

**SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2004**

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 12-22-04

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MANY, LOUISIANA  
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MANY, LOUISIANA  
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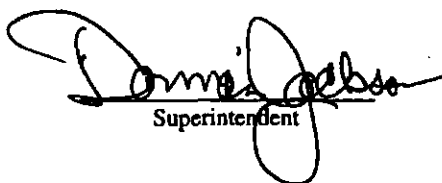
SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

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

AFFIDAVIT

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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, 2004 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 8<sup>th</sup> day of December, 2004.

  
NOTARY PUBLIC



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

CERTIFIED PUBLIC ACCOUNTANTS  
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## INDEPENDENT AUDITORS' REPORT

Board Members  
Sabine Parish School Board  
Many, Louisiana 71449

We have audited the accompanying basic financial statements of the Sabine Parish School Board, Many, Louisiana, as of and for the year ended June 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of management of the School Board. Our responsibility is to express an opinion on these basic 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Sabine Parish School Board, Many, Louisiana, as of June 30, 2004, and the changes in its financial position 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 8, 2004 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 an opinion on the basic financial statements of the Sabine Parish School Board, Many, Louisiana, taken as a whole. The accompanying supplemental information schedules listed in the table of contents, including the schedule of expenditures of federal awards, are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, and is 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, 2003, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated December 12, 2003, on the basic financial statements of the Sabine Parish School Board.

***Hines, Jackson & Hines***  
Natchitoches, Louisiana  
December 8, 2004

SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS  
JUNE 30, 2004

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, 2004. 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.

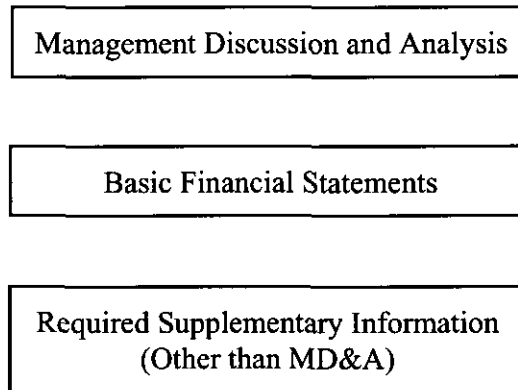
**FINANCIAL HIGHLIGHTS**

- 1) The Sabine Parish School Board had cash and investments of \$7,773,269 at June 30, 2004 which represents a decrease of \$1,776,042 from prior year end.
- 2) The Sabine Parish School Board had receivables of \$2,217,514 at June 30, 2004 which represents an increase of \$502,178 from prior year end.
- 3) The Sabine Parish School Board had accounts payable and accruals of \$3,254,603 at June 30, 2004 which represents a decrease of \$110,765 from prior year end.
- 4) The Sabine Parish School Board had total revenues of \$33,073,157 for the year ended June 30, 2004 which represents an increase of \$1,514,779 from prior year.
- 5) The Sabine Parish School Board had taxes of \$6,774,565 for the year ended June 30, 2004 which represents an increase of \$145,463 from prior year.
- 6) The Sabine Parish School Board had minimum foundation program revenues of \$18,069,016 for the year ended June 30, 2004 which represents an increase of \$430,719 from prior year.
- 7) The Sabine Parish School Board had other state source revenues of \$1,240,884 for the year ended June 30, 2004 which represents a decrease of \$155,282 from prior year.
- 8) The Sabine Parish School Board had federal source revenues of \$6,212,024 for the year ended June 30, 2004 which represents an increase of \$1,199,271 from prior year.
- 9) The Sabine Parish School Board had instructional services expenses of \$17,228,295 for the year ended June 30, 2004 which represents an increase of \$1,463,846 from prior year.
- 10) The Sabine Parish School Board had support services expenses of \$10,860,005 for the year ended June 30, 2004 which represents an increase of \$999,131 from prior year.
- 11) The Sabine Parish School Board had capital asset purchases of \$1,471,180 for the year ended June 30, 2004 which represents a decrease of \$73,754 from prior year.
- 12) The Sabine Parish School Board had debt services payments of \$3,717,317 for the year ended June 30, 2004 which represents an increase of \$200,701 from prior year.

SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)  
JUNE 30, 2004

**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, 2004**

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets  
As of Year End

	<u>2004</u>	<u>2003</u>
Current and other assets	\$ 10,028,687	\$ 11,378,882
Capital assets, net	<u>27,762,451</u>	<u>27,449,381</u>
Total Assets	<u>\$ 37,791,138</u>	<u>\$ 38,828,263</u>
Other liabilities	\$ 3,594,788	\$ 3,721,500
Compensated absences payable	498,037	381,065
Certificates of indebtedness	1,875,000	1,920,000
General obligation bonds	<u>21,550,000</u>	<u>22,754,000</u>
Total Liabilities	27,517,825	28,776,565
Net assets		
Investment in capital assets, net of related debt	6,212,451	4,695,381
Restricted	1,427,387	2,148,204
Unrestricted	<u>2,633,475</u>	<u>3,208,113</u>
Total Net Assets	<u>10,273,313</u>	<u>10,051,698</u>
Total Liabilities and Net Assets	<u>\$ 37,791,138</u>	<u>\$ 38,828,263</u>

Net assets of the Sabine Parish School Board's increased by \$221,615 or 2.20% from the previous fiscal year. The increase is the result of operating and non-operating revenues exceeding expenses during the fiscal year ended 2004 (See table below).

Statement of Activities  
For the Year Ended

	<u>2004</u>	<u>2003</u>
General government		
Expenses	\$ (32,851,542)	\$ (30,150,544)
Program revenues		
Charges for services	374,130	362,215
Operating grants and contributions	<u>7,298,956</u>	<u>6,253,092</u>
Subtotal	(25,178,456)	(23,535,237)
Taxes	6,774,565	6,629,102
Minimum Foundation revenues	18,069,016	17,638,297
Other	<u>556,490</u>	<u>675,672</u>
Change in net assets	<u>\$ 221,615</u>	<u>\$ 1,407,834</u>

The Sabine Parish School Board's total revenues increased by \$1,514,779 or 4.80% from the previous year. The total cost of all programs and services increased by \$2,700,998 or 8.96% from the previous year.



SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)  
JUNE 30, 2004

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At the end of 2004, the Sabine Parish School Board had \$27,762,451, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net increase (including additions and deductions) of \$313,070 or 1.14% from the previous year.

Capital Assets at Year End  
(Net of Depreciation)

	<u>2004</u>	<u>2003</u>
Land	\$ 291,743	\$ 289,244
Buildings and building improvements	26,615,151	26,432,089
Automobiles and equipment	<u>855,557</u>	<u>728,048</u>
Total	<u>\$ 27,762,451</u>	<u>\$ 27,449,381</u>

This year's major additions included:

Land	\$ 2,500
Building and building improvement	\$ 1,223,381
Automobiles and equipment	\$ 245,299

This year's major retirements included:

Land	\$ 1
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Debt

The Sabine Parish School Board had \$23,923,037 in outstanding debt at year end compared to \$25,055,065 at the previous year end, a decrease of \$1,132,028 or 4.52% as shown in the table below.

Outstanding Debt at Year End

	<u>2004</u>	<u>2003</u>
Compensated absences payable	\$ 498,037	\$ 381,065
Certificate of indebtedness	1,875,000	1,920,000
General obligation bonds	<u>21,550,000</u>	<u>22,754,000</u>
Totals	<u>\$ 23,923,037</u>	<u>\$ 25,055,065</u>

New debt during the year included:

General obligation bonds	\$ 1,231,000
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SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)  
JUNE 30, 2004

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Actual revenues were \$119,212 more than budgeted amounts due to local revenues being greater than expected.

Actual expenditures were \$221,577 less than budgeted amounts due to regular programs 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, 2004

	<u>2004</u>	<u>2003</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 6,673,889	\$ 9,449,311
Investments	1,099,380	100,000
Receivable	2,217,514	1,715,336
Inventories	27,070	32,748
Prepaid expenses	<u>10,834</u>	<u>81,487</u>
Total Current Assets	10,028,687	11,378,882
Noncurrent Assets		
Capital assets, net	<u>27,762,451</u>	<u>27,449,381</u>
Total Assets	<u>\$ 37,791,138</u>	<u>\$ 38,828,263</u>
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Current portion of certificate of indebtedness	\$ 120,000	\$ 45,000
Current portion of bonds payable	1,205,000	1,231,000
Accounts payable and accruals	3,254,603	3,365,368
Interest payable	<u>340,185</u>	<u>356,132</u>
Total Current Liabilities	4,919,788	4,997,500
Noncurrent Liabilities		
Compensated Absences payable	498,037	381,065
Certificate of indebtedness, net of current portion	1,755,000	1,875,000
Bonds payable, net of current portion	<u>20,345,000</u>	<u>21,523,000</u>
Total Liabilities	27,517,825	28,776,565
Net Assets		
Investment in capital assets, net of related debt	6,212,451	4,695,381
Restricted		
Retirement of long-term debt	1,139,520	647,477
Construction and renovations of capital assets	272,205	1,478,672
Other	15,662	22,055
Unrestricted	<u>2,633,475</u>	<u>3,208,113</u>
Total Net Assets	<u>10,273,313</u>	<u>10,051,698</u>
Total Liabilities and Net Assets	<u>\$ 37,791,138</u>	<u>\$ 38,828,263</u>

