

**SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2005**

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

Release Date 1/4/06

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
TABLE OF CONTENTS
JUNE 30, 2005

	<u>EXHIBIT</u>	<u>SCHEDULE</u>	<u>PAGE</u>
Affidavit	-	-	1
Independent Auditors' Report	-	-	2
Management's Discussion and Analysis	-	-	3
Statement of Net Assets	A	-	8
Statement of Activities	B	-	9
Balance Sheet - Governmental Funds	C	-	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D	-	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	E	-	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	-	13
Statement of Fiduciary Assets and Liabilities - Fiduciary Funds	G	-	14
Notes to the Financial Statements	-	-	15
Required Supplementary Information	-	-	28
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds - Budget (GAAP Basis) and Actual - General Fund	-	1	29
Other Supplementary Information	-	-	30
General	-	-	31
Schedule of Compensation Paid Board Members	-	2	32
Schedule of Findings and Questioned Costs	-	3	33
Schedule of Expenditures of Federal Awards	-	4	34
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	-	-	35
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	-	-	36

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
TABLE OF CONTENTS (CONTINUED)
JUNE 30, 2005

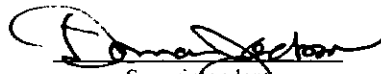
	<u>EXHIBIT</u>	<u>SCHEDULE</u>	<u>PAGE</u>
Summary Schedule of Prior Audit Findings	-	5	37
Corrective Action Plan for Current Year Audit Findings	-	6	38
SCHEDULES REQUIRED BY STATE LAW			
(R.S. 24:514 Performance and Statistical Data):			
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	-	7	39
Education Levels of Public School Staff	-	8	40
Number and Type of Public Schools	-	9	41
Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers	-	10	42
Public School Staff Data: Average Salaries	-	11	43
Class Size Characteristics	-	12	44
Louisiana Educational Assessment Program (LEAP)	-	13	45
Graduation Exit Examination (GEE)	-	14	46
The IOWA Tests	-	15	47
Report on Applying Agreed-Upon Procedures to the Management of Sabine Parish School Board	-	-	48

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Dorman Jackson, Superintendent of the Sabine Parish School Board, who, duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Sabine Parish School Board, at June 30, 2005 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.


Superintendent

Sworn to and subscribed before me, this 16th day of December, 2005.


NOTARY PUBLIC ID# 033269

HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2188 - 133 EAST FIFTH STREET
NATCHITOCHES, LA 71457

A. NEILL JACKSON, JR., CPA
1926-1999

FRANK S. HINES, CPA
LEWIS C. HINES, CPA
E. MERLIN SQUIYRES, CPA
JAY H. SHEFFIELD, CPA

Telephone (318) 352-6458
FAX (318) 352-0404
office@hjhcpa.biz

INDEPENDENT AUDITORS' REPORT

Board Members
Sabine Parish School Board
Many, Louisiana 71449

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sabine Parish School Board, Many, Louisiana, as of and for the year ended June 30, 2005, which collectively comprise the Sabine Parish School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Sabine Parish School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 accounts 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Sabine Parish School Board, Many, Louisiana, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 16, 2005 on our consideration of the Sabine Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3 through 7 and 29, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Sabine Parish School Board's basic financial statements. The accompanying supplementary information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The financial information for the year ended June 30, 2004, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated December 8, 2004, on the basic financial statements of the Sabine Parish School Board.

Hines, Jackson & Hines
Natchitoches, Louisiana
December 16, 2005

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005

The Management's Discussion and Analysis of the Sabine Parish School Board's financial performance presents a narrative overview and analysis of Sabine Parish School Board's financial activities for the year ended June 30, 2005. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the Sabine Parish School Board's financial statements, which begin on page 8.

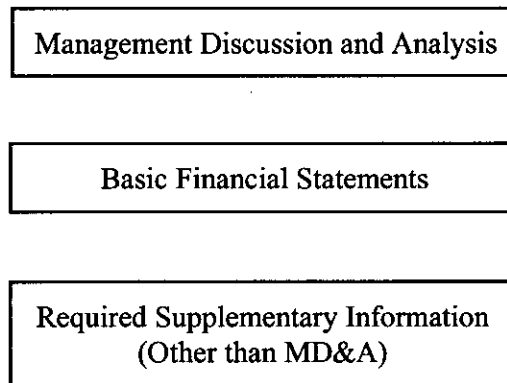
FINANCIAL HIGHLIGHTS

- 1) The Sabine Parish School Board had cash and investments of \$9,319,245 at June 30, 2005 which represents an increase of \$1,545,976 from prior year end.
- 2) The Sabine Parish School Board had receivables of \$2,120,471 at June 30, 2005 which represents a decrease of \$97,043 from prior year end.
- 3) The Sabine Parish School Board had accounts payable and accruals of \$3,639,593 at June 30, 2005 which represents an increase of \$384,990 from prior year end.
- 4) The Sabine Parish School Board had total revenues of \$34,117,637 for the year ended June 30, 2005 which represents an increase of \$1,044,480 from prior year.
- 5) The Sabine Parish School Board had taxes of \$7,105,014 for the year ended June 30, 2005 which represents an increase of \$330,449 from prior year.
- 6) The Sabine Parish School Board had minimum foundation program revenues of \$18,173,628 for the year ended June 30, 2005 which represents an increase of \$104,612 from prior year.
- 7) The Sabine Parish School Board had other state source revenues of \$1,102,276 for the year ended June 30, 2005 which represents a decrease of \$138,608 from prior year.
- 8) The Sabine Parish School Board had federal source revenues of \$6,748,674 for the year ended June 30, 2005 which represents an increase of \$536,650 from prior year.
- 9) The Sabine Parish School Board had instructional services expenses of \$17,337,192 for the year ended June 30, 2005 which represents an increase of \$108,897 from prior year.
- 10) The Sabine Parish School Board had support services expenses of \$10,720,857 for the year ended June 30, 2005 which represents a decrease of \$139,148 from prior year.
- 11) The Sabine Parish School Board had capital asset purchases of \$165,163 for the year ended June 30, 2005 which represents a decrease of \$1,306,017 from prior year.
- 12) The Sabine Parish School Board had debt services payments of \$2,501,778 for the year ended June 30, 2005 which represents a decrease of \$1,215,539 from prior year.

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2005

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Sabine Parish School Board as established by *Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of the Sabine Parish School Board as a whole and present a longer-term view of the School Board's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the School Board's net assets and changes in them. You can think of the School Board's net assets, the difference between assets and liabilities, as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 10. All of the School Board's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's activities as well as what remains for future spending.

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2005

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	2005	2004
Current and other assets	\$ 11,493,908	\$ 10,028,687
Capital assets, net	<u>26,633,994</u>	<u>27,762,451</u>
Total Assets	<u>\$ 38,127,902</u>	<u>\$ 37,791,138</u>
Other liabilities	\$ 3,963,319	\$ 3,594,788
Compensated absences payable	528,317	498,037
Certificates of indebtedness	1,755,000	1,875,000
General obligation bonds	<u>20,345,000</u>	<u>21,550,000</u>
Total Liabilities	26,591,636	27,517,825
Net assets		
Investment in capital assets, net of related debt	4,533,994	4,337,451
Restricted	1,637,674	1,427,387
Unrestricted	<u>5,364,598</u>	<u>4,508,475</u>
Total Net Assets	<u>11,536,266</u>	<u>10,273,313</u>
Total Liabilities and Net Assets	<u>\$ 38,127,902</u>	<u>\$ 37,791,138</u>

Net assets of the Sabine Parish School Board's increased by \$1,262,953 or 12.29% from the previous fiscal year. The increase is the result of operating and non-operating revenues exceeding expenses during the fiscal year ended 2005 (See table below).

Statement of Activities
For the Year Ended

	2005	2004
General government		
Expenses	\$ (32,854,684)	\$ (32,851,542)
Program revenues		
Charges for services	405,254	374,130
Operating and capital grants and contributions	<u>7,698,729</u>	<u>7,298,956</u>
Subtotal	(24,750,701)	(25,178,456)
Taxes	7,105,014	6,774,565
Minimum Foundation revenues	18,173,628	18,069,016
Other	<u>735,012</u>	<u>556,490</u>
Change in net assets	<u>\$ 1,262,953</u>	<u>\$ 221,615</u>

The Sabine Parish School Board's total revenues increased by \$1,044,480 or 3.16% from the previous year. The total cost of all programs and services increased by \$3,142 or 0.01% from the previous year.

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2005

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2005, the Sabine Parish School Board had \$26,633,994, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net decrease (including additions and deductions) of \$1,128,457 or 4.06% from the previous year.

Capital Assets at Year End (Net of Depreciation)		2005	2004
Land		\$ 321,743	\$ 291,743
Buildings and building improvements		25,503,894	26,615,151
Automobiles and equipment		808,357	855,557
Total		\$ 26,633,994	\$ 27,762,451

This year's major additions included:

Land	\$	30,000
Automobiles and equipment	\$	135,163

This year's major retirements included:

Automobiles and equipment	\$	73,985
---------------------------	----	--------

Debt

The Sabine Parish School Board had \$22,628,317 in outstanding debt at year end compared to \$23,923,037 at the previous year end, a decrease of \$1,294,720 or 5.41% as shown in the table below.

Outstanding Debt at Year End		2005	2004
Compensated absences payable		\$ 528,317	\$ 498,037
Certificate of indebtedness		1,755,000	1,875,000
General obligation bonds		20,345,000	21,550,000
Totals		\$ 22,628,317	\$ 23,923,037

New debt during the year included:

None.

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2005

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$610,881 more than budgeted amounts due to local revenues being greater than expected.

Actual expenditures were \$364,834 less than budgeted amounts due to student services and general administration expenses being less than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Sabine Parish School Board's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Minimum foundation program revenues
- 2) Taxes (ad valorem and sales)
- 3) Intergovernmental revenues (federal and state grants)

The Sabine Parish School Board does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE SABINE PARISH SCHOOL BOARD'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Sabine Parish School Board's finances and to show the Sabine Parish School Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dorman Jackson, Superintendent, Post Office Box 1079, Many, Louisiana 71449.

