)	(136,257)	8,765
Total Other Financing Sources (Uses)	<u>95,706</u>	<u>107,505</u>	<u>11,799</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	93,263	94,401	(1,138)
Fund Balance at Beginning of Year	706,880	706,880	-
FUND BALANCE AT END OF YEAR	<u>\$ 800,143</u>	<u>\$ 801,281</u>	<u>\$ (1,138)</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

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 system is composed of a central office, 20 schools and 2 support facilities. The school system serves approximately 11,000 students. The School Board employs approximately 1,400 persons of which over 970 are directly involved in the instructional process. The remainder provide ancillary support such as general administration, repair and maintenance, bus transportation and food service. The regular school term normally begins during the latter half of August and runs until the end of May.

REPORTING ENTITY

The School Board is 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.

A. Fund Accounting

The accounts of the School Board are organized on the basis of funds and account groups, 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 comprise its assets, liabilities, fund equity, revenue and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds and account groups used in this report as compared to School Board terminology are as follows:

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

Funds and account groups used in this report as compared to School Board terminology are as follows:

<u>This Report</u>	<u>School Board Terminology</u>
General Fund	General Fund Payroll Fund Insurance Funds
Special Revenue Funds	Title I Grant Programs Title VI Grant Programs Special Education Grant Programs Vocational and Adult Education Funds School Food Service Funds Sales Tax Funds State Grant Funds Drug Free Funds Other Special Revenue Funds
Capital Projects Fund	Construction Fund
Debt Service Fund	Bond Redemption Fund
Fiduciary Fund Type - Agency	School Activity Funds Deferred Compensation Plan Funds
General Fixed Assets Account Group	Real Estate, Furniture, Fixtures and Equipment Accounts
General Long-Term Debt Account Group	Accumulated Compensated Absences, Bonds and Capital Lease Obligations

Governmental resources are allocated to and accounted for in the individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds are grouped into the following generic fund types:

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

GOVERNMENTAL FUNDS

All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

The School Board uses the following governmental fund types:

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

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted for specific expenditure purposes, as follows:

Title I of the Elementary and Secondary Education Act (ESEA) is a Federally-financed program for educationally deprived school children residing in areas having high concentrations of children from low-income families. The Title I services are provided through various projects which are designed to meet the special needs of educationally deprived children. The activities supplement rather than replace state and locally mandated activities.

Title VI of ESEA is a Federal program which provides funds to the School Board for equipment, books, supplies and other approved grant items.

Title II (Eisenhower Professional Development) of ESEA is a Federal program which provides funds for math and science related programs.

Special Education Programs include Federally financed programs established under various public laws to provide free appropriate education for all identified handicapped children from preschool to 21 years of age in the least restrictive environment.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

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.

School Food Services is used to account for the activities of school food services, breakfast and lunchroom revenues and expenditures incurred in providing services to pupils.

The Sales Tax Funds account for the collection and distribution of the sales tax levies for the School Board. All of the sales taxes collected under the pre-1994 tax is dedicated to supplement other revenues available to the School Board for the payment of salaries of teachers and other School Board personnel. Of the tax passed by the voters in 1994, seventy percent of the tax collected is dedicated for similar purposes, with the balance dedicated for instructional purposes.

State Grant Funds are used to account for the proceeds of specific state grants supporting the Multisensory Arts Program, Textbooks, Opportunity Learning Academy, Model Early Childhood, Gifted/Talented and other specific programs.

Drug Free Schools Funds are used for raising the drug abuse awareness of students and to provide an atmosphere for a drug-free learning environment.

The Other Special Revenue Funds account for various grants provided to the School Board by government, corporate and other grantors.

Debt Service Fund - The Debt Service Fund is used to accumulate resources used for the payment of long-term indebtedness principal, interest and related fiscal charges.

Capital Projects Fund - This fund is used to account for resources accumulated and expended for the acquisition or construction of general fixed assets.

FIDUCIARY FUNDS

Agency Funds - These funds are used to account for assets held by the School Board in a trustee capacity or as an agent for individuals, private organizations or 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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

ACCOUNT GROUPS

Account groups are not "funds". Rather, they are concerned only with the measurement of financial position related to noncurrent assets (general fixed assets) and noncurrent liabilities (general long-term debt). They are not involved with measurement of results of operations. The School Board uses the following account groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the School Board except those reported in the City of Monroe, Louisiana, financial statements.

General Long-Term Debt Account Group - This account group is established to account for all long-term obligations of the School Board, including compensated absences and bond and lease obligations.

B. Total Columns on Combined Statements-Overview

Total columns on the Combined Statements-Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis and do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental and agency funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

D. Budgets

Annual non-appropriated budgets are adopted by the School Board on the General Fund, all Special Revenue Funds, the Capital Projects Fund and the Debt Service Fund. Budgets are prepared on the modified accrual basis of accounting. Budget amounts included in the accompanying general-purpose financial statements include the original adopted budget plus all amendments. The School Board follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Superintendent submits to the School Board a proposed consolidating General Fund operating budget for the succeeding year.
2. This proposed consolidating budget is adopted by the School Board in August or September, with the final amended budget being adopted in June.
3. A public hearing is scheduled by the School Board after allowing for at least ten days notice to the public at the time the proposed budget is initially submitted to the Board.
4. Any revision requiring alteration of levels of expenditures or transfers between funds must be approved by the School Board.
5. Operating appropriations, to the extent not expended, lapse at year end.

E. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Outstanding encumbrances are reversed at year end, resulting in liabilities and expenditures in the individual funds.

F. Investments

Investments, consisting of certificates of deposit, are stated at cost.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

G. Inventories

Inventory of the School Food Service Fund consists of food and supplies. The inventories are recorded as an expenditure as they are 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.

H. Interfund Loans

The current portions (due within one year) of interfund loans are reported as "Due From" in the asset accounts and are considered available spendable resources.

I. General Fixed Assets and Long-Term Liabilities

General Fixed Assets - General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the General Fixed Assets Account Group (GFAAG). Donated assets are recorded at fair market value on the date of the donation. Where historical cost and other relevant data are unavailable, various equipment and structures on school premises have been stated at estimated historical cost as determined by applying construction cost indexes to estimated replacement cost as permitted by National Council on Governmental Accounting Statement 1, Paragraph 47.

General fixed asset values determined by use of estimates is 22.9%. No depreciation has been provided on general fixed assets.

Long-Term Debt - Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from available spendable resources is reported as a fund liability of a governmental fund. The remaining portion is reported in the General Long-Term Debt Account Group (GLTDAG). The School Board reports accumulated sick leave, outstanding bond indebtedness and long-term debt applicable to capital lease obligations in the GLTDAG.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

J. 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.

K. Compensated Absences

All employees receive ten sick days each year, with the unused portion being accumulated and 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. Effective July 1, 1994 the School Board revised its policy regarding payment of accumulated vacation days 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 being grandfathered in at their current accumulation up to 45 days.

L. 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 1/2 of 1% 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 is to be used for the payment of the salaries for teachers, as defined by the Louisiana State Department of Education and 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 1/2 of 1% sales and use tax effective July 1, 1994. 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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

M. Comparative Total Data

Comparative total data for the prior year have been presented in the accompanying general-purpose financial statements in order to provide an understanding of changes in the School Board's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand. Various reclassifications have been made to the prior year financial statements to make them comparable to current year presentation.

Note 2 - Excess of Expenditures Over Appropriations and Deficit Fund Balance

Actual expenditures and other financing uses did not exceed budgeted expenditures and other financing uses on any fund with an adopted budget by more than 5%.

A deficit unreserved/undesignated fund balance of approximately \$610,000 exists in the General Fund, and the School Food Services Special Revenue Fund has a deficit of approximately \$336,000. It is expected that these deficits will be cleared by future revenues and operational changes within the school system.