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

	2004				2003	
	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	\$ 10,496,138	\$ 0	\$ 1,119,935	\$ 0	\$ (9,376,203)	\$ (8,623,097)
Special programs	5,411,320	0	2,332,642	0	(3,078,678)	(2,874,285)
Adult and continuing education	1,320,837	0	156,845	0	(1,163,992)	(1,072,788)
Support services						
Student services	941,057	0	318,819	0	(622,238)	(627,774)
Instructional staff support	2,463,221	0	1,482,503	0	(980,718)	(935,659)
General administration	490,990	0	4,960	0	(486,030)	(460,965)
School administration	1,490,002	0	14,488	0	(1,475,514)	(1,320,795)
Business services	302,168	0	27,494	0	(274,674)	(251,238)
Plant services	2,734,815	0	183,037	0	(2,551,778)	(2,395,098)
Student transportation services	2,437,752	0	154,909	0	(2,282,843)	(2,130,427)
Central services	280,294	0	43,682	0	(236,612)	(251,954)
Food services	2,100,276	374,130	1,352,313	0	(373,833)	(225,580)
Community services	3,193	0	3,331	0	138	106
Interest on long-term debt	1,221,370	0	0	0	(1,221,370)	(1,238,555)
Depreciation (unallocated)	1,158,109	0	0	103,998	(1,054,111)	(1,127,128)
Total General Activities	\$ 32,851,542	\$ 374,130	\$ 7,194,958	\$ 103,998	\$ (25,178,456)	\$ (23,535,237)
General Revenues						
Property taxes					3,538,332	3,231,144
Sales taxes					3,236,233	3,397,958
State revenue sharing					153,952	155,827
Minimum foundation program (MFP) revenues					18,069,016	17,638,297
Interest income					184,733	240,751
Miscellaneous					217,805	279,094
Total General Revenues					25,400,071	24,943,071
Change in Net Assets					221,615	1,407,834
Net Assets, Beginning of year					10,051,698	8,643,864
Net Assets, End of year					\$ 10,273,313	\$ 10,051,698

The accompanying notes are an integral part of this statement.

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

	2004				2003
	General Fund	Debt Service	Other Governmental Funds	Total	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 4,541,112	\$ 692,764	\$ 1,440,013	\$ 6,673,889	\$ 9,449,311
Investments	100,000	399,752	599,628	1,099,380	100,000
Receivable	768,022	1,017	1,448,475	2,217,514	1,715,336
Interfund receivable	815,612	45,987	0	861,599	115,588
Inventories	0	0	27,070	27,070	32,748
Prepaid expenses	0	0	10,834	10,834	81,487
Total Assets	<u>\$ 6,224,746</u>	<u>\$ 1,139,520</u>	<u>\$ 3,526,020</u>	<u>\$ 10,890,286</u>	<u>\$ 11,494,470</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable and accruals	\$ 2,726,938	\$ 0	\$ 527,665	\$ 3,254,603	\$ 3,365,368
Interfund payables	<u>0</u>	<u>0</u>	<u>861,599</u>	<u>861,599</u>	<u>115,588</u>
Total Liabilities	2,726,938	0	1,389,264	4,116,202	3,480,956
<b>Fund Balances</b>					
<b>Reserved</b>					
Retirement of long-term debt	0	1,139,520	0	1,139,520	647,477
Construction and renovations of capital assets	0	0	272,205	272,205	1,478,672
Other	0	0	15,662	15,662	22,055
Unreserved	<u>3,497,808</u>	<u>0</u>	<u>1,848,889</u>	<u>5,346,697</u>	<u>5,865,310</u>
Total Net Assets	<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>
Total Liabilities and Fund Balances	<u>\$ 6,224,746</u>	<u>\$ 1,139,520</u>	<u>\$ 3,526,020</u>	<u>\$ 10,890,286</u>	<u>\$ 11,494,470</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, 2004

Total Fund Balances for Governmental Funds (Exhibit C) \$ 6,774,084

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	\$ 291,743	
Buildings and building improvements, net of \$11,984,820 in accumulated depreciation	26,615,151	
Automobiles and equipment, net of \$1,177,000 in accumulated depreciation	<u>855,557</u>	
Total Capital Assets		27,762,451

Elimination of interfund assets and liabilities

Interfund receivables	(861,599)	
Interfund payables	<u>861,599</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	\$ 340,185	
Compensated absences payable	498,037	
Certificate of indebtedness	1,875,000	
Bonds payable	<u>21,550,000</u>	
Total Long-term Liabilities		<u>(24,263,222)</u>