EXHIBIT A

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 6,211,496	\$ 6,673,889
Investments	3,107,749	1,099,380
Receivable	2,120,471	2,217,514
Inventories	35,435	27,070
Prepaid expenses	<u>18,757</u>	<u>10,834</u>
Total Current Assets	11,493,908	10,028,687
Noncurrent Assets		
Capital assets, net	<u>26,633,994</u>	<u>27,762,451</u>
Total Assets	<u>\$ 38,127,902</u>	<u>\$ 37,791,138</u>
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Current portion of certificate of indebtedness	\$ 120,000	\$ 120,000
Current portion of bonds payable	1,269,000	1,205,000
Accounts payable and accruals	3,639,593	3,254,603
Interest payable	<u>323,726</u>	<u>340,185</u>
Total Current Liabilities	5,352,319	4,919,788
Noncurrent Liabilities		
Compensated Absences payable	528,317	498,037
Certificate of indebtedness, net of current portion	1,635,000	1,755,000
Bonds payable, net of current portion	<u>19,076,000</u>	<u>20,345,000</u>
Total Liabilities	26,591,636	27,517,825
Net Assets		
Investment in capital assets, net of related debt	4,533,994	4,337,451
Restricted		
Retirement of long-term debt	1,344,892	1,139,520
Construction and renovations of capital assets	292,782	272,205
Other	0	15,662
Unrestricted	<u>5,364,598</u>	<u>4,508,475</u>
Total Net Assets	<u>11,536,266</u>	<u>10,273,313</u>
Total Liabilities and Net Assets	<u>\$ 38,127,902</u>	<u>\$ 37,791,138</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

**SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

	2005			2004		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets	Revenue and Changes in Net Assets
Governmental Activities						
Instruction						
Regular programs	\$ 10,568,844	\$ 0	1,012,357	\$ 0	(9,556,487)	\$ (9,376,203)
Special programs	5,486,437	0	2,524,296	0	(2,962,141)	(3,078,678)
Adult and continuing education	1,281,911	0	153,979	0	(1,125,932)	(1,163,992)
Support services						
Student services	1,058,327	0	438,619	0	(619,708)	(622,238)
Instructional staff support	2,480,687	0	1,713,493	0	(767,194)	(980,718)
General administration	532,239	0	5,846	0	(526,393)	(486,030)
School administration	1,413,219	0	34,972	0	(1,378,247)	(1,475,514)
Business services	297,732	0	28,644	0	(269,088)	(274,674)
Plant services	2,471,359	0	235,583	0	(2,235,776)	(2,551,778)
Student transportation services	2,467,294	0	90,067	0	(2,377,227)	(2,282,843)
Central services	278,119	0	35,106	0	(243,013)	(236,612)
Food services	2,117,548	405,254	1,386,343	0	(325,951)	(373,833)
Community services	3,318	0	3,526	0	208	138
Interest on long-term debt	1,160,319	0	0	0	(1,160,319)	(1,221,370)
Depreciation (unallocated)	1,237,331	0	0	33,898	(1,203,433)	(1,054,111)
Total General Activities	\$ 32,854,684	\$ 405,254	\$ 7,664,831	\$ 33,898	(24,750,701)	(25,178,456)
General Revenues						
Property taxes					3,575,638	3,538,332
Sales taxes					3,529,376	3,236,233
State revenue sharing					152,221	153,952
Minimum foundation program (MFP) revenues					18,173,628	18,069,016
Interest income					194,904	184,733
Miscellaneous					387,887	217,805
Total General Revenues					26,013,654	25,400,071
Change in Net Assets					1,262,953	221,615
Net Assets, Beginning of year					10,273,313	10,051,698
Net Assets, End of year					\$ 11,536,266	\$ 10,273,313

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005 AND 2004

	2005				2004
	General Fund	Debt Service	Other Governmental Funds	Total	Total
Assets					
Cash and cash equivalents	\$ 4,096,452	\$ 751,085	\$ 1,363,959	\$ 6,211,496	\$ 6,673,889
Investments	1,729,425	537,651	840,673	3,107,749	1,099,380
Receivable	584,235	4,521	1,531,715	2,120,471	2,217,514
Interfund receivable	1,075,173	51,635	0	1,126,808	861,599
Inventories	0	0	35,435	35,435	27,070
Prepaid expenses	0	0	18,757	18,757	10,834
Total Assets	<u>\$ 7,485,285</u>	<u>\$ 1,344,892</u>	<u>\$ 3,790,539</u>	<u>\$ 12,620,716</u>	<u>\$ 10,890,286</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable and accruals	\$ 3,246,107	\$ 0	\$ 393,486	\$ 3,639,593	\$ 3,254,603
Interfund payables	0	0	1,126,808	1,126,808	861,599
Total Liabilities	3,246,107	0	1,520,294	4,766,401	4,116,202
Fund Balances					
Reserved					
Retirement of long-term debt	0	1,344,892	0	1,344,892	1,139,520
Construction and renovations of capital assets	0	0	292,782	292,782	272,205
Other	0	0	0	0	15,662
Unreserved	<u>4,239,178</u>	<u>0</u>	<u>1,977,463</u>	<u>6,216,641</u>	<u>5,346,697</u>
Total Net Assets	<u>4,239,178</u>	<u>1,344,892</u>	<u>2,270,245</u>	<u>7,854,315</u>	<u>6,774,084</u>
Total Liabilities and Fund Balances	<u>\$ 7,485,285</u>	<u>\$ 1,344,892</u>	<u>\$ 3,790,539</u>	<u>\$ 12,620,716</u>	<u>\$ 10,890,286</u>

The accompanying notes are an integral part of this statements.

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2005

Total Fund Balances for Governmental Funds (Exhibit C) \$ 7,854,315

Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 321,743	
Buildings and building improvements, net of \$13,096,077 in accumulated depreciation	25,503,894	
Automobiles and equipment, net of \$1,285,378 in accumulated depreciation	<u>808,357</u>	
Total Capital Assets		26,633,994

Elimination of interfund assets and liabilities

Interfund receivables	(1,126,808)	
Interfund payables	<u>1,126,808</u>	
Net Interfund Assets and Liabilities		0

Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund liabilities. Interest on long-term debt is not accrued in government funds, but rather is recognized as an expenditure when due. Long-term liabilities and accrued interest on long-term debts are reported in the statement of net assets. Long-term liabilities and accrued interest on long-term debt at year end consist of:

Interest payable	\$ 323,726	
Compensated absences payable	528,317	
Certificate of indebtedness	1,755,000	
Bonds payable	<u>20,345,000</u>	
Total Long-term Liabilities		<u>(22,952,043)</u>

Total Net Assets of Governmental Activities (Exhibit A) \$ 11,536,266

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	2005			2004	
	General Fund	Debt Service	Other Governmental Funds	Total	Total
Revenues					
Local Sources					
Taxes: Ad valorem	\$ 1,028,738	\$ 1,955,685	\$ 591,215	\$ 3,575,638	\$ 3,538,332
Taxes: Sales and use	2,352,804	0	1,176,572	3,529,376	3,236,233
Interest earnings	125,405	26,000	43,499	194,904	184,733
Charges for services	0	0	405,254	405,254	374,130
Other	299,735	4,522	83,630	387,887	217,806
State Sources					
Minimum foundation program (MFP)	18,030,772	0	142,856	18,173,628	18,069,016
Other	1,041,451	0	60,825	1,102,276	1,240,884
Federal Sources	0	0	6,748,674	6,748,674	6,212,024
Total Revenues	<u>22,878,905</u>	<u>1,986,207</u>	<u>9,252,525</u>	<u>34,117,637</u>	<u>33,073,158</u>
Expenditures					
Current					
Instruction					
Regular programs	9,847,758	0	634,517	10,482,275	10,379,166
Special programs	3,266,754	0	2,219,683	5,486,437	5,411,320
Adult and continuing education	1,156,635	0	125,276	1,281,911	1,320,837
Support Services					
Student services	646,217	0	412,110	1,058,327	941,057
Instructional staff support	902,166	0	1,578,521	2,480,687	2,463,221
General administration	499,352	3,814	29,073	532,239	490,990
School administration	1,381,280	0	31,939	1,413,219	1,490,002
Business services	270,728	0	27,004	297,732	302,168
Plant services	1,569,022	0	902,337	2,471,359	2,734,815
Student transportation services	2,323,964	0	143,330	2,467,294	2,437,752
Central services	278,069	0	50	278,119	280,294
Food services	2,703	0	2,114,845	2,117,548	2,100,276
Community services	0	0	3,318	3,318	3,193
Capital outlay	30,000	0	135,163	165,163	1,471,180
Debt Service					
Principal retirement	68,000	1,250,000	7,000	1,325,000	2,480,000
Interest and bank charges	49,082	1,122,652	5,044	1,176,778	1,237,317
Total Expenditures	<u>22,291,730</u>	<u>2,376,466</u>	<u>8,369,210</u>	<u>33,037,406</u>	<u>35,543,588</u>
Excess/(Deficiency) of Revenues Over Expenditures	587,175	(390,259)	883,315	1,080,231	(2,470,430)
Other Financing Sources/(Uses)					
Operating transfers in	154,195	595,631	0	749,826	637,718
Operating transfers out	0	0	(749,826)	(749,826)	(637,718)
Proceeds from issuing of certificates of indebtedness and bonds	0	0	0	0	1,231,000
Total Other Financing Sources/(Uses)	<u>154,195</u>	<u>595,631</u>	<u>(749,826)</u>	<u>0</u>	<u>1,231,000</u>
Net Changes In Fund Balances	741,370	205,372	133,489	1,080,231	(1,239,430)
Fund Balances, Beginning of year	<u>3,497,808</u>	<u>1,139,520</u>	<u>2,136,756</u>	<u>6,774,084</u>	<u>8,013,514</u>
Fund Balances, End of year	<u>\$ 4,239,178</u>	<u>\$ 1,344,892</u>	<u>\$ 2,270,245</u>	<u>\$ 7,854,315</u>	<u>\$ 6,774,084</u>

The accompanying notes are an integral part of this statement.

EXHIBIT F

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ 1,080,231

The change in Net Assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$1,237,331) exceeds capital outlays (\$165,163) in the current period. (1,072,168)

Some expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (70,110)

Repayment of certificates of indebtedness and bonds payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,325,000

Change in Net Assets of Governmental Activities (Exhibit B) \$ 1,262,953

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Assets		
Cash	\$ <u>356,433</u>	\$ <u>322,665</u>
Total Assets	<u>\$ 356,433</u>	<u>\$ 322,665</u>
Liabilities		
Due to other governments	\$ <u>356,433</u>	\$ <u>322,665</u>
Total Liabilities	<u>\$ 356,433</u>	<u>\$ 322,665</u>

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

INTRODUCTION

The Sabine Parish School Board was created by Louisiana Revised Statute (LSA R.S.) 17:51 to provide public education for the children within Sabine Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of seven members who are elected from their respective districts for terms of four years.