Note 3 - Cash and Certificates of Deposit

The School Board's cash and certificates of deposit consist of deposits with financial institutions. The certificates of deposit have varying maturities. The School Board's investment policy is governed by state statutes. 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. 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.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

The following is a schedule of the School Board's cash and certificates of deposit at June 30, 1997. Differences between School Board and bank balances arise because of the net effect of deposits in transit and outstanding checks.

	School Board Balance		Bank Balance
Cash on Deposit	\$ 2,821,735	\$	2,721,140
Cash Equivalents			
Certificates of Deposit	6,107,794		6,107,794
Certificates of Deposit	17,136,000		17,136,000
 TOTAL	 \$ 26,065,529	 \$	 25,964,934

The School Board's investments and deposits at June 30, 1997 are categorized below to give an indication of the level of risk assumed by the School Board at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School Board or its safekeeping agent in the School Board's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or safekeeping agent in the School Board's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution, or by its trust department or safekeeping agent but not in the School Board's name.

	Risk Category	
	1	2
Insured Deposits	\$ 378,464	\$ 0
Uninsured Deposits:		
Collateralized	18,827,000	6,336,359
 Total Deposits	 \$ 19,205,464	 \$ 6,336,359

Investments of the School Board as of June 30, 1997 consisted entirely of certificates of deposit with a carrying and market value of \$17,136,000 and were held by the School Board's agent in the School Board's name (Risk Category 1).

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

Note 4 - Ad Valorem Taxes

The City of Monroe bills and collects property taxes for the School Board using the assessed values determined by the tax assessor of Ouachita Parish. For the year ended June 30, 1997, taxes of 51.24 mills were levied on property with assessed valuations totaling \$284,825,703 and were dedicated as follows:

School Operation, Maintenance, Aid and Support	26.99 mills
Series 1994 Bonds Debt Service	14.00 mills
Series 1997 Bonds Debt Service	<u>10.25 mills</u>
	<u>51.24 mills</u>

The School Board's portion of the total taxes originally levied was \$14,594,469, of which \$11,690,242 was assessed on property owners and \$2,904,227 was assessed under Homestead Exemption. The School Board collected \$12,219,936 through June 30, 1997 of which approximately \$6,933 was for prior year levies. Approximately 82% of the homestead exemption is not appropriated by the state of Louisiana and therefore is not collected.

Property Tax Calendar

Assessment Date	December 31, 1996
Levy Date	November 30, 1996
Tax Bills Mailed	December 14, 1996
Total Taxes Are Due	December 31, 1996
Penalties and Interest Are Added	February 1, 1997
Lien Date	June 5, 1997
Tax Sale - 1997 Delinquent Property	June 12, 1997

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

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

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

A summary of changes in general fixed assets for the year ended June 30, 1997, follows:

	Balance June 30, 1996	Additions	Transfers	Balance June 30, 1997
Land	\$ 1,110,809	\$ 0	\$ 0	\$ 1,110,809
Buildings	12,979,257	0	0	12,979,257
Improvements Other Than Buildings	15,676,761	13,906,733	13,203,246	42,786,740
Equipment & Furniture	6,322,966	310,905	0	6,633,871
Construction in Progress	16,880,485	1,473,858	(13,203,246)	5,151,097
TOTAL	\$ 52,970,278	\$ 15,691,496	\$ 0	\$ 68,661,774

The beginning balances in General Fixed Assets have been restated to properly reflect the amounts determined as the result of the School Board's assimilation of a detailed fixed asset listing during fiscal year 1997-96. The net effect of the restatement was to increase Investment in General Fixed Assets by \$8,068,243, primarily related to Land, Buildings and Improvements other than buildings not previously recorded in prior fiscal years.

Note 6 - Significant Concentrations of Credit 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 7 - 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 Louisiana Teachers' Retirement System (TRS); 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

Under the TRS Regular Plan, there are two retirement formulae: 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 TRS-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 TRS 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 systems's prior fiscal year. The School Board's contributions to the TRS plans for the years ended June 30, 1995, 1996 and 1997 were \$4,283,368; \$4,312,011; and \$4,271,600, respectively, equal to the statutorily required contributions in each year.

The TRS 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 (504) 925-6446.

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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

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 Minimum Foundation Program (MFP) funds. 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 systems's prior fiscal year. The School Board's contributions to the LSERS plans for the years ended June 30, 1995, 1996 and 1997 were \$136,399; \$150,266; and \$150,267, 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, Louisiana 70804 or by calling (504) 925-6484.

School Board-Sponsored Plan

During fiscal 1996, the School Board adopted for its employees a deferred compensation plan created in accordance with Internal Revenue Code 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.

The deferred compensation plan is administered by an unrelated third party. Under the terms of a plan established in accordance with Internal Revenue Code 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 (until paid or made available to the employee or other beneficiary) solely the property and rights of the School Board (without being restricted to the provision of benefits under the plan), subject only to the claims of the School Board's general creditors. Each participant's rights under the plan are equal to those of the general creditors of the School Board in an amount equal to the fair market value of the deferred account for each participant.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

It is the opinion of management of the School Board that the School Board has no liability for investment losses under the plan. However, the School Board does have the duty of due care that would be required of a normal prudent investor. The School Board believes it is unlikely that it will use the assets of the plan to satisfy claims of general creditors in the future. The assets and liabilities are reported among the Fiduciary Fund Types as an Agency Fund; as the School Board has title to these assets, it is appropriate to include them in the financial statements of the School Board.

Note 8 - 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 employees' 50% share of the cost of group health coverage.

Group health and life insurance is provided to participating employees and retirees through the State Employee Group Benefits Program. In fiscal 1997, the School Board paid \$1,733,250 in connection with providing these benefits, including \$620,949 attributable to 327 retirees.

Note 9 - General Long-Term Debt

The following is a summary of changes in Long-Term Debt for the year ended June 30, 1997:

	Balance June 30, 1996	Increases	Decreases	Balance June 30, 1997
Bonds - 1994	\$ 31,120,000	\$ 0	\$ (940,000)	\$ 30,180,000
Bonds - 1995	26,800,000	0	(715,000)	26,085,000
Compensated Absence	1,465,558	18,828	0	1,484,386
Capital Leases	117,808	0	(57,121)	60,687
TOTAL	\$ 59,503,366	\$ 18,828	\$ (1,712,121)	\$ 57,810,073

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

Debt service requirements to maturity on all School Board General Obligation Bonds outstanding at June 30, 1997, including interest of \$35,360,120 at rates ranging from 5.35% to 9%, is as follows:

Year Ending June 30,	Total Principal & Interest Due
1998	\$ 5,278,438
1999	5,233,688
2000	5,203,938
2001	5,165,275
2002	5,128,075
2003-2007	25,576,610
2008-2012	26,515,630
2013-2015	13,523,468
TOTAL	\$ 91,625,122

Note 10 - Lease Commitments and Rental Expense

Operating Leases

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

Capital Leases

The School Board entered into a five-year capital lease agreement dated November 1, 1992 with a bank for the lease-purchase of eight school buses. The first principal payment of \$64,463 was made at delivery. Lease payments are due on November 1 of each year.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

The annual requirements to amortize capital leases is as follows:

Fiscal	\$	Capital Lease
1998		64,483
Total		64,483
Less: Amounts Representing Interest		(3,796)
Present Value of Future Minimum Lease Payments	\$	60,687

Note 11 - Interfund Receivables and Payables

Individual balances due to/from other funds at June 30, 1997, are as follows:

	Due From Other Funds	Due to Other Funds
Governmental Funds:		
General Fund	\$ 1,582,336	\$ 342,557
Capital Projects Fund	3,049	77,319
Bond Redemption	46,570	0
Special Revenue Funds:		
ESEA Title I	405,448	720,828
ESEA Title II	4	21,707
Title VI	0	1,308
Special Education	373,294	601,805
Vocational/Adult Education	25,604	98,342
School Food Services	256,947	273,595
Sales Tax	75,076	507,451
State Grant	28,978	126,345
Drug Free	4,947	3,156
Other Privately Funded Grants	0	27,840
TOTAL	\$ 2,802,253	\$ 2,802,253

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

Note 12 - Interfund Transfers

During fiscal 1997, the Sales Tax Funds transferred \$178,174 to the School Food Service Fund for sales taxes collected for the payment of salaries. The General Fund transferred \$130,000 to the School Food Service Fund which represented Minimum Foundation Program funds applicable to the School Food Service Fund. Further, the General Fund transferred \$39,261; \$11,111; and \$42,085 to the English Proficiency Fund, the Gifted and Talented Fund and the L.E.A.P. Remediation Fund, respectively, representing state grant funds supporting these programs which were receipted into the General Fund. Certain Special Revenue funds transferred to the General Fund reimbursements of indirect costs totaling \$127,492 according to rates approved by various grantor agencies.

Note 13 - 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, 1997, the School Board incurred and paid claims under the worker's compensation plan of approximately \$128,000, net of reimbursements. There were no material claims outstanding at June 30, 1997 or 1996.

Note 14 - 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.

Pursuant to the Internal Revenue Code of 1986, as amended, excess arbitrage earned on the investment of certain bond proceeds are required to be paid periodically to the United States, except under certain circumstances. The amount of this arbitrage liability, if any, cannot currently be estimated and, therefore, the financial statements of the School Board do not reflect any arbitrage liability at June 30, 1997.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

Note 15 - Subsequent Event

Pursuant to the approval of the State Bond Commission at its meeting of September 18, 1997, the School Board issued \$2,500,000 in advance funding notes (Anticipation Certificate, Series 1997B) through the Louisiana Public Facilities Authority. The certificate bears interest at the greater of the lender's prime rate or 3.55% and matures on April 1, 1998 and is secured by a pledge of all revenues inuring to the General Fund for the fiscal year ended June 30, 1998.

SUPPLEMENTARY SCHEDULES -
FINANCIAL SCHEDULES OF INDIVIDUAL FUNDS

SPECIAL REVENUE FUNDS

- A. Title I of the Elementary and Secondary Education Act (ESEA) is a Federally- financed program for meeting the needs of educationally deprived school children residing in areas having high concentrations of children from low-income families. The activities supplement rather than replace state and locally mandated activities.
- B. Title VI of ESEA is a program by which the Federal government provides funds to the School Board for equipment and other items approved under the grant contract.
- C. Title II (Eisenhower Professional Development) of ESEA is a Federal program which provides funds for mathematics and science related programs.
- D. Special Education funds are Federally-financed programs providing free appropriate education for all identified handicapped children from 3 to 21 years of age in the least restrictive environment.
- E. 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.
- F. School Food Services is used to account for the Revenues and Expenditures incurred, in providing to pupils, breakfast and lunchroom services during the school year and in the Summer Feeding program.
- G. The Sales Tax Funds account for the collection and distribution of the sales tax levies for the School Board. All of the sales taxes collected under the pre-1994 tax is dedicated to supplement other revenues available to the School Board for the payment of salaries of teachers and other School Board personnel. Of the tax passed by the voters in 1994, seventy percent of the tax collected is dedicated for similar purposes, with the balance dedicated for instructional purposes.
- H. The State Grant Funds account for Louisiana Department of Education grants for programs such as the Louisiana Writing Project, the Multisensory Arts Program, Opportunity Learning Academy and Gifted/Talented.
- I. Drug Free Schools funds are used for raising the awareness of students to the dangers of drug abuse and to promote an atmosphere for a drug-free learning environment.
- J. Other Special Revenue Funds account for the revenues and expenditures associated with grants provided to the School Board by other governmental and nongovernmental entities, including the Corporation for National Community Service, the Foundation for the Mid South, Entergy and BellSouth.

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1996

	Elementary and Secondary			Special Education Funds	Vocational & Adult Ed Funds
	Education Act				
	Title I Funds	Title VI Funds	Title II Funds		
ASSETS					
Cash	\$ 390,399	\$ 4,826	\$ -	\$ 52,331	\$ -
Accounts Receivable	-	-	-	-	-
Due From Other Governments:					
Due From Federal Sources	643,086	3,621	34,679	296,264	101,128
Due From State Sources	-	-	-	-	30,365
Due From Local Sources	-	-	-	-	-
Due From Other Funds	405,448	-	4	373,294	25,604
Inventory	-	-	-	-	-
Prepaid Expenditures	-	-	-	18,997	-
TOTAL ASSETS	\$ 1,438,933	\$ 8,447	\$ 34,683	\$ 740,886	\$ 157,097
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts Payable	\$ -	\$ 1,310	\$ -	\$ 20,170	\$ -
Deferred Revenues	-	-	-	-	-
Salaries and Wages Payable	695,708	5,829	12,976	117,257	47,323
Due to Other Funds	720,828	1,308	21,707	601,805	98,342
Due to Grantor	22,397	-	-	1,654	11,432
Total Liabilities	1,438,933	8,447	34,683	740,886	157,097
Fund Equity					
Fund Balances:					
Reserved for Inventory and Prepays	-	-	-	-	-
Reserved for Salaries and Benefits	-	-	-	-	-
Unreserved-Undesignated	-	-	-	-	-
Total Fund Balances (Deficit)	-	-	-	-	-
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,438,933	\$ 8,447	\$ 34,683	\$ 740,886	\$ 157,097

School Food Services Funds	Sales Tax Funds	State Grant Funds	Drug-Free Funds	Other Special Revenue Funds	Total	
					1997	1996
\$ 27,423	\$ 1,824,800	\$ 54,092	\$ -	\$ 18,302	\$ 2,372,173	\$ 2,351,812
2,486	679,181	-	-	-	681,667	762,548
83,570	-	-	4,122	33,738	1,200,208	1,205,089
-	-	117,114	-	-	147,479	107,981
-	-	28,526	-	-	28,526	-
256,947	75,076	28,978	4,947	-	1,170,298	1,895,974
84,110	-	-	-	-	84,110	73,307
-	-	-	-	-	18,997	-
<u>\$ 454,536</u>	<u>\$ 2,579,057</u>	<u>\$ 228,710</u>	<u>\$ 9,069</u>	<u>\$ 52,040</u>	<u>\$ 5,703,458</u>	<u>\$ 6,396,711</u>
\$ 66,729	\$ -	\$ 11,704	\$ -	\$ 2,518	\$ 102,431	\$ 143,870
-	-	66	-	-	66	-
451,174	959,813	71,046	5,913	15,919	2,382,958	2,124,751
273,595	507,451	126,345	3,156	27,840	2,382,377	3,405,779
-	-	-	-	-	35,483	15,431
<u>791,498</u>	<u>1,467,264</u>	<u>209,161</u>	<u>9,069</u>	<u>46,277</u>	<u>4,903,315</u>	<u>5,689,831</u>
84,110	-	-	-	-	84,110	73,307
-	1,111,793	-	-	-	1,111,793	882,521
(421,072)	-	19,549	-	5,763	(395,760)	(248,948)
<u>(336,962)</u>	<u>1,111,793</u>	<u>19,549</u>	<u>-</u>	<u>5,763</u>	<u>800,143</u>	<u>706,880</u>
<u>\$ 454,536</u>	<u>\$ 2,579,057</u>	<u>\$ 228,710</u>	<u>\$ 9,069</u>	<u>\$ 52,040</u>	<u>\$ 5,703,458</u>	<u>\$ 6,396,711</u>