Total Net Assets of Governmental Activities (Exhibit A) \$ 10,273,313

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

	2004			2003	
	General Fund	Debt Service	Other Governmental Funds	Total	Total
<b>Revenues</b>					
Local Sources					
Taxes: Ad valorem	\$ 945,135	\$ 2,017,954	\$ 575,243	\$ 3,538,332	\$ 3,231,144
Taxes: Sales and use	2,157,564	0	1,078,669	3,236,233	3,397,958
Interest earnings	113,735	21,920	49,078	184,733	240,751
Charges for services	0	0	374,130	374,130	362,215
Other	162,287	0	55,519	217,806	279,094
State Sources					
Minimum foundation program (MFP)	17,934,890	0	134,126	18,069,016	17,638,297
Other	1,177,350	0	63,534	1,240,884	1,396,166
Federal Sources	139,052	0	6,072,972	6,212,024	5,012,753
<b>Total Revenues</b>	<b>22,630,013</b>	<b>2,039,874</b>	<b>8,403,271</b>	<b>33,073,158</b>	<b>31,558,378</b>
<b>Expenditures</b>					
Current					
Instruction					
Regular programs	9,879,392	0	499,774	10,379,166	9,693,187
Special programs	3,328,252	0	2,083,068	5,411,320	4,748,390
Adult and continuing education	1,201,421	0	119,416	1,320,837	1,309,255
Support Services					
Student services	640,334	0	300,723	941,057	693,801
Instructional staff support	1,133,874	0	1,329,347	2,463,221	2,233,781
General administration	454,387	29,653	6,950	490,990	464,997
School administration	1,434,403	0	55,599	1,490,002	1,321,736
Business services	275,878	0	26,290	302,168	280,911
Plant services	1,714,460	0	1,020,355	2,734,815	2,645,664
Student transportation services	2,259,212	0	178,540	2,437,752	2,219,984
Central services	280,268	0	26	280,294	251,954
Food services	3,464	0	2,096,812	2,100,276	1,905,138
Community services	0	0	3,193	3,193	2,446
Capital outlay	40,337	0	1,430,843	1,471,180	1,544,934
Debt Service					
Principal retirement	0	2,480,000	0	2,480,000	2,264,000
Interest and bank charges	53,370	1,178,463	5,484	1,237,317	1,252,616
<b>Total Expenditures</b>	<b>22,699,052</b>	<b>3,688,116</b>	<b>9,156,420</b>	<b>35,543,588</b>	<b>32,832,794</b>
Excess/(Deficiency) of Revenues Over Expenditures	(69,039)	(1,648,242)	(753,149)	(2,470,430)	(1,274,416)
Other Financing Sources/(Uses)					
Operating transfers in	64,321	573,397	0	637,718	140,063
Operating transfers out	0	0	(637,718)	(637,718)	(140,063)
Proceeds from issuing of certificates of indebtedness and bonds	0	1,231,000	0	1,231,000	2,605,000
<b>Total Other Financing Sources/(Uses)</b>	<b>64,321</b>	<b>1,804,397</b>	<b>(637,718)</b>	<b>1,231,000</b>	<b>2,605,000</b>
<b>Net Changes In Fund Balances</b>	<b>(4,718)</b>	<b>156,155</b>	<b>(1,390,867)</b>	<b>(1,239,430)</b>	<b>1,330,584</b>
Fund Balances, Beginning of year	3,502,526	983,365	3,527,623	8,013,514	6,682,930
Fund Balances, End of year	\$ 3,497,808	\$ 1,139,520	\$ 2,136,756	\$ 6,774,084	\$ 8,013,514

The accompanying notes are an integral part of this statement.

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, 2004

Net Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$ (1,239,430)
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 capital outlays (\$1,471,180) exceeds depreciation (\$1,158,109) in the current period.	313,071
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.	(101,026)
Certificates of indebtedness and bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities.	(1,231,000)
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.	<u>2,480,000</u>
Change in Net Assets of Governmental Activities (Exhibit B)	<u>\$ 221,615</u>



EXHIBIT G

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

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Cash	\$ <u>322,665</u>	\$ <u>312,934</u>
<b>Total Assets</b>	<u>\$ 322,665</u>	<u>\$ 312,934</u>
<b>Liabilities</b>		
Due to other governments	\$ <u>322,665</u>	\$ <u>312,934</u>
<b>Total Liabilities</b>	<u>\$ 322,665</u>	<u>\$ 312,934</u>

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2004

**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 five schools within the parish with a total enrollment of approximately 4,081 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, 2004