The School Board operates fourteen schools within the parish with a total enrollment of approximately 4,022 pupils. In conjunction with the regular educational programs, some of these schools offer special educations and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements of the Sabine Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. Reporting Entity

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected school board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

C. Funds

The School Board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School Board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the School Board are classified into two categories: governmental and fiduciary, as follows:

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Funds (Continued)

Governmental Funds

Governmental funds account for all or most of the School Board's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. *The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the School Board.* The following are the School Board's primary governmental funds:

General Fund - the primary operating fund of the School Board and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to School Board policy.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, or designated by the School Board to be accounted for separately.

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only fund accounted for in this category by the School Board is the agency fund. The agency fund accounts for assets held by the School Board as an agent for the schools, and school organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency fund has no measurement focus, but does use the modified accrual basis of accounting.

D. Measurement Focus/Basis of Accounting

Government - Wide Financial Statements

The Statement of Net Assets (exhibit A) and the Statement of Activities (exhibit B) display information about the reporting government as a whole. These statements include all the financial activities of the School Board, except for the fiduciary fund. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets (exhibit G) at the fund financial statement level.

The government - wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus/Basis of Accounting (Continued)

Fund Financial Statements

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet (exhibit C). The Statement of Revenues, Expenditures, and Changes in Fund Balances (exhibit E) reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government - wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government - wide statements and the statements for governmental funds.

Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds and the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis. Taxes are levied on October 31 and are payable upon receipt of notice. Ad valorem taxes attach as an enforceable lien on property on December 31 of each year, and become delinquent on January 1.

Sales and use tax revenues are recorded in the month collected by the tax collector.

Entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Federal and state grants are recorded when the reimbursable expenditures have been incurred.

Other receipts become measurable and available when cash is received by the school board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees who elect to be paid over twelve months are accrued at June 30.

Other Financing Sources/(Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishment, long-term proceeds, et cetera) are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Sabine Parish School Board prepares and adopts a budget prior to July 1 of each year for its general and all special revenue funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The School Board amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. The School Board approves the overall budget at the function level and management has authority to transfer amounts between line items within a function. All budget appropriations lapse at year end.

F. Cash and Cash Equivalents

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

G. Investments

Investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

I. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2005, \$0 were considered to be uncollectible.

J. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivable/payables.

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Inventory

Paper, pencils and other miscellaneous supplies are expensed when purchased due to the very small amount of inventory maintained. Purchases of food items in the school food service special revenue fund are inventoried.

Inventory of the school food service special revenue fund consists of food purchases by the school board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. All items purchased are valued at the lower of cost, using the first-in, first-out (FIFO) method, or market. Costs are recorded as expenditures at the time individual items are consumed (consumption method). Commodities are assigned values based on information provided by the United States Department of Agriculture, also on a FIFO basis.

L. Capital Assets

All capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Sabine Parish School Board are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

M. Compensated Absences

Sabine Parish School Board employees earn annual and sick leave at various rates depending on the number of years in service. The amount of annual and sick leave that may be accumulated is 320 hours and unlimited, respectively. Several employees have been allowed accumulated annual leave in excess of the 320 hours for time accumulated under the previous policies, which allowed for unlimited annual leave. Upon termination, an employee is compensated for up to 320 hours of unused annual and 200 hours of sick leave at the employee's hourly rate of pay at the time of termination.

Under the Louisiana Teachers Retirement System, the total unused accumulated sick leave, including the 200 hours paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers Retirement System and for sick leave earned under the Louisiana School Employees Retirement System, all unpaid sick leave, which excludes the 200 hours paid, is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for rest and recuperation and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the school board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leave benefits are recorded as expenditures in the period paid.

N. Restricted Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either 1) externally imposed by creditors (such as debt covenants), grantors, contributions, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

P. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

Q. Sales Taxes

The Sabine Parish School Board collects a one percent parish-wide sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to supplement salaries of school board employees and/or operations of the public schools within the parish.

The Sabine Parish School Board collects a one-half of one percent sales and use tax within the territorial boundaries of the Many School District (Sales Tax District No. 1) with the net proceeds, after deducting costs of collection and administration, dedicated to construction, improving, operating, and maintaining the public school buildings and facilities of Sales Tax District No. 1. Additionally, the School Board is authorized to fund the proceeds of the tax in bonds to be issued for any capital purpose of Sale Tax District No. 1.

The Sabine Parish School Board collects a one-half of one percent sales and use tax within the territorial boundaries of Sabine Parish less the Many School District (Sales Tax District No. 2) with the net proceeds, after deducting costs of collection and administration, dedicated to construction, improving, operating, and maintaining the public school buildings and facilities of Sales Tax District No. 2. The proceeds of the tax are to be allocated for expenditures within the various schools underlying the District prorated on a per pupil basis. Additionally, the School Board is authorized to fund the proceeds of the tax in bonds to be issued for any capital purpose of Sale Tax District No. 2.

R. Estimates

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

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005

NOTE 2 LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

Parish-wide taxes	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Constitutional	4.80	4.80	Statutory
Maintenance	8.10	8.10	2010
District #8	58.52	58.52	2015
District #17	29.21	29.21	2015
District #20	24.76	24.76	2015
District #34	30.23	30.23	2015
District #42	21.74	21.74	2010
District #61	56.24	56.24	2008
District #62	31.63	31.63	2015

NOTE 3 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the Sabine Parish School Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the School Board may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts mutually acceptable to both parties. At June 30, 2005, the Sabine Parish School Board had bank deposits per balance sheet of \$6,667,929, as follows:

Demand deposits	\$	111
Interest-bearing demand deposits		6,567,818
Certificates of Deposit, maturities greater than 90 days		<u>100,000</u>
Total		<u>\$ 6,667,929</u>

The deposits at June 30, 2005 were secured as follows:

Bank Balances (Category 3 Only, If Any)	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
a. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	0	0	0
Total Category 3 Bank Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Bank Balances (All Categories Including Category 3 Reported Above)	<u>\$ 7,517,228</u>	<u>\$ 100,000</u>	<u>\$ 7,617,228</u>

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005

NOTE 3 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

A. Deposits with Financial Institutions (Continued)

The following is a breakdown by banking institution and amount of the balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
Sabine State Bank	\$ 325,100
Peoples State Bank	7,292,017
City Bank & Trust Co.	111
Total	<u>\$ 7,617,228</u>

B. Investments

The Sabine Parish School Board maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the Sabine Parish School Board may invest in obligations of the U. S. Treasury and U. S. Agencies, or certificates of deposit. Investments are carried at fair market value as of the balance sheet date.

Investments can be classified according to the level of risk to the entity. Investments made by the Sabine Parish School Board as of June 30, 2005 are summarized below by the category of risk.

- Category 1 Insured or registered in the entity's name, or security held by the entity or its agent in the entity's name.
- Category 2 Uninsured or registered with securities held by the counterparty's trust department or agent in the entity's name.
- Category 3 Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

<u>Type of Investments</u>	<u>Amount Reported in Risk</u>		<u>Total Reported Amount - All Categories (Including Category 3)</u>	<u>Total Fair Value - All Categories (Including Category 3)</u>
	<u>Category 3, If Any</u>			
	<u>Held By Counterparty</u>	<u>Held By Counterparty's Trust Dept. Or Agent Not In Entity's Name</u>		
U. S. Government securities	\$ 0	\$ 0	\$ 3,007,749	\$ 3,007,749
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,007,749</u>	<u>\$ 3,007,749</u>

NOTE 4 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at June 30, 2005:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Taxes	\$ 233,810	\$ 0	\$ 116,893	\$ 350,703
Intergovernmental	318,535	0	1,392,286	1,710,821
Other	31,890	4,521	22,536	58,947
Total	<u>\$ 584,235</u>	<u>\$ 4,521</u>	<u>\$ 1,531,715</u>	<u>\$ 2,120,471</u>

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005

NOTE 5 INTERFUND ASSETS/LIABILITIES

Due from/to other funds:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 1,075,173	\$ 0
Debt service	51,635	0
Other governmental	0	1,126,808
Total	<u>\$ 1,126,808</u>	<u>\$ 1,126,808</u>

NOTE 6 CAPITAL ASSETS

A summary of Sabine Parish School Board's capital assets at June 30, 2005 follows:

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2005</u>
Capital Assets, not being depreciated				
Land	\$ 291,743	\$ 30,000	\$ 0	\$ 321,743
Total Capital Assets, not being depreciated	291,743	30,000	0	321,743
Capital Assets, being depreciated				
Buildings and building improvements	38,599,971	0	0	38,599,971
Less accumulated depreciation	<u>(11,984,820)</u>	<u>(1,111,257)</u>	<u>0</u>	<u>(13,096,077)</u>
Total Buildings and building improvements	26,615,151	(1,111,257)	0	25,503,894
Automobiles and equipment	2,032,557	135,163	(73,985)	2,093,735
Less accumulated depreciation:	<u>(1,177,000)</u>	<u>(126,074)</u>	<u>17,696</u>	<u>(1,285,378)</u>
Total Automobiles and equipment	<u>855,557</u>	<u>9,089</u>	<u>(56,289)</u>	<u>808,357</u>
Total Capital Assets, being depreciated	<u>27,470,708</u>	<u>(1,102,168)</u>	<u>(56,289)</u>	<u>26,312,251</u>
Total Capital Assets, net	<u>\$ 27,762,451</u>	<u>\$ (1,072,168)</u>	<u>\$ (56,289)</u>	<u>\$ 26,633,994</u>

NOTE 7 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at June 30, 2005:

<u>Class of Payable</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Vendor	\$ 74,102	\$ 0	\$ 78,528	\$ 152,630
Salaries and benefits	3,070,606	0	314,808	3,385,414
Other	<u>101,399</u>	<u>0</u>	<u>150</u>	<u>101,549</u>
Total	<u>\$ 3,246,107</u>	<u>\$ 0</u>	<u>\$ 393,486</u>	<u>\$ 3,639,593</u>

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005

NOTE 8 LONG-TERM DEBT

The following is a summary of the long-term obligations transactions for the year ended June 30, 2005:

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005	Current Amount
Compensated absences	\$ 498,037	\$ 47,362	\$ 17,082	\$ 528,317	\$ 0
Certificates of indebtedness	1,875,000	0	120,000	1,755,000	120,000
Bonds payable	21,550,000	0	1,205,000	20,345,000	1,269,000
Total	<u>\$ 23,923,037</u>	<u>\$ 47,362</u>	<u>\$ 1,342,082</u>	<u>\$ 22,628,317</u>	<u>\$ 1,389,000</u>