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1996

	Elementary and Secondary			Special Education Funds	Vocational & Adult Ed Funds
	Education Act				
	Title I Funds	Title VI Funds	Title II Funds		
Revenues					
Local Sources:					
Sales & Use Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Other	-	-	-	-	-
State Sources:					
Restricted Grants-in-Aid	-	-	-	-	28,559
Federal Sources:					
Restricted Grants-in-Aid Subgrants	3,485,420	70,105	68,127	568,728	208,158
Total Revenues	<u>3,485,420</u>	<u>70,105</u>	<u>68,127</u>	<u>568,728</u>	<u>236,717</u>
Expenditures					
Current:					
Instructional:					
Regular Programs	-	-	-	-	-
Special Programs	2,408,585	21,592	-	325,357	193,733
Support Services:					
Student Services	32,877	-	-	-	2,490
Instructional Staff	735,551	27,408	66,021	187,365	9,341
General Administration	388	-	-	16,146	-
School Administration	-	-	-	-	-
Business Services	-	-	-	329	158
Plant Services	79,768	-	-	3,353	3,846
Transportation	2,731	-	-	9,105	-
Other Support Services	-	-	-	-	-
Capital Outlay	119,016	20,048	-	15,081	26,889
Total Expenditures	<u>3,378,916</u>	<u>69,048</u>	<u>66,021</u>	<u>556,736</u>	<u>236,457</u>
Excess (Deficiency) of Revenues					
Over Expenditures	106,504	1,057	2,106	11,992	260
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-
Transfer of Indirect Cost	(106,504)	(1,057)	(2,106)	(11,992)	(260)
Total Other Financing Sources (Uses)	<u>(106,504)</u>	<u>(1,057)</u>	<u>(2,106)</u>	<u>(11,992)</u>	<u>(260)</u>
Excess (Deficiency) of Revenues Over					
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balance (Deficit) at Beginning of Year,					
as previously reported	-	-	-	-	-
Adjustment for the Correction of an Error	-	-	-	-	-
Fund Balance (Deficit) at Beginning of Year,					
as Adjusted	-	-	-	-	-
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

School Food Services Funds	Sales Tax Funds	State Grant Funds	Drug-Free Funds	Other Special Revenue Funds	Total	
					1997	1996
\$ -	\$ 8,658,741	\$ -	\$ -	\$ -	\$ 8,658,741	\$ 8,387,638
-	92,710	-	-	-	92,710	127,444
232,940	-	28,026	-	66,441	327,407	367,983
-	-	324,945	-	-	353,504	311,974
3,552,468	-	7,000	52,731	142,217	8,154,954	7,997,408
<u>3,785,408</u>	<u>8,751,451</u>	<u>359,971</u>	<u>52,731</u>	<u>208,658</u>	<u>17,587,316</u>	<u>17,192,447</u>
-	4,996,869	-	-	-	4,996,869	5,090,861
-	1,946,554	319,529	-	-	5,215,350	5,635,651
4,233,997	306,971	-	32,093	-	4,608,428	4,662,136
-	185,296	-	19,000	-	1,229,982	866,076
-	4,661	-	-	-	21,195	97,204
-	304,155	-	-	-	304,155	421,376
-	29,828	-	-	-	30,315	31,736
-	231,702	1,000	8	-	319,677	351,196
-	111,829	318	-	-	123,983	161,656
-	51,732	8,477	-	188,910	249,119	259,501
14,780	175,149	103,953	-	15,770	490,686	-
<u>4,248,777</u>	<u>8,344,746</u>	<u>433,277</u>	<u>51,101</u>	<u>204,680</u>	<u>17,589,759</u>	<u>17,577,393</u>
(463,369)	406,705	(73,306)	1,630	3,978	(2,443)	(384,946)
308,174	-	92,457	-	-	400,631	455,598
-	(177,433)	-	-	-	(177,433)	(213,535)
-	-	-	(1,630)	(3,943)	(127,492)	-
<u>308,174</u>	<u>(177,433)</u>	<u>92,457</u>	<u>(1,630)</u>	<u>(3,943)</u>	<u>95,706</u>	<u>242,063</u>
(155,195)	229,272	19,151	-	35	93,263	(142,883)
(181,767)	882,521	398	-	5,728	706,880	911,539
-	-	-	-	-	-	(61,776)
(181,767)	882,521	398	-	5,728	706,880	849,763
<u>\$ (336,962)</u>	<u>\$ 1,111,793</u>	<u>\$ 19,549</u>	<u>\$ -</u>	<u>\$ 5,763</u>	<u>\$ 800,143</u>	<u>\$ 706,880</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULES OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
TITLE I SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 1997**

	96-011-65 C/O 97 <u>(302)</u>	96-011-65 <u>(305)</u>	SUPPORT <u>TEAMS</u>	97-IASA-65 <u>(307)</u>	<u>TOTAL</u>
Revenues					
Federal Sources:					
Restricted Grants-in					
Aid Subgrants	\$ 370,984	\$ 44,202	\$ 9,600	\$ 3,060,634	\$ 3,485,420
Total Revenue	<u>370,984</u>	<u>44,202</u>	<u>9,600</u>	<u>3,060,634</u>	<u>3,485,420</u>
Expenditures					
Current:					
Instructional					
Special Programs	359,515	35,193	-	2,013,877	2,408,585
Support Services:					
Student Services	-	-	-	32,877	32,877
Instructional Staff	-	(630)	9,600	726,581	735,551
General Administration	-	-	-	388	388
Transportation	-	850	-	1,881	2,731
Plant Services	-	5,741	-	74,027	79,768
Capital Outlay	-	-	-	119,016	119,016
Total Expenditures	<u>359,515</u>	<u>41,154</u>	<u>9,600</u>	<u>2,968,647</u>	<u>3,378,916</u>
Excess (Deficiency) of					
Revenues Over Expenditures	11,469	3,048	-	91,987	106,504
Other Financing Sources/(Uses)					
Operating Transfers In	-	-	-	-	-
Transfer of Indirect Cost	(11,469)	(3,048)	-	(91,987)	(106,504)
Total Other Financing Sources/(Uses)	<u>(11,469)</u>	<u>(3,048)</u>	<u>-</u>	<u>(91,987)</u>	<u>(106,504)</u>
Excess (Deficiency) of					
Revenues Over Expenditures					
and Other Financing					
Sources/(Uses)	-	-	-	-	-
Fund Balance at					
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT					
END OF YEAR	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
TITLE VI-ESEA SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1997**

	<u>28-96-0065-6</u> <u>(314)</u>	<u>28-96-0065-2</u> <u>(315)</u>	<u>97-IASA-65-6</u> <u>(316)</u>	<u>TOTAL</u>
Revenues				
Federal Sources:				
Restricted Grants-in				
Aid Subgrants	\$ 7,102	\$ 5,791	\$ 57,212	\$ 70,105
Total Revenue	<u>7,102</u>	<u>5,791</u>	<u>57,212</u>	<u>70,105</u>
Expenditures				
Instructional				
Special Programs	7,373	619	13,600	21,592
Support Services:				
Instructional Staff			27,408	27,408
General Administration				
Capital Outlay		<u>5,152</u>	<u>14,896</u>	<u>20,048</u>
Total Expenditures	<u>7,373</u>	<u>5,771</u>	<u>55,904</u>	<u>69,048</u>
Excess (Deficiency) of				
Revenues Over Expenditures	(271)	20	1,308	1,057
Other Financing Sources and (Uses)				
Operating Transfers In	-	-	-	-
Transfer of Indirect Cost	<u>271</u>	<u>(20)</u>	<u>(1,308)</u>	<u>(1,057)</u>
Total Other Financing Sources/(Uses)	<u>271</u>	<u>(20)</u>	<u>(1,308)</u>	<u>(1,057)</u>
Excess (Deficiency) of				
Revenues Over Expenditures and				
Other Financing Sources/(Uses)	-	-	-	-
Fund Balance at				
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
TITLE II SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1997**