**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, 2004

**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, 2004

**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, 2004, \$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, 2004

**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, 2004

**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, 2004

**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	65.50	65.50	2005
District #17	31.89	31.89	2005
District #20	23.08	23.08	2005
District #34	35.84	35.84	2005
District #42	28.97	28.97	2010
District #61	65.24	65.24	2008
District #62	34.44	34.44	2005

**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, 2004, the Sabine Parish School Board had bank deposits per balance sheet of \$7,096,534, as follows:

Demand deposits	\$	472
Interest-bearing demand deposits		6,996,062
Certificates of Deposit, maturities greater than 90 days		<u>100,000</u>
Total		<u>\$ 7,096,534</u>

The deposits at June 30, 2004 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	<u>0</u>	<u>0</u>	<u>0</u>
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>\$ 8,355,316</u>	<u>\$ 100,000</u>	<u>\$ 8,455,316</u>



SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2004

**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	\$ 8,333,156
Peoples State Bank	121,688
City Bank & Trust Co.	472
Total	<u>\$ 8,455,316</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, 2004 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	\$ 999,380	\$ 999,380
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 999,380</u>	<u>\$ 999,380</u>

**NOTE 4 ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at June 30, 2004:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Other</u>	<u>Total</u>
			<u>Governmental Funds</u>	
Taxes	\$ 192,199	\$ 1,017	\$ 96,093	\$ 289,309
Intergovernmental	563,211	0	1,327,864	1,891,075
Other	12,612	0	24,518	37,130
Total	<u>\$ 768,022</u>	<u>\$ 1,017</u>	<u>\$ 1,448,475</u>	<u>\$ 2,217,514</u>

**SABINE PARISH SCHOOL BOARD**  
**MANY, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE 5 INTERFUND ASSETS/LIABILITIES**

Due from/to other funds:

Fund	Receivable	Payable
General	\$ 815,612	\$ 0
Debt service	45,987	0
Other governmental	0	861,599
Total	<u>\$ 861,599</u>	<u>\$ 861,599</u>

**NOTE 6 CAPITAL ASSETS**

A summary of Sabine Parish School Board's capital assets at June 30, 2004 follows:

	Balance July 1, 2003	Additions	Retirements	Balance June 30, 2004
Capital Assets, not being depreciated				
Land	\$ 289,244	\$ 2,500	\$ (1)	\$ 291,743
Total Capital Assets, not being depreciated	289,244	2,500	(1)	291,743
Capital Assets, being depreciated				
Buildings and building improvements	37,376,590	1,223,381	0	38,599,971
Less accumulated depreciation	<u>(10,944,501)</u>	<u>(1,040,319)</u>	<u>0</u>	<u>(11,984,820)</u>
Total Buildings and building improvements	26,432,089	183,062	0	26,615,151
Automobiles and equipment	1,787,258	245,299	0	2,032,557
Less accumulated depreciation:	<u>(1,059,210)</u>	<u>(117,790)</u>	<u>0</u>	<u>(1,177,000)</u>
Total Automobiles and equipment	<u>728,048</u>	<u>127,509</u>	<u>0</u>	<u>855,557</u>
Total Capital Assets, being depreciated	<u>27,160,137</u>	<u>310,571</u>	<u>0</u>	<u>27,470,708</u>
Total Capital Assets, net	<u>\$ 27,449,381</u>	<u>\$ 313,071</u>	<u>\$ (1)</u>	<u>\$ 27,762,451</u>

**NOTE 7 ACCOUNTS PAYABLE AND ACCRUALS**

The following is a summary of accounts payable at June 30, 2004:

Class of Payable	General Fund	Debt Service	Other Governmental Funds	Total
Vendor	\$ 72,282	\$ 0	\$ 236,087	\$ 308,369
Salaries and benefits	2,654,101	0	291,428	2,945,529
Other	<u>555</u>	<u>0</u>	<u>150</u>	<u>705</u>
Total	<u>\$ 2,726,938</u>	<u>\$ 0</u>	<u>\$ 527,665</u>	<u>\$ 3,254,603</u>

**SABINE PARISH SCHOOL BOARD**  
**MANY, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE 8 LONG-TERM DEBT**

The following is a summary of the long-term obligations transactions for the year ended June 30, 2004:

	Balance June 30, 2003	Additions	Deletions	Balance June 30, 2004	Current Amount
Compensated absences	\$ 381,065	\$ 183,745	\$ 66,773	\$ 498,037	\$ 0
Certificates of indebtedness	1,920,000	0	45,000	1,875,000	120,000
Bonds payable	<u>22,754,000</u>	<u>1,231,000</u>	<u>2,435,000</u>	<u>21,550,000</u>	<u>1,205,000</u>
Total	<u>\$ 25,055,065</u>	<u>\$ 1,414,745</u>	<u>\$ 2,546,773</u>	<u>\$ 23,923,037</u>	<u>\$ 1,325,000</u>