All School Board bonds outstanding at June 30, 2005 are general obligation bonds. The individual issues are as follows:

Certificate of Indebtedness	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
Converse	6.5%-6.75%	7/1/2011	\$ 124,500	\$ 82,500
Florien	6.5%-6.75%	7/1/2011	124,500	82,500
Pleasant Hill	6.5%-6.75%	7/1/2011	251,000	165,000
General	2.35%-5.0%	7/1/2019	1,500,000	1,425,000
Bonds Payable				
Converse				
No. 8A	5.25%-6.25%	3/1/2019	2,200,000	1,815,000
No. 8A	0.1%-4.95%	3/1/2021	519,000	473,000
Ebarb				
No. 17	4.55%	2/1/2016	350,000	300,000
Many				
No. 34	4.8%-5.8%	4/1/2020	4,750,000	4,125,000
No. 34	1.0%-6.25%	3/1/2010	755,000	515,000
Negreet				
No. 62A	4.5%-4.75%	4/1/2018	4,500,000	3,945,000
Pleasant Hill				
No. 42	0.1%-4.95%	2/1/2020	712,000	651,000
South Sabine				
No. 20	4.25%-5.5%	4/1/2010	1,875,000	1,040,000
Zwolle				
No. 61	5.375%-6.375%	3/1/2020	2,200,000	1,910,000
Zwolle Sales Tax District #2	5.1%	8/1/2020	1,100,000	985,000
Many Sales Tax District #1	5.2%-6.2%	2/1/2020	3,600,000	3,135,000
Zwolle				
No. 61	5.1%-6.0%	11/1/2012	1,385,000	1,030,000
No. 61	5.1%-5.2%	3/1/2011	784,000	421,000
Total			<u>\$ 26,730,000</u>	<u>\$ 22,100,000</u>

The annual requirements to amortize all debt outstanding as of June 30, 2005, including interest payments are as follows:

Year Ended June 30,	Certificate of Indebtedness	Bonds Payable	Total
2006	\$ 190,206	\$ 2,314,967	\$ 2,505,173
2007	194,985	2,316,157	2,511,142
2008	199,037	2,340,253	2,539,290
2009	192,543	2,342,024	2,534,567
2010	195,783	2,190,035	2,385,818
thereafter	1,075,065	17,032,604	18,107,669
Total	<u>\$ 2,047,619</u>	<u>\$ 28,536,040</u>	<u>\$ 30,583,659</u>

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005

NOTE 9 INTERFUND TRANSFERS

Operating transfers for the year ended June 30, 2005, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 154,195	\$ 0
Debt service	595,631	0
Other governmental	0	749,826
Total	<u>\$ 749,826</u>	<u>\$ 749,826</u>

NOTE 10 CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in agency fund deposits due others follows:

	<u>Balance</u> <u>June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>
Agency Funds				
School activity accounts	\$ 322,665	\$ 1,580,908	\$ 1,547,140	\$ 356,433
Total	<u>\$ 322,665</u>	<u>\$ 1,580,908</u>	<u>\$ 1,547,140</u>	<u>\$ 356,433</u>

NOTE 11 LEASES

The Sabine Parish School Board was not obligated under any capital or operating lease commitments at June 30, 2005.

NOTE 12 RETIREMENT SYSTEMS

Substantially all employees of the School Board are members of two statewide retirements systems. In general, professional employees (such as teachers and principals) and lunchroom workers are member of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These Systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Teachers' Retirement System of Louisiana (TRS)

The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 925-6446.

Plan members are required to contribute 8.0%, 9.1%, and 5.0% of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 15.5%, 15.5% and 15.5% of annual covered payroll for the Regular Plan, Plan A and Plan B, respectively. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement System's Actuarial Committee. The School Board's employer

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005

NOTE 12 RETIREMENT SYSTEMS (CONTINUED)

A. Teachers' Retirement System of Louisiana (TRS) - (Continued)

contributions for the TRS, as provided by state law, is funded by the state of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

The School Board's contributions to the TRS for the years ending June 30, 2005, 2004 and 2003 were \$2,255,182, \$2,017,768 and \$1,789,928, respectively, equal to the required contributions for each year.

B. Louisiana School Employees' Retirement System (LASERS)

The LASERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LASERS issues a publicly available financial report that includes financial statements and required supplementary information for the LASERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (504) 925-6484.

Plan members are required to contribute 7.5% of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 14.8% of annual covered payroll. Member contributions and employer contributions for the LASERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LASERS is funded by the State of Louisiana through annual appropriations.

The School Board's contributions to the LASERS for the year June 30, 2005, 2004 and 2003 were \$186,128, \$116,982 and \$90,210, respectively, equal to the required contributions for each year.

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS

In accordance with state statutes, the Sabine Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the State Employees' Group Benefits Program, whose monthly premiums are paid jointly by the employee and the School Board. The School Board recognizes the cost of providing these benefits (which includes the State's reimbursements) as an expenditure when the monthly premiums are due, which totaled \$3,353,582 for the year ended June 30, 2005. The cost of retiree benefits totaled \$1,441,882 for 287 retirees.

NOTE 14 RISK MANAGEMENT

The Sabine Parish School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School Board maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the School Board.

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005

NOTE 15 LITIGATION

The Sabine Parish School Board is a defendant in various litigations as of the close of business on June 30, 2005. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and legal counsel of the School Board, resolution of these matters would not create a liability in excess of insurance coverage, and therefore would not have a material adverse effect on the financial condition of the Sabine Parish School Board.

NOTE 16 CLAIMS AND JUDGMENTS

The Sabine Parish School Board participates in state and federal assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to request for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

REQUIRED SUPPLEMENTARY INFORMATION

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance Fav./(Unfav.)
Revenues				
Local Sources	\$ 3,261,190	\$ 3,274,770	\$ 3,806,682	\$ 531,912
State Sources	19,055,396	18,988,254	19,072,223	83,969
Federal Sources	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
Total Revenues	22,321,586	22,268,024	22,878,905	610,881
Expenditures				
Current				
Instruction				
Regular programs	9,496,252	9,764,707	9,847,758	(83,051)
Special programs	3,392,895	3,268,868	3,266,754	2,114
Adult and continuing education	1,174,968	1,186,341	1,156,635	29,706
Support Services				
Student services	648,900	740,000	646,217	93,783
Instructional staff support	1,019,615	924,790	902,166	22,624
General administration	597,727	591,135	499,352	91,783
School administration	1,496,762	1,419,893	1,381,280	38,613
Business services	300,041	290,614	270,728	19,886
Plant services	1,584,209	1,577,706	1,569,022	8,684
Student transportation services	2,354,947	2,339,641	2,323,964	15,677
Central services	297,661	297,660	278,069	19,591
Food services	2,800	700	2,703	(2,003)
Community services	4,000	3,900	0	3,900
Capital outlay	58,189	82,264	30,000	52,264
Debt Service				
Principal retirement	68,000	68,000	68,000	0
Interest and bank charges	<u>62,460</u>	<u>100,345</u>	<u>49,082</u>	<u>51,263</u>
Total Expenditures	<u>22,559,426</u>	<u>22,656,564</u>	<u>22,291,730</u>	<u>364,834</u>
Excess/(Deficiency) of Revenues Over Expenditures	(237,840)	(388,540)	587,175	975,715
Other Financing Sources/(Uses)				
Operating transfers in	132,600	235,600	154,195	(81,405)
Operating transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources/(Uses)	<u>132,600</u>	<u>235,600</u>	<u>154,195</u>	<u>(81,405)</u>
Net Changes In Fund Balances	(105,240)	(152,940)	741,370	894,310
Fund Balances, Beginning of year	<u>3,497,808</u>	<u>3,497,808</u>	<u>3,497,808</u>	<u>0</u>
Fund Balances, End of year	<u>\$ 3,392,568</u>	<u>\$ 3,344,868</u>	<u>\$ 4,239,178</u>	<u>\$ 894,310</u>

OTHER SUPPLEMENTARY INFORMATION

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
GENERAL
JUNE 30, 2005

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$600 per month, and the president receives an additional \$100 every month.

EXPENDITURE OF FEDERAL AWARDS AND AUDIT FINDINGS RESOLUTION

In accordance with Office of Management and Budget Circular A-133, schedules of expenditures of federal awards, follow-up and corrective action taken on prior audit findings, and corrective action plans for current year findings are presented.

SCHEDULE 2

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 2005

Roderick Davis	\$	7,200
James W. House		7,200
Imon Jones, President		7,700
James R. Martin		7,200
Jack Sanders		7,200
Donnie Sistrunk		7,200
Harold Stewart		7,200
James R. Veuleman		7,900
Nadine Wooley		<u>7,200</u>
Total	\$	<u>66,000</u>

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | | |
|----|---|-------------|
| 1. | Type of auditors' report issued. | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a) Material weaknesses identified? | None |
| | b) Reportable conditions identified not considered to be material weaknesses? | None |
| | c) Noncompliance material to the financial statements noted? | None |

FEDERAL AWARDS

- | | | |
|----|---|-------------|
| 1. | Internal control over major program: | None |
| | a) Material weaknesses identified? | None |
| | b) Reportable conditions identified not considered to be material weaknesses? | None |
| 2. | Type of auditors report issued on compliance for major programs. | Unqualified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510 (a)? | None |
| 4. | Identification of major programs: | |

CFDA Number

10.553
 10.555
 84.287
 84.367

Name of Federal Program

School Breakfast Program
 National School Lunch Program
 21st Century Community Learning Centers
 Improving Teacher Quality State Grants

- | | | |
|----|--|-----------|
| 5. | Dollar threshold used to distinguish between Type A and Type B programs. | \$300,000 |
| 6. | Auditee qualified as low-risk auditee under OMB Circular A-133, Section 530? | Yes |

SECTION #2

FINANCIAL STATEMENT FINDINGS

None reported.