	<u>28-96-5065II C/O 97</u> (322)	<u>97-IASA-65-2</u> (326)	<u>TOTAL</u>
Revenues			
Federal Sources:			
Restricted Grants-in			
Aid Subgrants	\$ 4,650	\$ 63,477	\$ 68,127
Total Revenue	<u>4,650</u>	<u>63,477</u>	<u>68,127</u>
Expenditures			
Instructional			
Special Programs			
Support Services:			
Instructional Staff	4,506	61,515	66,021
General Administration			
Capital Outlay			
Total Expenditures	<u>4,506</u>	<u>61,515</u>	<u>66,021</u>
Excess (Deficiency) of			
Revenues Over Expenditures	144	1,962	2,106
Other Financing Sources and (Uses)			
Operating Transfers In			
Transfer of Indirect Cost	(144)	(1,962)	(2,106)
Total Other Financing Sources/(Uses)	<u>(144)</u>	<u>(1,962)</u>	<u>(2,106)</u>
Excess (Deficiency) of			
Revenues Over Expenditures and			
Other Financing Sources/(Uses)	-	-	-
Fund Balance at			
Beginning of Year			
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE AT END OF YEAR	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>

CITY OF MONROE SCHOOL BOARD
 MONROE, LOUISIANA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 SPECIAL EDUCATION SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 1997

	97-SCS-65 (214)	94-FT-65 (217)	97-PF-65 (220)	97-FT-65 (222)	97-SES1-65 (225)	94-CITS-65 (226)	97-ESYP-65 (227)	97-S-65 (228)	TOTAL
Revenues									
Federal Sources:									
Restricted Grants-in									
Aid Subgrants	\$ 28,000	\$ 1,965	\$ 43,200	\$ 350,584	\$ 62,609	\$ 20,010	\$ 49,145	\$ 13,215	\$ 568,728
Total Revenues	28,000	1,965	43,200	350,584	62,609	20,010	49,145	13,215	568,728
Expenditures									
Current:									
Instructional									
Special Programs	28,000	1,904	39,207	143,619	48,669	13,203	37,540	13,215	325,357
Support Services:									
Instructional Staff	-	-	2,910	182,087	1,344	-	1,024	-	187,365
School Administration	-	-	-	-	-	-	-	-	-
Business Services	-	-	-	329	-	-	-	-	329
Plant Services	-	-	-	155	1,722	-	1,476	-	3,353
Transportation	-	-	-	-	-	-	9,105	-	9,105
General Administration	-	-	-	5,272	10,874	-	-	-	16,146
Capital Outlay	-	-	-	8,427	-	-	-	-	15,081
Total Expenditures	28,000	1,904	42,117	339,889	62,609	19,857	49,145	13,215	556,736
Excess (Deficiency) of									
Revenues Over Expenditures	-	61	1,083	10,695	-	153	-	-	11,992
Other Financing Sources/(Uses)									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Transfer of Indirect Cost	-	(61)	(1,083)	(10,695)	-	(153)	-	-	(11,992)
Total Other Financing Sources/(Uses)	-	(61)	(1,083)	(10,695)	-	(153)	-	-	(11,992)
Excess (Deficiency) of									
Revenues Over Expenditures and									
Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-	-
Fund Balance at									
Beginning of Year	-	-	-	-	-	-	-	-	-
FUND BALANCE AT									
END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULES OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
VOCATIONAL/ADULT ED SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 1997

	JTA (201)	VOCATIONAL (202)	ADULT EDUCATION (203)	J.A.G. (204)	28-96-CU-1-B/DG (205)	28-96-CU-2-SE (206)	VOC-SEX EQUITY (308)	TOTAL
Revenues								
State Sources:								
Restricted Grants-in- Aid Subgrants	\$ -	\$ -	\$ 28,559	\$ -	\$ -	\$ -	\$ -	\$ 28,559
Federal Sources:								
Restricted Grants-in- Aid Subgrants	41,170	76,502	32,263	32,853	14,427	2,102	8,841	208,158
Total Revenue	41,170	76,502	60,822	32,853	14,427	2,102	8,841	236,717
Expenditures								
Instructional:								
Special Programs	40,634	50,786	47,753	30,363	13,254	2,102	8,841	193,733
Support Services:								
Student Services	-	-	-	2,490	-	-	-	2,490
Instructional Staff	-	-	9,341	-	-	-	-	9,341
General Administration	-	-	-	-	-	-	-	-
Business Services	-	-	158	-	-	-	-	158
Transportation	-	-	-	-	-	-	-	-
Plant Services	536	-	3,310	-	-	-	-	3,846
Capital Outlay	-	25,716	-	-	1,173	-	-	26,889
Total Expenditures	41,170	76,502	60,562	32,853	14,427	2,102	8,841	236,457
Excess (Deficiency) of Revenues Over Expenditures	-	-	260	-	-	-	-	260
Other Financing Sources/(Uses)								
Operating Transfers In	-	-	-	-	-	-	-	-
Transfer of Indirect Cost	-	-	(260)	-	-	-	-	(260)
Total Other Financing Sources/(Uses)	-	-	(260)	-	-	-	-	(260)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,841	\$ -

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
SCHOOL FOOD SERVICES SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1997**

	<u>SCHOOL FOOD SVC. (400)</u>	<u>SUMMER FEEDING (401)</u>	<u>TOTAL</u>
Revenues			
Local Sources:			
School Food Service	\$ 232,940	\$	\$ 232,940
Federal Sources:			
Restricted Grants-in Aid Subgrants	3,427,186	125,282	3,552,468
Total Revenues	<u>3,660,126</u>	<u>125,282</u>	<u>3,785,408</u>
Expenditures			
Support Services:			
Student Services	4,108,408	125,589	4,233,997
General Administration	-		-
School Administration			-
Plant Services			-
Capital Outlay	13,848	932	14,780
Total Expenditures	<u>4,122,256</u>	<u>126,521</u>	<u>4,248,777</u>
Excess (Deficiency) of Revenues Over Expenditures	(462,130)	(1,239)	(463,369)
Other Financing Sources/(Uses)			
Operating Transfers In	308,174	-	308,174
Operating Transfers (Out)	-	-	-
Total Other Financing Sources/(Uses)	<u>308,174</u>	<u>-</u>	<u>308,174</u>
Excess/(Deficiency) of Revenues Over Expenditures and Other Financing Sources/(Uses)	(153,956)	(1,239)	(155,195)
Fund Balance (Deficit) at Beginning of Year	<u>(184,878)</u>	<u>3,111</u>	<u>(181,767)</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ (338,834)</u>	<u>\$ 1,872</u>	<u>\$ (336,962)</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
SALES TAX SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1997**