All School Board bonds outstanding at June 30, 2004 are general obligation bonds. The individual issues are as follows:

<u>Certificate of Indebtedness</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Converse	6.5%-6.75%	7/1/2011	\$ 124,500	\$ 93,750
Florien	6.5%-6.75%	7/1/2011	124,500	93,750
Pleasant Hill	6.5%-6.75%	7/1/2011	251,000	187,500
General	2.35%-5.0%	7/1/2019	1,500,000	1,500,000
<u>Bonds Payable</u>				
Converse				
No. 8A	5.25%-6.25%	3/1/2019	2,200,000	1,900,000
No. 8A	0.1%-4.95%	3/1/2021	519,000	496,000
Ebarb				
No. 17	4.55%	2/1/2016	350,000	320,000
Many				
No. 34	4.8%-5.8%	4/1/2020	4,750,000	4,295,000
No. 34	1.0%-6.25%	3/1/2010	755,000	605,000
Negreet				
No. 62A	4.5%-4.75%	4/1/2018	4,500,000	4,140,000
Pleasant Hill				
No. 42	0.1%-4.95%	2/1/2020	712,000	681,000
South Sabine				
No. 20	4.25%-5.5%	4/1/2010	1,875,000	1,215,000
Zwolle				
No. 61	5.375%-6.375%	3/1/2020	2,200,000	1,990,000
Zwolle Sales Tax District #2	5.1%	8/1/2020	1,100,000	1,020,000
Many Sales Tax District #1	5.2%-6.2%	2/1/2020	3,600,000	3,260,000
Zwolle				
No. 61	5.1%-6.0%	11/1/2012	1,385,000	1,150,000
No. 61	5.1%-5.2%	3/1/2011	<u>784,000</u>	<u>478,000</u>
Total			<u>\$ 26,730,000</u>	<u>\$ 23,425,000</u>

The annual requirements to amortize all debt outstanding as of June 30, 2004, including interest payments are as follows:

<u>Year Ended June 30,</u>	<u>Certificate of Indebtedness</u>	<u>Bonds Payable</u>	<u>Total</u>
2005	\$ 194,966	\$ 2,306,811	\$ 2,501,777
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
thereafter	<u>1,468,600</u>	<u>19,383,640</u>	<u>20,852,240</u>
Total	<u>\$ 2,440,337</u>	<u>\$ 31,003,852</u>	<u>\$ 33,444,189</u>

**SABINE PARISH SCHOOL BOARD**  
**MANY, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE 9 INTERFUND TRANSFERS**

Operating transfers for the year ended June 30, 2004, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 64,321	\$ 0
Debt service	573,397	0
Other governmental	<u>0</u>	<u>637,718</u>
Total	<u>\$ 637,718</u>	<u>\$ 637,718</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, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2004</u>
Agency Funds				
School activity accounts	\$ 312,934	\$ 1,594,419	\$ 1,584,688	\$ 322,665
Total	<u>\$ 312,934</u>	<u>\$ 1,594,419</u>	<u>\$ 1,584,688</u>	<u>\$ 322,665</u>

**NOTE 11 LEASES**

The Sabine Parish School Board was not obligated under any capital or operating lease commitments at June 30, 2004.

**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 percent, 9.1 percent, and 5.0 percent 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 13.8 percent, 13.8 percent and 13.8 percent 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, 2004

**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, 2004 and 2003 were \$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 percent of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 7.0 percent 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, 2004 and 2003 were \$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 \$3,150,755 for the year ended June 30, 2004. The cost of retiree benefits totaled \$1,535,834 for 271 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, 2004