SECTION #3

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED
JUNE 30, 2005

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>Pass-through #</u>	<u>CFDA No.</u>	<u>Expenditures</u>
United States Department of Agriculture			
Passed through Louisiana Department of Education			
School Breakfast Program *	None	10.553	\$ 336,649
National School Lunch Program *	None	10.555	918,730
Total United States Department of Agriculture			<u>1,255,379</u>
United States Department of Education			
Direct Program			
Indian Education-Grants to Local Education Agencies	B060A040108	84.060	165,851
Fund for the Improvement of Education	U215K050079	84.215	16,451
Passed through Louisiana Department of Education			
Adult Education - State Grant Program	04-44-43-C,05-44-43	84.002	48,494
Title I Grants to Local Educational Agencies	04-T1-43,04-T1-43-C,05-T1-43	84.010	1,348,607
Special Education			
State Grants	04-B1-43,04-B1-43-C,05-B1-43 03-BG-43	84.027	859,805
Preschool Grants	03-SG-43,04-P1-43,04-P1-43-C 05-P1-43	84.173	302,662
Vocational Education			
Basic Grants to States	04-02-43-C,05-02-43	84.048	63,223
Safe and Drug-Free Schools and Communities-National Grants	615855	84.184	51,186
Safe and Drug-Free Schools and Communities-State Grants	04-70-43,04-70-43-C,05-70-43	84.186	43,848
Even Start - State Educational Agencies	03-F1-43-C,04-F1-43,05-F1-43	84.213	194,457
Twenty-First Century Community Learning Centers *	04-CC-43,05-CC-43	84.287	404,059
Innovative Education Program Strategies (Title V)	04-80-43,05-80-43	84.298	14,838
Technology Literacy Challenge Fund Grant	04-46-43,04-48-43,04-49-43 05-46-43,05-49-43	84.318	338,777
Comprehensive School Reform Demonstration	03-T6-43-C,04-T6-43-C	84.332	73,488
Gaining Early Awareness and Readiness for Undergraduate Program	04-318MANY-43,05-318MANY-43 05-318MANYH-43,05-319ZWOL-43 05-319ZWOLH-43	84.334	109,234
Rural Education	04-RE-43,05-RE-43	84.358	57,752
English Language Acquisition Grants	05-S3-43,05-60-43	84.365	11,409
Mathematics and Science Partnerships	05-MP-43	84.366	5,562
Improving Teacher Quality State Grants *	04-50-43,05-50-43	84.367	354,050
Total United States Department of Education			<u>4,463,753</u>
United States Department of Health and Human Services			
Direct Program			
Head Start	6T77G	93.600	842,410
Passed through Louisiana Department of Education			
Temporary Assistance for Needy Families	613832,04-EP-43,05-EP-43	93.558	72,636
Total United States Department of Health & Human Services			<u>915,046</u>
Corporation for National and Community Service			
Passed through Louisiana Department of Education			
Learn and Serve America-School and Community Based Programs	PAWS, STEPS	94.004	13,517
Noncash Federal Financial Assistance			
Passed through Louisiana Department of Agriculture and Forestry			
Food Distribution Program	None	10.550	100,979
TOTAL FEDERAL AWARDS			<u>\$ 6,748,674</u>

Notes to the Schedule of Federal Awards

- A. Federal awards are recorded when the reimbursable expenditures have been incurred.
- B. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Note: The dollar threshold to distinguish between type A and type B programs was \$300,000.

* Denotes a major federal award program.

HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2188 - 133 EAST FIFTH STREET
NATCHITOCHES, LA 71457

A. NEILL JACKSON, JR., CPA
1926-1999

FRANK S. HINES, CPA
LEWIS C. HINES, CPA
E. MERLIN SQUYRES, CPA
JAY H. SHEFFIELD, CPA

Telephone (318) 352-6458
FAX (318) 352-0404
office@hjhcpa.biz

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

Board Members
Sabine Parish School Board
Many, Louisiana 71449

We have audited the basic financial statements of the Sabine Parish School Board, Many, Louisiana, as of and for the year ended June 30, 2005, and have issued our report dated December 16, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Sabine Parish 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Hines, Jackson & Hines

Natchitoches, Louisiana
December 16, 2005

HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2188 - 133 EAST FIFTH STREET
NATCHITOCHES, LA 71457

A. NEILL JACKSON, JR., CPA
1928-1999

FRANK S. HINES, CPA
LEWIS C. HINES, CPA
E. MERLIN SQUIYRES, CPA
JAY H. SHEFFIELD, CPA

Telephone (318) 352-6458
FAX (318) 352-0404
office@hjhcpa.biz

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

Board Members
Sabine Parish School Board
Many, Louisiana 71449

Compliance

We have audited the compliance of the Sabine Parish School Board with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. The Sabine Parish 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 Sabine Parish School Board's management. Our responsibility is to express an opinion on the Sabine Parish School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. Those standards and OMB 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 Sabine Parish 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 Sabine Parish School Board's compliance with those requirements.

In our opinion, the Sabine Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of the Sabine Parish 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 Sabine Parish 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 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 solely for the information and use of the Sabine Parish School Board, federal awarding agencies, pass-through entities, and the Louisiana State Legislative Auditor and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Jackson & Hines

Natchitoches, Louisiana
December 16, 2005

SCHEDULE 5

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
-----------------	---	-------------------------------	---	--

Nothing came to our attention that would require disclosure under Government Auditing Standards.

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Expected Date of Completion</u>
-----------------	-------------------------------	----------------------------------	---	--

Nothing came to our attention that would require disclosure under Government Auditing Standards.

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUES SOURCES
FOR THE YEAR ENDED JUNE 30, 2005

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 10,219,198	
Other Instructional Staff Activities	40,023	
Employee Benefits	3,537,684	
Purchased Professional and Technical Services	1,430	
Instructional Materials and Supplies	441,727	
Instructional Equipment	<u>0</u>	
Total Teacher and Student Interaction Activities		\$ 14,240,062
Other Instructional Activities		31,085
Pupil Support Activities	646,217	
Less: Equipment for Pupil Support Activities	<u>0</u>	
Net Pupil Support Activities		646,217
Instructional Staff Services	902,166	
Less: Equipment for Instructional Staff Services	<u>\$ 0</u>	
Net Instructional Staff Services		<u>902,166</u>
Total General Fund Instructional Expenditures		<u>\$ 15,819,530</u>
Total General Fund Equipment Expenditures		<u>\$ 0</u>

Certain Local Revenue Sources

Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$ 354,899
Renewable Ad Valorem Tax		598,895
Debt Service Ad Valorem tax		0
Up to 1% of collections by the Sheriff on Taxes Other than School Taxes		74,944
Sales and Use Taxes		<u>2,352,804</u>
Total Local Taxation Revenue		<u>\$ 3,381,542</u>
Local Earnings on investment in Real Property:		
Earnings from 16 th Section Property	\$	0
Earnings from Other Real Property		<u>11,027</u>
Total Local Earnings on Investments in Real Property	\$	<u>11,027</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax	\$	34,557
Revenue Sharing - Other Taxes		58,314
Revenue Sharing - Excess Portion		0
Other Revenue in Lieu of Taxes		<u>0</u>
Total State Revenue in Lieu of Taxes	\$	<u>92,871</u>
Nonpublic Textbook Revenue	\$	<u>0</u>
Nonpublic Transportation Revenue	\$	<u>0</u>

SCHEDULE 8

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
EDUCATION LEVELS OF PUBLIC SCHOOL STAFF
AS OF OCTOBER 1, 2004

<u>Category</u>	<u>Full-time Classroom Teachers</u>			<u>Principals & Assistant Principals</u>		
	<u>Certified</u>	<u>Uncertified</u>	<u>Percent</u>	<u>Certified</u>	<u>Uncertified</u>	<u>Percent</u>
	<u>Number</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Number</u>	<u>Percent</u>
Less than a Bachelor's Degree	1	0	0.3%	0	0	0.0%
Bachelor's Degree	238	0	79.6%	0	0	0.0%
Master's Degree	39	0	13.0%	9	0	60.0%
Master's Degree + 30	19	0	6.4%	6	0	40.0%
Specialist in Education	2	0	0.7%	0	0	0.0%
Ph. D. or Ed. D.	0	0	0.0%	0	0	0.0%
Total	299	0	B	15	0	F C

SCHEDULE 9

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
NUMBER AND TYPE OF PUBLIC SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2005

<u>Type</u>	<u>Number</u>
Elementary	4
Middle/Jr. High	2
Secondary	2
Combination	6
Total	<u>14</u>

Note: Schools opened or closed during the fiscal year are included in this schedule.

SCHEDULE 10

SABINE PARISH SCHOOL BOARD

MANY, LOUISIANA

EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT PRINCIPALS, AND FULL-TIME CLASSROOM TEACHERS

AS OF OCTOBER 1, 2004

	<u>0-1 Yr.</u>	<u>2-3 Yrs.</u>	<u>4-10 Yrs.</u>	<u>11-14 Yrs.</u>	<u>15-19 Yrs.</u>	<u>20-24 Yrs.</u>	<u>25+ Yrs.</u>	<u>Total</u>
Assistant Principals	0	0	1	0	0	1	1	3
Principals	0	0	0	1	4	2	5	12
Classroom Teachers	30	21	107	38	31	21	51	299
Total	<u>30</u>	<u>21</u>	<u>108</u>	<u>39</u>	<u>35</u>	<u>24</u>	<u>57</u>	<u>314</u>

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
PUBLIC SCHOOL STAFF DATA: AVERAGE SALARIES
FOR THE YEAR ENDED JUNE 30, 2005

	<u>All Classroom Teachers</u>	<u>Classroom Teachers</u> <u>Excluding ROTC and</u> <u>Rehired Retirees</u>
Average Classroom Teachers' Salary Including Extra Compensation	\$ 32,113	\$ 31,840
Average Classroom Teachers' Salary' Excluding Extra Compensation	\$ 31,697	\$ 31,415
Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries	304	289

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

SCHEDULE 12

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
CLASS SIZE CHARACTERISTICS
AS OF OCTOBER 1, 2004

School Type	Class Size Range											
	1 - 20		21 - 26		27 - 33		34+					
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	85.9%	128	14.1%	21	0.0%	0	0.0%	0	0.0%	0	0.0%	0
Elementary Activity Classes	50.0%	11	22.7%	5	9.1%	2	18.2%	2	18.2%	4	18.2%	4
Middle/Jr. High	22.5%	33	70.0%	103	7.5%	11	0.0%	0	0.0%	0	0.0%	0
Middle/Jr. High Activity Classes	0.0%	0	55.6%	15	14.8%	4	29.6%	8	29.6%	8	29.6%	8
High	80.2%	243	16.8%	51	2.3%	7	0.7%	2	0.7%	2	0.7%	2
High Activity Classes	97.6%	80	1.2%	1	1.2%	1	0.0%	0	0.0%	0	0.0%	0
Combination	81.0%	476	16.5%	97	2.5%	15	0.0%	0	0.0%	0	0.0%	0
Combination Activity Classes	65.4%	51	16.7%	13	12.8%	10	5.1%	4	5.1%	4	5.1%	4