	<u>12%</u> <u>(110)</u>	<u>88%</u> <u>(111)</u>	<u>NEW</u> <u>(112)</u>	<u>TOTAL</u>
Revenues				
Local Sources:				
Sales and Use Taxes	\$ 409,014	\$ 2,999,435	\$ 5,250,292	\$ 8,658,741
Interest Income	6,393	44,621	41,696	92,710
Total	<u>415,407</u>	<u>3,044,056</u>	<u>5,291,988</u>	<u>8,751,451</u>
Expenditures				
Current:				
Instructional:				
Regular Programs	-	2,017,346	2,979,523	4,996,869
Special Programs	71,930	616,212	1,258,412	1,946,554
Support Services:				
Student Services	5,093	149,055	152,823	306,971
Instructional Staff	3,524	98,495	83,277	185,296
General Administration	1,065	-	3,596	4,661
School Administration	29,157	119,110	155,888	304,155
Business Services	9,751	433	19,644	29,828
Plant Services	105,039	4,300	122,363	231,702
Transportation	59,574	-	52,255	111,829
Other Support Services	5,002	4,299	42,431	51,732
Capital Outlay	-	-	175,149	175,149
Total	<u>290,135</u>	<u>3,009,250</u>	<u>5,045,361</u>	<u>8,344,746</u>
Excess (Deficiency) of Revenues				
Over Expenditures	125,272	34,806	246,627	406,705
Other Financing Sources/(Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	<u>(112,433)</u>	<u>-</u>	<u>(65,000)</u>	<u>(177,433)</u>
Total Other Financing Sources/(Uses)	<u>(112,433)</u>	<u>-</u>	<u>(65,000)</u>	<u>(177,433)</u>
Excess (Deficiency) of Revenues				
Over Expenditures and				
Other Financing Sources/(Uses)	12,839	34,806	181,627	229,272
Fund Balance at				
Beginning of Year	<u>51,966</u>	<u>186,135</u>	<u>644,420</u>	<u>882,521</u>
FUND BALANCE AT				
END OF YEAR	<u>\$ 64,805</u>	<u>\$ 220,941</u>	<u>\$ 826,047</u>	<u>\$ 1,111,793</u>

CITY OF MONROE SCHOOL BOARD
 MONROE, LOUISIANA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 STATE GRANT SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 1997

	ENGLISH PROFICIENCY (120)	GIFTED & TALENTED (121)	L.E.A.P. REMEDATION (122)	HEARING IMPAIRED (132)	W. A. P. (133)	INTERNET WORKSHOP (134)
Revenues						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Funded	-	-	-	-	-	-
Restricted Grants-in Aid	-	-	-	952	3,988	50
Total Revenues	-	-	-	952	3,988	50
Expenditures						
Instructional:						
Special Programs	39,261	11,111	40,767	-	3,988	448
Support Services:						
Plant Services	-	-	1,000	-	-	-
Transportation	-	-	318	-	-	-
General Administration	-	-	-	-	-	-
Capital Outlay	-	-	-	952	-	-
Total Expenditures	39,261	11,111	42,085	952	3,988	448
(Deficiency) of Revenues Over Expenditures	(39,261)	(11,111)	(42,085)	-	-	(398)
Other Financing Sources/(Uses)						
Operating Transfers In	39,261	11,111	42,085	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	39,261	11,111	42,085	-	-	-
Excess/(Deficiency) of Revenues Over Expenditures and Other Financing Sources/(Uses)	-	-	-	-	-	(398)
Fund Balance at Beginning of Year	-	-	-	-	-	398
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
STATE GRANT SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1997

	MIS SERVICES (135)	EARLY CHILDHOOD (151)	MULTI-ARTS (152)	HIGH SCHOOLS THAT WORK (153)	TEXTBOOKS (154)	O.L.A. (155)	COMPUTER ASSISTED DRAFTING (159)
Revenues							
Local Sources	\$ 28,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Funded							
Restricted Grants-in Aid	7,000	55,186	3,684	4,930	30,376	83,424	96,937
Total Revenues	<u>35,026</u>	<u>55,186</u>	<u>3,684</u>	<u>4,930</u>	<u>30,376</u>	<u>83,424</u>	<u>96,937</u>
Expenditures							
Instructional:							
Special Programs	-	55,186	3,684	4,930	30,376	83,424	36,378
Support Services:							
Plant Services	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
General Administration	8,477	-	-	-	-	-	-
Capital Outlay	7,000	-	-	-	-	-	60,559
Total Expenditures	<u>15,477</u>	<u>55,186</u>	<u>3,684</u>	<u>4,930</u>	<u>30,376</u>	<u>83,424</u>	<u>96,937</u>
(Deficiency) of Revenues Over Expenditures	19,549	-	-	-	-	-	-
Other Financing Sources/(Uses)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	-
Excess/(Deficiency) of Revenues Over Expenditures and Other Financing Sources/(Uses)	19,549	-	-	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-	-	-	-
FUND BALANCE AT END OF YEAR	<u>\$ 19,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MONROE SCHOOL BOARD
 MONROE, LOUISIANA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (CONCLUDED)
 STATE GRANT SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 1997

	PRINCIPLES OF TECHNOLOGY (160)	LEARNING NETWORK (161)	VERY SPECIAL ARTS (171)	TRANS- PORTATION GRANT (172)	TOTAL
Revenues					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ 28,026
State Funded					
Restricted Grants-in Aid	30,442	5,000	9,976	-	331,945
Total Revenues	<u>30,442</u>	<u>5,000</u>	<u>9,976</u>	<u>-</u>	<u>359,971</u>
Expenditures					
Instructional:					
Special Programs	-	-	9,976	-	319,529
Support Services:					
Plant Services	-	-	-	-	1,000
Transportation	-	-	-	-	318
General Administration	-	-	-	-	8,477
Capital Outlay	30,442	5,000	-	-	103,953
Total Expenditures	<u>30,442</u>	<u>5,000</u>	<u>9,976</u>	<u>-</u>	<u>433,277</u>
(Deficiency) of Revenues Over Expenditures	-	-	-	-	(73,306)
Other Financing Sources/(Uses)					
Operating Transfers In	-	-	-	-	92,457
Operating Transfers (Out)	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,457</u>
Excess/(Deficiency) of Revenues Over Expenditures and Other Financing Sources/(Uses)	-	-	-	-	19,151
Fund Balance at Beginning of Year	-	-	-	-	398
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,549</u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
DRUG FREE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 1997**

	<u>Drug Free (330)</u>
Revenue	
Federal Restricted Grants-in-Aid Subgrants	\$ 52,731
Total Revenue	<u>52,731</u>
Expenditures	
Instructional:	
Special Programs	-
Support Services:	
Student Services	32,093
Instructional Staff	19,000
Business Services	-
Plant Services	8
Transportation	-
General Administration	-
Total Expenditures	<u>51,101</u>
Excess (Deficiency) of Revenues	
Over Expenditures Before Other	
Financing Sources and (Uses)	1,630
Transfer of Indirect Cost	<u>(1,630)</u>
Excess (Deficiency) of Revenues	
Over Expenditures After Other	
Financing Sources and (Uses)	-
Fund Balance at	
Beginning of Year	<u>-</u>
FUND BALANCE AT	
END OF YEAR	<u><u>\$ -</u></u>

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1997**

	<u>MID-SOUTH (130)</u>	<u>MID-SOUTH 94-95 (131)</u>	<u>STARTING POINT (340)</u>	<u>CHALLENGE GRANT (341)</u>	<u>TOTAL</u>
Revenues					
Local Sources:					
Grant from Private Foundation	\$ -	\$ 66,441	\$ -	\$ -	\$ 66,441
Federal Sources:					
Restricted Grants-In-Aid Subgrants	-	-	50,642	91,575	142,217
Total Revenues	<u>-</u>	<u>66,441</u>	<u>50,642</u>	<u>91,575</u>	<u>208,658</u>
Expenditures					
Current:					
Support Services:					
Other Support	208	64,383	49,077	75,242	188,910
Capital Outlay					
	-	1,815	-	13,955	15,770
Total Expenditures	<u>208</u>	<u>66,198</u>	<u>49,077</u>	<u>89,197</u>	<u>204,680</u>
Excess (Deficiency) of Revenues Over Expenditures					
	(208)	243	1,565	2,378	3,978
Other Financing Sources/(Uses)					
Operating Transfers In	-	-	-	-	
Transfer of Indirect Cost	-	-	(1,565)	(2,378)	(3,943)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>(1,565)</u>	<u>(2,378)</u>	<u>(3,943)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources/(Uses)					
	(208)	243	-	-	35
Fund Balance at Beginning of Year	<u>208</u>	<u>5,520</u>	<u>-</u>	<u>-</u>	<u>5,728</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ 5,763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,763</u>

FIDUCIARY FUNDS

School Activities Fund

The School Activities Fund accounts for all individual school activity funds. While these funds are under 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.