**NOTE 15      LITIGATION**

The Sabine Parish School Board is a defendant in various litigations as of the close of business on June 30, 2004. 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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fav./(Unfav. )</u>
Revenues				
Local Sources	\$ 3,245,700	\$ 3,251,725	\$ 3,378,721	\$ 126,996
State Sources	18,868,641	19,098,601	19,112,240	13,639
Federal Sources	<u>159,140</u>	<u>160,475</u>	<u>139,052</u>	<u>(21,423)</u>
Total Revenues	22,273,481	22,510,801	22,630,013	119,212
Expenditures				
Current				
Instruction				
Regular programs	9,745,055	9,995,356	9,879,392	115,964
Special programs	3,297,016	3,337,697	3,328,252	9,445
Adult and continuing education	1,165,616	1,202,720	1,201,421	1,299
Support Services				
Student services	608,903	638,421	640,334	(1,913)
Instructional staff support	1,194,696	1,180,059	1,133,874	46,185
General administration	481,221	542,436	454,387	88,049
School administration	1,318,692	1,433,818	1,434,403	(585)
Business services	272,476	268,602	275,878	(7,276)
Plant services	1,632,172	1,634,645	1,714,460	(79,815)
Student transportation services	2,220,644	2,242,569	2,259,212	(16,643)
Central services	290,650	288,558	280,268	8,290
Food services	31,000	31,000	3,464	27,536
Community services	5,000	4,000	0	4,000
Capital outlay	95,700	66,178	40,337	25,841
Debt Service				
Principal retirement	0	0	0	0
Interest and bank charges	0	54,570	53,370	1,200
Total Expenditures	<u>22,358,841</u>	<u>22,920,629</u>	<u>22,699,052</u>	<u>221,577</u>
Excess/(Deficiency) of Revenues Over Expenditures	(85,360)	(409,828)	(69,039)	340,789
Other Financing Sources/(Uses)				
Operating transfers in	144,252	141,943	64,321	(77,622)
Operating transfers out	0	0	0	0
Proceeds from issuing of certificates of Indebtedness and bonds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources/(Uses)	<u>144,252</u>	<u>141,943</u>	<u>64,321</u>	<u>(77,622)</u>
Net Changes In Fund Balances	58,892	(267,885)	(4,718)	263,167
Fund Balances, Beginning of year	<u>3,502,526</u>	<u>3,502,526</u>	<u>3,502,526</u>	<u>0</u>
Fund Balances, End of year	<u>\$ 3,561,418</u>	<u>\$ 3,234,641</u>	<u>\$ 3,497,808</u>	<u>\$ 263,167</u>



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**OTHER SUPPLEMENTARY INFORMATION**

SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
GENERAL  
JUNE 30, 2004

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, 2004

Roderick Davis	\$	7,200
James W. House		7,200
Imon Jones		7,200
James R. Martin		7,200
Jack Sanders		7,200
Donnie Sistrunk		7,900
Harold Stewart		7,200
James R. Veuleman, President		7,700
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, 2004

**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:  |             |
|    | 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

84.010

84.027

93.600

Name of Federal Program

Title I Grants to Local Educational Agencies

Special Education-State Grants

Head Start

- |    |  |           |
|----|--|-----------|
| 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, 2004

<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	\$ 335,005
National School Lunch Program	None	10.555	880,799
Total United States Department of Agriculture			<u>1,215,804</u>
United States Department of Education			
Direct Program			
Indian Education-Grants to Local Education Agencies	S060A030108	84.060	155,251
Passed through Louisiana Department of Education			
Adult Education - State Grant Program	02-44-43-C,03-44-43-C 04-44-43	84.002	58,065
Title I Grants to Local Educational Agencies *	03-T1-43,03-T1-43-C,04-T1-43	84.010	1,329,368
Special Education			
State Grants *	03-B1-43,03-B1-43-C,04-B1-43	84.027	905,575
Preschool Grants	03-SG-43,04-P1-43	84.173	21,104
Vocational Education			
Basic Grants to States	04-02-43	84.048	62,850
Safe and Drug-Free Schools and Communities - State Grants	03-70-43,03-70-43-C,04-70-43	84.186	39,184
Even Start - State Educations Agencies	02-F1-43-C,03-F1-43 03-F1-43-C,04-F1-43	84.213	156,416
Twenty-First Century Community Learning Centers	04-CC-43	84.287	396,938
Innovative Education Program Strategies (Title VI)	04-80-43	84.298	34,312
Technology Literacy Challenge Fund Grant	04-46-43,04-49-43	84.318	171,010
Comprehensive School Reform Demonstration	03-T6-43-C	84.332	52,789
Gaining Early Awareness and Readiness for Undergraduate Program	03-203SPSB-43 03-318MANY-43 04-319ZWOL-43	84.334	38,256
Rural Education	03-RE-43,04-RE-43	84.358	141,066
English Language Acquisition Grants	04-S3-43,03-60-35	84.365	5,475
Improving Teacher Quality State Grants	03-50-43,04-50-43	84.367	335,595
Total United States Department of Education			<u>3,903,254</u>
United States Department of Health and Human Services			
Direct Program			
Head Start *	6T77G	93.600	871,199
Passed through Louisiana Department of Education			
Temporary Assistance for Needy Families	03-36-43,03-LG-43,03-MS-43 04-38-43,04-EP-43	93.558	94,493
Total United States Department of Health and Human Services			<u>965,692</u>
Corporation for National and Community Service			
Passed through Louisiana Department of Education			
Learn and Serve America-School and Community Based Programs	PAWS, STEPS, BUNDLES	94.004	17,694
Noncash Federal Financial Assistance			
Passed through Louisiana Department of Agriculture and Forestry			
Food Distribution Program	None	10.550	109,580
<b>TOTAL FEDERAL AWARDS</b>			<u><u>\$ 6,212,024</u></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.