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

SCHEDULE 13

SABINE PARISH SCHOOL BOARD
 MANY, LOUISIANA
 LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)
 FOR THE YEAR ENDED JUNE 30, 2005

District Achievement Level	English Language Arts						Mathematics					
	20 X 5		20 X 4		20 X 3		20 X 5		20 X 4		20 X 3	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	4	1.3%	8	2.6%	1	0.4%	2	0.7%	9	3.0%	6	2.0%
Proficient	52	17.2%	38	12.4%	24	8.1%	36	11.9%	31	10.1%	27	9.1%
Basic	102	33.8%	128	41.8%	109	36.8%	145	48.0%	131	42.8%	109	36.8%
Approaching Basic	89	29.5%	77	25.2%	100	33.8%	62	20.5%	68	22.2%	86	29.1%
Unsatisfactory	55	18.2%	55	18.0%	62	20.9%	57	18.9%	67	21.9%	68	23.0%
Total	302	100%	306	100%	296	100%	302	100%	306	100%	296	100%

District Achievement Level	Science						Social Studies					
	20 X 5		20 X 4		20 X 3		20 X 5		20 X 4		20 X 3	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	1	0.3%	2	0.7%	3	0.9%	1	0.3%	0	0.0%	2	0.6%
Proficient	52	15.4%	47	15.3%	45	13.6%	40	11.8%	24	7.8%	18	5.4%
Basic	134	39.5%	118	38.3%	125	37.7%	171	50.4%	161	52.3%	142	42.8%
Approaching Basic	94	27.7%	95	30.8%	92	27.7%	59	17.4%	86	27.9%	112	33.7%
Unsatisfactory	58	17.1%	46	14.9%	67	20.1%	68	20.1%	37	12.0%	58	17.5%
Total	339	100%	308	100%	332	100%	339	100%	308	100%	332	100%

SCHEDULE 14

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
GRADUATION EXIT EXAMINATION (GEE)
FOR THE YEAR ENDED JUNE 30, 2005

District Achievement Level	English Language Arts						Mathematics						
	20 X 5		20 X 4		20 X 3		20 X 5		20 X 4		20 X 3		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 10													
Advanced	1	0.4%	4	1.4%	1	0.3%	20	7.4%	17	6.0%	13	3.8%	
Proficient	44	16.2%	38	13.6%	18	5.6%	46	17.0%	39	14.0%	42	12.4%	
Basic	122	44.8%	114	40.7%	116	36.4%	115	42.4%	134	48.0%	123	36.2%	
Approaching Basic	71	26.1%	76	27.2%	94	29.5%	40	14.8%	42	15.0%	55	16.2%	
Unsatisfactory	34	12.5%	48	17.1%	90	28.2%	50	18.4%	48	17.0%	107	31.4%	
Total	272	100%	280	100%	319	100%	271	100%	280	100%	340	100%	

District Achievement Level	Science						Social Studies					
	20 X 5		20 X 4		20 X 3		20 X 5		20 X 4		20 X 3	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	4	1.7%	7	3.0%	2	0.7%	0	0.0%	1	0.7%	2	0.7%
Proficient	32	13.3%	32	12.0%	21	7.2%	12	5.0%	16	5.8%	17	5.8%
Basic	101	41.9%	103	39.0%	122	41.9%	125	51.8%	123	44.0%	128	44.0%
Approaching Basic	66	27.4%	81	31.0%	77	26.5%	65	27.0%	78	26.1%	76	26.1%
Unsatisfactory	38	15.7%	38	15.0%	69	23.7%	39	16.2%	43	23.4%	68	23.4%
Total	241	100%	261	100%	291	100%	241	100%	261	100%	291	100%

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA
THE IOWA TESTS
FOR THE YEAR ENDED JUNE 30, 2005

	Composite		
	<u>20 X 5</u>	<u>20 X 4</u>	<u>20 X 3</u>
Test of Basic Skills (ITBS)			
Grade 3	59	53	51
Grade 5	54	53	46
Grade 6	47	42	41
Grade 7	47	47	53
Tests of Educational Development (ITED)			
Grade 9	54	47	43

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

HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2188 - 133 EAST FIFTH STREET
NATCHITOCHE, LA 71457

A. NEILL JACKSON, JR., CPA
1926-1999

FRANK S. HINES, CPA
LEWIS C. HINES, CPA
E. MERLIN SQUYRES, CPA
JAY H. SHEFFIELD, CPA

Telephone (318) 352-6458
FAX (318) 352-0404
office@hjhcpa.biz

Independent Accountants' Report on Applying Agreed-Upon Procedures to the Management of the Sabine Parish School Board

Board Members
Sabine Parish School Board
Many, Louisiana 71449

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

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 7)

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

No exceptions were noted.

Education Levels of Public School Staff (Schedule 8)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 10) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1.

No exceptions were noted.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 10) to the combined total of principals and assistant principals per this schedule.

No exceptions were noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education was properly classified on the schedule.

No exceptions were noted.

Number and Type of Public Schools (Schedule 9)

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

No exceptions were noted.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 10)

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

No exceptions were noted.

Public Staff Data: Average Salaries (Schedule 11)

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

No exceptions were noted.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

No exceptions were noted.

Class Size Characteristics (Schedule 12)

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

No exceptions were noted.

Louisiana Educational Assessment Program (LEAP) (Schedule 13)

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

No exceptions were noted.

Graduation Exit Exam (GEE) (Schedule 14)

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

No exceptions were noted.

The IOWA Test (Schedule 15)

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

No exceptions were noted.

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

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

Hines, Jackson & Hines

Natchitoches, Louisiana

December 16, 2005

HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2188 - 133 EAST FIFTH STREET
NATCHITOCHES, LA 71457

A. NEILL JACKSON, JR., CPA
1926-1999

FRANK S. HINES, CPA
LEWIS C. HINES, CPA
E. MERLIN SQUYRES, CPA
JAY H. SHEFFIELD, CPA

Telephone (318) 352-6458
FAX (318) 352-0404
office@hjhcpa.biz

Independent Accountants' Report on Applying Agreed-Upon Procedures

Board Members
Sabine Parish School Board
Many, Louisiana 71449

We have performed the procedures enumerated below for the year ended June 30, 2005, which were agreed to by the management of the Sabine Parish School Board, solely to assist users in evaluating the internal controls over school activity funds. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Converse School

- 1) Obtain current and prior year financial statements and perform the following:
 - a) Inquire as to any significant problems in the preparation process.
Results: No significant problems noted.
 - b) Compare ending cash balance to bank reconciliation tested in procedure 2.
Results: No exception noted.
- 2) Obtain the June 30, 2005 bank statement and reconciliation and perform the following procedures:
 - a) Test the mathematical accuracy of the reconciliation.
Results: No exception noted.
 - b) Trace reconciling items to clearance in subsequent months bank statements.
Results: No exception noted.
- 3) Trace two judgementally selected deposits per month from the monthly bank statements for the year ended June 30, 2005 to the cash receipts journal.
Results: No exception noted.
- 4) Trace two judgementally selected deposits per month from the cash receipts journal for the year ended June 30, 2005 to the monthly bank statements.
Results: No exception noted.

- 5) Judgementally select five ticket reconciliation forms for the year ended June 30, 2005 for admission and gate receipts and performed the following procedures:
- a) Review supporting documentation and recalculate the mathematical accuracy of the reconciliation forms.
Results: Differences were noted in the documentation supporting 2 of the 5 reconciliation forms selected. Also, there was an over/short difference noted of less than \$5 in 2 of the 5 forms selected.
 - b) Trace cash receipts to the cash receipts journal and general ledger.
Results: No exception noted.
 - c) Trace to deposit in monthly bank statement.
Results: No exception noted.
- 6) Judgementally select five disbursements per month for the year ended June 30, 2005 and perform the following:
- a) Verify canceled checks were properly signed.
Results: No exception noted.
 - b) Verify the existence of supporting documentation.
Results: No exception noted.
 - c) Verify checks were written for the correct amount.
Results: No exception noted.
 - d) Verify supporting documentation was properly documented as paid to avoid duplicate payments.
Results: No exception noted.
 - e) Verify the expenditures were formally approved and charged to the correct individual funds.
Results: No exception noted.
- 7) Scan cash disbursements journal for all checks greater than \$7,500 for the year ended June 30, 2005 and determine that proper central office approval was obtained and documented.
Results: None noted.
- 8) Verify that all transaction accounts at June 30, 2005 are interest bearing.
Results: No exception noted.
- 9) Reconcile the petty cash balance as of the date tested.
Results: No exception noted. Balance of \$412.00.

10) Calculate the gross profit percentage on concession sales for the current and prior years and perform the following:

a) Compare current and prior year percentages.

Results: Gross profit percentage:	2005	27.00%
	2004	25.14%

b) Inquire as to any significant variances.

Results: No significant variances noted.

Ebarb School

1) Obtain current and prior year financial statements and perform the following:

a) Inquire as to any significant problems in the preparation process.

Results: No significant problems noted.

b) Compare ending cash balance to bank reconciliation tested in procedure 2.

Results: No exception noted.

2) Obtain the June 30, 2005 bank statement and reconciliation and perform the following procedures:

a) Test the mathematical accuracy of the reconciliation.

Results: No exception noted.

b) Trace reconciling items to clearance in subsequent months bank statements.

Results: No exception noted.

3) Trace two judgementally selected deposits per month from the monthly bank statements for the year ended June 30, 2005 to the cash receipts journal.

Results: No exception noted.

4) Trace two judgementally selected deposits per month from the cash receipts journal for the year ended June 30, 2005 to the monthly bank statements.

Results: No exception noted.

5) Judgementally select five ticket reconciliation forms for the year ended June 30, 2005 for admission and gate receipts and performed the following procedures:

a) Review supporting documentation and recalculate the mathematical accuracy of the reconciliation forms.

Results: There was an over/short difference noted of less than \$5 in 5 of the 5 forms selected.

- b) Inquire as to any significant variances.

Results: No significant variances noted.

Florien Elementary School

- 1) Obtain current and prior year financial statements and perform the following:

- a) Inquire as to any significant problems in the preparation process.

Results: No significant problems noted.

- b) Compare ending cash balance to bank reconciliation tested in procedure 2.

Results: No exception noted.

- 2) Obtain the June 30, 2005 bank statement and reconciliation and perform the following procedures:

- a) Test the mathematical accuracy of the reconciliation.

Results: No exception noted.