Deferred Compensation Plan Fund

The Deferred Compensation Plan Fund is used to account for participant contributions to and investment earnings from the Section 457 Deferred Compensation Plan adopted by the School Board in fiscal 1997.

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND TYPE - AGENCY FUNDS
SCHOOL ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 1997

	Balance			Balance
	July 1,	Additions	Deductions	June 30,
	1996			1997
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash	\$ 206,313	\$ 1,603,987	\$ (1,603,983)	\$ 206,317
Certificates of Deposit	37,782	179,012	-	216,794
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	\$ 244,095	\$ 1,782,999	\$ (1,603,983)	\$ 423,111
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Amounts Held for Other Organizations	\$ 244,095	\$ 1,782,999	\$ (1,603,983)	\$ 423,111
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	\$ 244,095	\$ 1,782,999	\$ (1,603,983)	\$ 423,111
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND TYPE - AGENCY FUNDS
DEFERRED COMPENSATION PLAN FUND
FOR THE YEAR ENDED JUNE 30, 1997

	Balance		Balance
	July 1,		June 30,
	1996	Additions	1997
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Deferred Compensation Investments	\$ 47,114	\$ 59,283	\$ (3,866)
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	\$ 47,114	\$ 59,283	\$ (3,866)
	<u> </u>	<u> </u>	<u> </u>
LIABILITIES			
Deferred Compensation Liability	\$ 47,114	\$ 59,283	\$ (3,866)
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	\$ 47,114	\$ 59,283	\$ (3,866)
	<u> </u>	<u> </u>	<u> </u>

SUPPLEMENTARY INFORMATION -
GRANT ACTIVITY



Luffey
Huffman
& Monroe

(A Professional Accounting Corporation)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA
Francis I. Huffman, CPA
L. Fred Monroe, CPA
Esther Atteberry, CPA
Carolyn A. Clarke, CPA

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

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

We have audited the financial statements of **City of Monroe School Board** (the School Board) as of and for the year ended June 30, 1997, and have issued our report thereon dated December 19, 1997. We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Compliance

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned Costs as item 97-01.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the School Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 97-01 and 97-02.

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

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, of the reportable conditions described above, we consider item 97-01 to be a material weakness.

This report is intended for the information of management of the School Board, Federal awarding agencies and pass-through entities, other entities granting funds to the School Board and the Legislative Auditor for the state of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Luffay, Huffman & Hanna

December 19, 1997



(A Professional Accounting Corporation)
CERTIFIED PUBLIC ACCOUNTANTS

Luffey
Huffman
& Monroe

John L. Luffey, MBA, CPA
Francis I. Huffman, CPA
L. Fred Monroe, CPA
Esther Atteberry, CPA
Carolyn A. Clarke, CPA

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

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

Compliance

We have audited the compliance of **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, 1997. 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 generally accepted auditing standards; 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, 1997.

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

Internal Control Over Compliance

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

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

This report is intended for the information of management of the School Board, Federal awarding agencies and pass-through entities, other entities granting funds to the School Board and the Legislative Auditor for the state of Louisiana. However, this report is a matter of public record and its distribution is not limited.



December 19, 1997

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1997**

Federal Grants/Pass-Through Grantor/Program Title	C.F.D.A. Number	Federal Assistance I.D. Number	Federal Award Amount	Current Year Expenditures
Direct Programs				
U.S. Department of Education:				
Impact Aid	84.041	28-LA-97-E-2701	\$ 18,658	\$ 18,658
R.O.T.C.	N/A	Not Available	45,948	45,948
			<u>64,606</u>	<u>64,606</u>
Pass Through Programs:				
Louisiana Department of Education:				
Title I of ESEA- Educationally Deprived Children - Local Educational Agencies				
1996 Regular	84.010	96-011-65	3,126,512	44,202
1996 Carryover to 1997	84.010	96-011-65	370,984	370,984
1997 Support Teams	84.010	FY 96-97	9,600	9,600
1997 Regular	84.010	97-IASA-65	3,464,395	3,060,634
			<u>6,971,491</u>	<u>3,485,420 *</u>
Special Education - Individuals With Disabilities Education Act (IDEA) Part B, Sections 611-620 Preschool and School Programs:				
1997 Regular	84.027	97-SESI-65	65,125	62,609
1997 Regular	84.027	97-SCS-65	28,000	28,000
1997 Regular	84.027	97-ESYP-65	53,868	49,145
1997 Regular	84.027	97-FT-65	350,584	350,584
1997 Regular	84.027	97-S-65	13,232	13,215
1996 Carryover	84.027	96-FTC-65	4,612	1,965
Subtotal			<u>515,421</u>	<u>505,518</u>

(Continued)

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1997**

Federal Grants/Pass-Through Grantor/Program Title	C.F.D.A. Number	Federal Assistance I.D. Number	Federal Award Amount	Current Year Expenditures
Pass-Through Programs:				
Louisiana Department of Education: (Continued)				
Special Education - Individuals With Disabilities Education Act (IDEA) Part B, Sections 611-620 Preschool and School Programs:				
1996 Carryover	84.181	95/96-CIT3-65	34,960	20,010
1997 Regular	84.173	97-PF-65	46,800	43,200
1996 Carryover	84.173	96-PF-65	36,708	0
Total Special Education			633,889	568,728
Vocational Education				
Basic State Grants				
1996 Carryover	84.048	28-96-CU-2B/BG	69,654	14,427
1997 Regular	84.048	28-97-CU-2B/BG	144,005	76,502
1996 Carryover	84.048	28-96-CU-2-SE	5,138	2,102
1997 Regular	84.048	28-97-CU-2-SE	15,000	8,841
Total Vocational Education			233,797	101,872
Title VI of ESEA-				
Federal, State and Local Partnership Educational Improvement				
1995 Carryover	84.151	28-95-0065-6	12,897	7,102
1996 Carryover	84.151	28-96-0065-2	5,794	5,791
1997 Regular	84.151	97-IASA-65-6	58,959	57,212
Total ESEA Title VI			77,650	70,105

(Continued)

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1997**

Federal Grants/Pass-Through Grantor/Program Title	C.F.D.A. Number	Federal Assistance I.D. Number	Federal Award Amount	Current Year Expenditures
Pass-Through Programs:				
Louisiana Department of Education: (Continued)				
Title II of ESEA-				
Eisenhower Mathematics And Science Education				
1996 Carryover to 1997	84.298	28-96-5065-II	4,650	4,650
1997 Regular	84.298	97-IASA-65-2	71,209	63,477
Total ESEA Title II			<u>75,859</u>	<u>68,127</u>
Drug-Free Schools and Communities (Title IV)				
1997 Regular	84.186	97-IASA-65-4	57,788	52,731
Total Drug-Free			<u>57,788</u>	<u>52,731</u>
Adult Education - State - Administered				
Basic Grant	84.002	Not Available	60,822	60,822
Challenge Grant	N/A	Not Available	116,718	91,575
Total U.S. Department of Education			<u>8,228,014</u>	<u>4,499,380</u>
U.S. Department of Agriculture:				
Pass-Through Programs:				
Louisiana Department of Education:				
National School Lunch Sec II				
	10.555	Not Available	3,480,000	3,427,186 *
Summer Food Special	10.559	Not Available	126,521	125,282
Subtotal School Food Service			<u>3,606,521</u>	<u>3,552,468</u>
Nutrition Teams - Access	N/A	Not Available	4,000	4,000
Nutrition Teams - Equipment	N/A	Not Available	3,000	3,000
Total U.S. Department of Agriculture			<u>3,613,521</u>	<u>3,559,468</u>