- b) Trace reconciling items to clearance in subsequent months bank statements.

Results: No exception noted.

- 3) Trace two judgementally selected deposits per month from the monthly bank statements for the year ended June 30, 2005 to the cash receipts journal.

Results: No exception noted.

- 4) Trace two judgementally selected deposits per month from the cash receipts journal for the year ended June 30, 2005 to the monthly bank statements.

Results: No exception noted.

- 5) Judgementally select five ticket reconciliation forms for the year ended June 30, 2005 for admission and gate receipts and performed the following procedures:

- a) Review supporting documentation and recalculate the mathematical accuracy of the reconciliation forms.

Results: There was only one item available for testing and it was selected. A difference was noted in the documentation supporting the reconciliation form selected. Also, there was an over/short difference noted of less than \$5 in the form tested.

- b) Trace cash receipts to the cash receipts journal and general ledger.

Results: No exception noted.

- c) Trace to deposit in monthly bank statement.

Results: No exception noted.

Florien High School

- 1) Obtain current and prior year financial statements and perform the following:
 - a) Inquire as to any significant problems in the preparation process.
Results: No significant problems noted.
 - b) Compare ending cash balance to bank reconciliation tested in procedure 2.
Results: No exception noted.
- 2) Obtain the June 30, 2005 bank statement and reconciliation and perform the following procedures:
 - a) Test the mathematical accuracy of the reconciliation.
Results: No exception noted.
 - b) Trace reconciling items to clearance in subsequent months bank statements.
Results: No exception noted.
- 3) Trace two judgementally selected deposits per month from the monthly bank statements for the year ended June 30, 2005 to the cash receipts journal.
Results: No exception noted.
- 4) Trace two judgementally selected deposits per month from the cash receipts journal for the year ended June 30, 2005 to the monthly bank statements.
Results: No exception noted.
- 5) *Judgementally select five ticket reconciliation forms for the year ended June 30, 2005 for admission and gate receipts and performed the following procedures:*
 - a) Review supporting documentation and recalculate the mathematical accuracy of the reconciliation forms.
Results: Differences were noted in the documentation supporting 4 of the 5 reconciliation forms selected.
 - b) Trace cash receipts to the cash receipts journal and general ledger.
Results: No exception noted.
 - c) Trace to deposit in monthly bank statement.
Results: No exception noted.
- 6) Judgementally select five disbursements per month for the year ended June 30, 2005 and perform the following:

- b) Compare ending cash balance to bank reconciliation tested in procedure 2.
Results: No exception noted.
- 2) Obtain the June 30, 2005 bank statement and reconciliation and perform the following procedures:
 - a) Test the mathematical accuracy of the reconciliation.
Results: No exception noted.
 - b) Trace reconciling items to clearance in subsequent months bank statements.
Results: No exception noted.
- 3) Trace two judgementally selected deposits per month from the monthly bank statements for the year ended June 30, 2005 to the cash receipts journal.
Results: No exception noted.
- 4) Trace two judgementally selected deposits per month from the cash receipts journal for the year ended June 30, 2005 to the monthly bank statements.
Results: No exception noted.
- 5) Judgementally select five ticket reconciliation forms for the year ended June 30, 2005 for admission and gate receipts and performed the following procedures:
 - a) Review supporting documentation and recalculate the mathematical accuracy of the reconciliation forms.
Results: Not applicable.
 - b) Trace cash receipts to the cash receipts journal and general ledger.
Results: Not applicable.
 - c) Trace to deposit in monthly bank statement.
Results: Not applicable.
- 6) Judgementally select five disbursements per month for the year ended June 30, 2005 and perform the following:
 - a) Verify canceled checks were properly signed.
Results: No exception noted.
 - b) Verify the existence of supporting documentation.
Results: No exception noted.
 - c) Verify checks were written for the correct amount.
Results: No exception noted.

- d) Verify supporting documentation was properly documented as paid to avoid duplicate payments.
Results: No exception noted.
- e) Verify the expenditures were formally approved and charged to the correct individual funds.
Results: No exception noted.
- 7) Scan cash disbursements journal for all checks greater than \$7,500 for the year ended June 30, 2005 and determine that proper central office approval was obtained and documented.
Results: None noted.
- 8) Verify that all transaction accounts at June 30, 2005 are interest bearing.
Results: No exception noted.
- 9) Reconcile the petty cash balance as of the date tested.
Results: Not applicable. Balance of \$0.00.
- 10) Calculate the gross profit percentage on concession sales for the current and prior years and perform the following:
 - a) Compare current and prior year percentages.
Results: Gross profit percentage: 2005 40.95%
2004 43.90%
 - b) Inquire as to any significant variances.
Results: No significant variances noted.

Many Junior High School

- 1) Obtain current and prior year financial statements and perform the following:
 - a) Inquire as to any significant problems in the preparation process.
Results: No significant problems noted.
 - b) Compare ending cash balance to bank reconciliation tested in procedure 2.
Results: No exception noted.
- 2) Obtain the June 30, 2005 bank statement and reconciliation and perform the following procedures:
 - a) Test the mathematical accuracy of the reconciliation.
Results: No exception noted.

- b) Trace reconciling items to clearance in subsequent months bank statements.
Results: No exception noted.
- 3) Trace two judgementally selected deposits per month from the monthly bank statements for the year ended June 30, 2005 to the cash receipts journal.
Results: No exception noted.
- 4) Trace two judgementally selected deposits per month from the cash receipts journal for the year ended June 30, 2005 to the monthly bank statements.
Results: No exception noted.
- 5) Judgementally select five ticket reconciliation forms for the year ended June 30, 2005 for admission and gate receipts and performed the following procedures:
 - a) Review supporting documentation and recalculate the mathematical accuracy of the reconciliation forms.
Results: There was an over/short difference noted of less than \$5 in 1 of the 5 forms selected.
 - b) Trace cash receipts to the cash receipts journal and general ledger.
Results: No exception noted.
 - c) Trace to deposit in monthly bank statement.
Results: No exception noted.
- 6) Judgementally select five disbursements per month for the year ended June 30, 2005 and perform the following:
 - a) Verify canceled checks were properly signed.
Results: No exception noted.
 - b) Verify the existence of supporting documentation.
Results: No exception noted.
 - c) Verify checks were written for the correct amount.
Results: No exception noted.
 - d) Verify supporting documentation was properly documented as paid to avoid duplicate payments.
Results: No exception noted.
 - e) Verify the expenditures were formally approved and charged to the correct individual funds.
Results: No exception noted.

- 7) Scan cash disbursements journal for all checks greater than \$7,500 for the year ended June 30, 2005 and determine that proper central office approval was obtained and documented.

Results: None noted.

- 8) Verify that all transaction accounts at June 30, 2005 are interest bearing.

Results: No exception noted.

- 9) Reconcile the petty cash balance as of the date tested.

Results: Not applicable. Balance of \$0.00.

- 10) Calculate the gross profit percentage on concession sales for the current and prior years and perform the following:

- a) Compare current and prior year percentages.

Results: Gross profit percentage:	2005	23.82%
	2004	30.75%

- b) Inquire as to any significant variances.

Results: Costs of concession have increased without an increase in sales prices. Also, concession items were being given without charge to teachers and students as a rewards and/or incentive.

Many Senior High School

- 1) Obtain current and prior year financial statements and perform the following:

- a) Inquire as to any significant problems in the preparation process.

Results: No significant problems noted.

- b) Compare ending cash balance to bank reconciliation tested in procedure 2.

Results: No exception noted.

- 2) Obtain the June 30, 2005 bank statement and reconciliation and perform the following procedures:

- a) Test the mathematical accuracy of the reconciliation.

Results: No exception noted.

- b) Trace reconciling items to clearance in subsequent months bank statements.

Results: No exception noted.

- 3) Trace two judgementally selected deposits per month from the monthly bank statements for the year ended June 30, 2005 to the cash receipts journal.

Results: No exception noted.

- 4) Trace two judgementally selected deposits per month from the cash receipts journal for the year ended June 30, 2005 to the monthly bank statements.

Results: No exception noted.

- 5) Judgementally select five ticket reconciliation forms for the year ended June 30, 2005 for admission and gate receipts and performed the following procedures:

- a) Review supporting documentation and recalculate the mathematical accuracy of the reconciliation forms.

Results: Differences were noted in the documentation supporting 5 of the 5 reconciliation forms selected. Also, there was an over/short difference noted of less than \$5 in 1 of the 5 forms selected.

- b) Trace cash receipts to the cash receipts journal and general ledger.

Results: No exception noted.

- c) Trace to deposit in monthly bank statement.

Results: No exception noted.

- 6) Judgementally select five disbursements per month for the year ended June 30, 2005 and perform the following:

- a) Verify canceled checks were properly signed.

Results: No exception noted.

- b) Verify the existence of supporting documentation.

Results: No exception noted.

- c) Verify checks were written for the correct amount.

Results: No exception noted.

- d) Verify supporting documentation was properly documented as paid to avoid duplicate payments.

Results: No exception noted.

- e) Verify the expenditures were formally approved and charged to the correct individual funds.

Results: There were four instances of supporting invoices not being properly approved for charge to an individual fund out of the 60 tested.

- 7) Scan cash disbursements journal for all checks greater than \$7,500 for the year ended June 30, 2005 and determine that proper central office approval was obtained and documented.

Results: There were two instances of amounts greater than \$7,500.00 being paid during the year ended June 30, 2005. Neither of the items were approved and/or no documentation exist of the approval by the central office.

- 8) Verify that all transaction accounts at June 30, 2005 are interest bearing.
Results: No exception noted.
- 9) Reconcile the petty cash balance as of the date tested.
Results: Not applicable. Balance of \$0.00.
- 10) Calculate the gross profit percentage on concession sales for the current and prior years and perform the following:
- a) Compare current and prior year percentages.
- | | | |
|-----------------------------------|------|--------|
| Results: Gross profit percentage: | 2005 | 13.64% |
| | 2004 | 27.06% |
- b) Inquire as to any significant variances.
Results: In 2005, the costs associated with football game concessions were charged to concession expenses; however, 1/3 of the sales were credited to the band account.

Negreet School

- 1) Obtain current and prior year financial statements and perform the following:
- a) Inquire as to any significant problems in the preparation process.
Results: No significant problems noted.
- b) Compare ending cash balance to bank reconciliation tested in procedure 2.
Results: No exception noted.
- 2) Obtain the June 30, 2005 bank statement and reconciliation and perform the following procedures:
- a) Test the mathematical accuracy of the reconciliation.
Results: No exception noted.
- b) Trace reconciling items to clearance in subsequent months bank statements.
Results: No exception noted.
- 3) Trace two judgementally selected deposits per month from the monthly bank statements for the year ended June 30, 2005 to the cash receipts journal.
Results: No exception noted.
- 4) Trace two judgementally selected deposits per month from the cash receipts journal for the year ended June 30, 2005 to the monthly bank statements.
Results: No exception noted.

- 5) Judgementally select five ticket reconciliation forms for the year ended June 30, 2005 for admission and gate receipts and performed the following procedures:
- a) Review supporting documentation and recalculate the mathematical accuracy of the reconciliation forms.
Results: Differences were noted in the documentation supporting 1 of the 5 reconciliation forms selected. Also, there was an over/short difference noted of less than \$10 in 2 of the 5 forms selected.
 - b) Trace cash receipts to the cash receipts journal and general ledger.
Results: No exception noted.
 - c) Trace to deposit in monthly bank statement.
Results: No exception noted.
- 6) Judgementally select five disbursements per month for the year ended June 30, 2005 and perform the following:
- a) Verify canceled checks were properly signed.
Results: No exception noted.
 - b) Verify the existence of supporting documentation.
Results: There were seven instances of no supporting documentation out of the 60 tested.
 - c) Verify checks were written for the correct amount.
Results: See results of procedure b above. No other exceptions noted.
 - d) Verify supporting documentation was properly documented as paid to avoid duplicate payments.
Results: See results of procedure b above. No other exceptions noted.
 - e) Verify the expenditures were formally approved and charged to the correct individual funds.
Results: See results of procedure b above. No other exceptions noted.
- 7) Scan cash disbursements journal for all checks greater than \$7,500 for the year ended June 30, 2005 and determine that proper central office approval was obtained and documented.
Results: None noted.
- 8) Verify that all transaction accounts at June 30, 2005 are interest bearing.
Results: No exception noted.
- 9) Reconcile the petty cash balance as of the date tested.
Results: Not applicable. Balance of \$0.00.

10) Calculate the gross profit percentage on concession sales for the current and prior years and perform the following:

a) Compare current and prior year percentages.

Results: Gross profit percentage:	2005	22.12%
	2004	13.10%

b) Inquire as to any significant variances.

Results: Concession prices at ball games were increased in 2005.

Pleasant Hill School

1) Obtain current and prior year financial statements and perform the following:

a) Inquire as to any significant problems in the preparation process.

Results: No significant problems noted.

b) Compare ending cash balance to bank reconciliation tested in procedure 2.

Results: No exception noted.

2) Obtain the June 30, 2005 bank statement and reconciliation and perform the following procedures:

a) Test the mathematical accuracy of the reconciliation.

Results: No exception noted.

b) Trace reconciling items to clearance in subsequent months bank statements.

Results: No exception noted.

3) Trace two judgementally selected deposits per month from the monthly bank statements for the year ended June 30, 2005 to the cash receipts journal.

Results: No exception noted.

4) Trace two judgementally selected deposits per month from the cash receipts journal for the year ended June 30, 2005 to the monthly bank statements.

Results: No exception noted.

5) Judgementally select five ticket reconciliation forms for the year ended June 30, 2005 for admission and gate receipts and performed the following procedures:

a) Review supporting documentation and recalculate the mathematical accuracy of the reconciliation forms.

Results: Differences were noted in the documentation supporting 4 of the 5 reconciliation forms selected. Also, there was an over/short difference noted of less than \$5 in 1 of the 5 forms selected.

- b) Trace cash receipts to the cash receipts journal and general ledger.
Results: No exception noted.
 - c) Trace to deposit in monthly bank statement.
Results: No exception noted.
- 6) Judgementally select five disbursements per month for the year ended June 30, 2005 and perform the following:
- a) Verify canceled checks were properly signed.
Results: No exception noted.
 - b) Verify the existence of supporting documentation.
Results: No exception noted.
 - c) Verify checks were written for the correct amount.
Results: No exception noted.
 - d) Verify supporting documentation was properly documented as paid to avoid duplicate payments.
Results: No exception noted.
 - e) Verify the expenditures were formally approved and charged to the correct individual funds.
Results: No exception noted.
- 7) Scan cash disbursements journal for all checks greater than \$7,500 for the year ended June 30, 2005 and determine that proper central office approval was obtained and documented.
Results: None noted.
- 8) Verify that all transaction accounts at June 30, 2005 are interest bearing.
Results: No exception noted.
- 9) Reconcile the petty cash balance as of the date tested.
Results: No exception noted. Balance of \$15.00.
- 10) Calculate the gross profit percentage on concession sales for the current and prior years and perform the following:
- a) Compare current and prior year percentages.
Results: Gross profit percentage: 2005 25.11%
2004 22.49%

- b) Inquire as to any significant variances.

Results: No significant variances noted.

Zwolle Elementary School

- 1) Obtain current and prior year financial statements and perform the following:

- a) Inquire as to any significant problems in the preparation process.

Results: No significant problems noted.

- b) Compare ending cash balance to bank reconciliation tested in procedure 2.

Results: No exception noted.

- 2) Obtain the June 30, 2005 bank statement and reconciliation and perform the following procedures:

- a) Test the mathematical accuracy of the reconciliation.

Results: No exception noted.

- b) Trace reconciling items to clearance in subsequent months bank statements.

Results: No exception noted.

- 3) Trace two judgementally selected deposits per month from the monthly bank statements for the year ended June 30, 2005 to the cash receipts journal.

Results: No exception noted.

- 4) Trace two judgementally selected deposits per month from the cash receipts journal for the year ended June 30, 2005 to the monthly bank statements.

Results: No exception noted.

- 5) Judgementally select five ticket reconciliation forms for the year ended June 30, 2005 for admission and gate receipts and performed the following procedures:

- a) Review supporting documentation and recalculate the mathematical accuracy of the reconciliation forms.

Results: Not applicable.

- b) Trace cash receipts to the cash receipts journal and general ledger.

Results: Not applicable.

- c) Trace to deposit in monthly bank statement.

Results: Not applicable.

- a) Inquire as to any significant problems in the preparation process.
Results: No significant problems noted.
- b) Compare ending cash balance to bank reconciliation tested in procedure 2.
Results: No exception noted.
- 2) Obtain the June 30, 2005 bank statement and reconciliation and perform the following procedures:
 - a) Test the mathematical accuracy of the reconciliation.
Results: No exception noted.
 - b) Trace reconciling items to clearance in subsequent months bank statements.
Results: No exception noted.
- 3) Trace two judgementally selected deposits per month from the monthly bank statements for the year ended June 30, 2005 to the cash receipts journal.
Results: No exception noted.
- 4) Trace two judgementally selected deposits per month from the cash receipts journal for the year ended June 30, 2005 to the monthly bank statements.
Results: No exception noted.
- 5) Judgementally select five ticket reconciliation forms for the year ended June 30, 2005 for admission and gate receipts and performed the following procedures:
 - a) Review supporting documentation and recalculate the mathematical accuracy of the reconciliation forms.
Results: There were only three items available for testing and they were selected. No exception noted.
 - b) Trace cash receipts to the cash receipts journal and general ledger.
Results: No exception noted.
 - c) Trace to deposit in monthly bank statement.
Results: No exception noted.
- 6) Judgementally select five disbursements per month for the year ended June 30, 2005 and perform the following:
 - a) Verify canceled checks were properly signed.
Results: There were two instances of checks clearing the bank with only one signature out of the 60 tested.

- b) Verify the existence of supporting documentation.
Results: No exception noted.
 - c) Verify checks were written for the correct amount.
Results: No exception noted.
 - d) Verify supporting documentation was properly documented as paid to avoid duplicate payments.
Results: No exception noted.
 - e) Verify the expenditures were formally approved and charged to the correct individual funds.
Results: No exception noted.
- 7) Scan cash disbursements journal for all checks greater than \$7,500 for the year ended June 30, 2005 and determine that proper central office approval was obtained and documented.
Results: There was one instance of an amount greater than \$7,500.00 being paid during the year ending June 30, 2005 and it was properly approved by the central office.
- 8) Verify that all transaction accounts at June 30, 2005 are interest bearing.
Results: No exception noted.
- 9) Reconcile the petty cash balance as of the date tested.
Results: There was a difference of \$0.10 in the reconciliation of the \$30.00 petty cash balance.
- 10) Calculate the gross profit percentage on concession sales for the current and prior years and perform the following:
- a) Compare current and prior year percentages.
Results: Gross profit percentage: 2005 38.87%
 2004 52.86%
 - b) Inquire as to any significant variances.
Results: In 2005, the concession sales of one of the three basketball games were donated to a local benefit where as the costs were charged to concession expenses. Also, concession items were being given without charge to students as a reward for certain behavior expectations.

Zwolle High School

- 1) Obtain current and prior year financial statements and perform the following:
 - a) Inquire as to any significant problems in the preparation process.
Results: No significant problems noted.

- b) Compare ending cash balance to bank reconciliation tested in procedure 2.
Results: No exception noted.
- 2) Obtain the June 30, 2005 bank statement and reconciliation and perform the following procedures:
 - a) Test the mathematical accuracy of the reconciliation.
Results: No exception noted.
 - b) Trace reconciling items to clearance in subsequent months bank statements.
Results: No exception noted.
- 3) Trace two judgementally selected deposits per month from the monthly bank statements for the year ended June 30, 2005 to the cash receipts journal.
Results: No exception noted.
- 4) Trace two judgementally selected deposits per month from the cash receipts journal for the year ended June 30, 2005 to the monthly bank statements.
Results: No exception noted.
- 5) Judgementally select five ticket reconciliation forms for the year ended June 30, 2005 for admission and gate receipts and performed the following procedures:
 - a) Review supporting documentation and recalculate the mathematical accuracy of the reconciliation forms.
Results: Differences were noted in the documentation supporting 5 of the 5 reconciliation forms selected. Also, there was an over/short difference noted of less than \$5 in 5 of the 5 forms selected.
 - b) Trace cash receipts to the cash receipts journal and general ledger.
Results: One instance was noted where the cash receipts were not deposited out of the 5 tested. The cash receipts were used to pay the softball game officials.
 - c) Trace to deposit in monthly bank statement.
Results: See results of procedure b above. No other exceptions noted.
- 6) Judgementally select five disbursements per month for the year ended June 30, 2005 and perform the following:
 - a) Verify canceled checks were properly signed.
Results: No exception noted.
 - b) Verify the existence of supporting documentation.
Results: No exception noted.