(Continued)

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 1997**

Federal Grants/Pass-Through Grantor/Program Title	C.F.D.A. Number	Federal Assistance I.D. Number	Federal Award Amount	Current Year Expenditures
U.S. Department of Labor:				
Pass-Through Programs:				
Ouachita Parish Police Jury:				
Job Training Partnership Act:				
Title II-B Summer Youth	17.250	96/97-81-2B-02	50,000	41,170
Jobs for America's Graduates	N/A	6-08-175-3081-2	44,015	32,853
Total U.S. Department of Labor			<u>94,015</u>	<u>74,023</u>
Corporation for National and Community Service				
Pass-Through Programs:				
Louisiana Department of Education				
Starting Point Grant	94.575	Not Available	59,786	50,642
			<u>59,786</u>	<u>50,642</u>
GRAND TOTAL				\$ <u>8,248,119</u>

* Denotes Major Program

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, 1997**

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 general purpose financial statements.

C. Relationship to Special Revenue Funds

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, 1997:

	<u>Title I</u>	<u>Title VI</u>	<u>Title II</u>	<u>Special Education</u>	<u>Drug Free</u>
Total Expenditures	\$ 3,378,916	\$ 69,048	\$ 66,021	\$ 556,736	\$ 51,101
Transfer of					
Indirect Cost	<u>106,504</u>	<u>1,057</u>	<u>2,106</u>	<u>11,992</u>	<u>1,630</u>
Expenditures per Schedule	<u>\$ 3,485,420</u>	<u>\$ 70,105</u>	<u>\$ 68,127</u>	<u>\$ 568,728</u>	<u>\$ 52,731</u>
	<u>Adult Ed- Basic Grant</u>	<u>Challenge Grant</u>	<u>Starting Point</u>		
Total Expenditures	\$ 60,562	\$ 89,197	\$ 49,077		
Transfer of					
Indirect Cost	<u>260</u>	<u>2,378</u>	<u>1,565</u>		
Expenditures per Schedule	<u>\$ 60,822</u>	<u>\$ 91,575</u>	<u>\$ 50,642</u>		

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1997**

Summary of Auditors Results:

- 1) The audit report on the City of Monroe School Board (the School Board) covering the fiscal year ended June 30, 1997 was unqualified;
- 2) Reportable conditions, as further discussed below, were disclosed by the audit of the financial statements of the School Board and item 97-01 is considered a material weakness;
- 3) The audit of the financial statements disclosed an instance of noncompliance which is considered to be material to the general purpose financial statements of the School Board;
- 4) The auditors' report on the School Board's compliance with requirements applicable to each major program was unqualified;
- 5) The audit of the School Board's compliance with requirements applicable to each major program did not disclose any findings required to be reported under the provisions of OMB Circular A-133 Section .510(a);
- 6) Major Federal programs for purposes of the report on compliance with the requirements applicable to each major program were the *National School Lunch Program* (CFDA No. 10.555) and Title I of the *Elementary and Secondary Education Act*, as amended by the *Improving America's Schools Act* (CFDA No. 84.010);
- 7) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000; and,
- 8) The School Board qualified as a low-risk auditee under the provisions of OMB Circular A-133 section .530.

(Continued)

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 1997**

Findings Related to the Financial Statements which are required to be reported under Government Auditing Standards:

97-01 *Incomplete Fixed Asset Records*

During the fiscal year ended June 30, 1996 the School Board conducted an inventory of *non-Federal general fixed assets and enacted procedural changes to provide for accurate maintenance of fixed asset records in accordance with state law*. These statutes specify, in part, that a master file shall be maintained which contains a description of the property, its serial number (if any), the original cost of the property and its physical location. In our test of the non-Federal fixed asset records of the School Board, we determined that general fixed assets, primarily equipment and furnishings, were not included on the master listing of general fixed assets. The cost of the omitted items totaled approximately \$232,000.

We recommend the School Board review expenditures charged to capital outlay accounts on a monthly basis in the major funds (New Sales Tax fund and Capital Projects Fund) and evaluate the expenditures for appropriate inclusion in or exclusion from the master file of general fixed assets. After identification, the assets can be properly tagged for identification and the original cost and location noted for timely inclusion in the master file.

97-02 *Adoption of Deficit Budget – School Food Services*

Louisiana Revised Statutes LRS39:301 (the Louisiana Local Government Budget Act) specifies, in part, that “In no event shall a budget amendment be adopted proposing expenditures which exceed the total amount of estimated funds available for the fiscal year.” The amended budget for the School Food Service special revenue fund included revenues and other sources of \$4,030,000 and related expenditures and other uses of \$4,055,000. For purposes of budget adoption, expenditures are in excess of estimated funds available by \$25,000.

We recommend that the Business Office review the summary budgets prior to original adoption and any subsequent amendment prior to board action to ensure that in all cases expenditures are within available revenues.

Findings and Questioned Costs for Federal Awards

There are no findings or questioned costs for Federal awards, including those specified by OMB Circular A-133.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 1997**

In accordance with OMB Circular A-133, this schedule presents the corrective action plan of management of the City of Monroe School Board (the School Board) relating to the findings included in the accompanying Schedule of Findings and Questioned Costs:

97-01 Fixed Asset Records

The Business Department of the School Board will review our Fixed Asset Accounting System – Guidelines and Procedures dated May 2, 1996 to specifically address the inclusion of capital outlay accounts in the New Sales Tax and Capital Project Funds as it relates to general fixed assets. A review will be made on a monthly basis to ensure that long-lived assets under our stewardship are properly identified, tagged, costed and located for timely inclusion in the master file.

This review and subsequent action shall be completed by March 1, 1998 with the master file updated. Ms. Kandy Mullins, Business Office Coordinator will assist Mr. Joseph W. Lane, Jr., Assistant Superintendent, with this procedure.

97-02 Adoption of Deficit Budgets

The review process recommended by our auditor is an excellent one. We have implemented such a review by our finance committee for the 1997-1998 fiscal year. All Special Revenue Fund summary budgets will be provided to the finance committee along with detail, prior to board action.

Ms. Kimblea Smalling, Accounting and Payroll Manager, will be responsible for providing this information to the Finance Committee.

**CITY OF MONROE SCHOOL BOARD
MONROE, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS**

The following is a summary of the status of the material prior year findings included in Luffey, Huffman & Monroe's reports on internal controls and compliance dated December 6, 1996 covering our examination of the financial statements of the Monroe City School Board as of and for the year ended June 30, 1996:

Internal Control

Finding:

Retainage in the amount of \$527,000 had not been recorded in the Capital Projects Fund general ledger.

Status:

Cleared in fiscal 1997.

Compliance

Finding:

Noncompliance with Louisiana Budget Act.

Status:

Repeat finding in fiscal 1997.

Finding:

The General Fund had an outstanding loan from the Capital Projects Fund in the amount of \$1,100,000 at June 30, 1997. It was unclear if the provisions of the underlying bond call allowed the advancing of funds to other funds for cash flow purposes.

Status:

Cleared in fiscal 1997.

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, 1997**

	<u>District</u>	<u>Compensation</u>
Victoria Dayton	1	\$ 9,600
Tony Cain	2	9,600
Nerissa Bryant	3	9,600
Jessie Handy	4	9,600
Curtis Armand	5	9,600
Harold McCoy, President	6	10,800
Prentiss Love	7	<u>9,600</u>
		<u>\$ 68,400</u>