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## 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 financial statements of the Sabine Parish School Board, Many, Louisiana, as of and for the year ended June 30, 2004, and have issued our report dated December 8, 2004. 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 8, 2004

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

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## 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, 2004. 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, 2004.

### 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 8, 2004

SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2004

<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>
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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, 2004

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Expected Date of Completion</u>
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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, 2004**

**General Fund Instructional and Equipment Expenditures**

**General Fund Instructional Expenditures:**

**Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$ 10,409,243
Other Instructional Staff Activities	46,304
Employee Benefits	3,336,304
Purchased Professional and Technical Services	7,023
Instructional Materials and Supplies	597,050
Instructional Equipment	<u>20,700</u>

Total Teacher and Student Interaction Activities \$ 14,416,624

Other Instructional Activities 13,141

Pupil Support Activities 640,334

Less: Equipment for Pupil Support Activities 0

Net Pupil Support Activities 640,334

Instructional Staff Services 1,133,874

Less: Equipment for Instructional Staff Services \$ 0

Net Instructional Staff Services 1,133,874

Total General Fund Instructional Expenditures \$ 16,203,973

Total General Fund Equipment Expenditures \$ 40,337

**Certain Local Revenue Sources**

**Local Taxation Revenue:**

Constitutional Ad Valorem Taxes	\$ 324,895
Renewable Ad Valorem Tax	548,267
Debt Service Ad Valorem tax	0
Up to 1% of collections by the Sheriff on Taxes Other than School Taxes	71,973
Sales and Use Taxes	<u>2,157,564</u>
Total Local Taxation Revenue	<u>\$ 3,102,699</u>

**Local Earnings on investment in Real Property:**

Earnings from 16<sup>th</sup> Section Property \$ 0

Earnings from Other Real Property 6,415

Total Local Earnings on Investments in Real Property \$ 6,415

**State Revenue in Lieu of Taxes:**

Revenue Sharing - Constitutional Tax \$ 34,070

Revenue Sharing - Other Taxes 57,494

Revenue Sharing - Excess Portion 0

Other Revenue in Lieu of Taxes 0

Total State Revenue in Lieu of Taxes \$ 91,564

Nonpublic Textbook Revenue \$ 0

Nonpublic Transportation Revenue \$ 0

SCHEDULE 8

SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
EDUCATION LEVELS OF PUBLIC SCHOOL STAFF  
AS OF OCTOBER 1, 2003

Category	Full-time Classroom Teachers			Principals & Assistant Principals				
	Certificated Number	Percent	Uncertificated Number	Percent	Certificated Number	Percent	Uncertificated Number	Percent
Less than a Bachelor's Degree	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Bachelor's Degree	243	79.9%	0	0.0%	0	0.0%	0	0.0%
Master's Degree	39	12.9%	0	0.0%	12	63.2%	0	0.0%
Master's Degree + 30	18	5.9%	0	0.0%	7	36.8%	0	0.0%
Specialist in Education	3	1.0%	0	0.0%	0	0.0%	0	0.0%
Ph. D. or Ed. D.	1	0.3%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>304</b>	<b>B</b>	<b>0</b>	<b>C</b>	<b>19</b>	<b>F</b>	<b>0</b>	<b>G</b>

SCHEDULE 9

SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
NUMBER AND TYPE OF PUBLIC SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2004

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

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 AND FULL-TIME CLASSROOM TEACHERS

AS OF OCTOBER 1, 2003

	<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	1	0	2	2	6	D
Principals	0	0	0	1	3	3	6	13	E
Classroom Teachers	31	31	106	40	24	24	48	304	A
<b>Total</b>	<u>31</u>	<u>31</u>	<u>107</u>	<u>42</u>	<u>27</u>	<u>29</u>	<u>56</u>	<u>323</u>	

SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
PUBLIC SCHOOL STAFF DATA  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC and Rehired Retirees</u>
Average Classroom Teachers' Salary Including Extra Compensation	\$ 26,591	\$ 26,333
Average Classroom Teachers' Salary' Excluding Extra Compensation	\$ 26,212	\$ 25,944
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	364	346

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, 2003

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	76.0%	120	24.0%	38	0.0%	0	0.0%	0
Elementary Activity Classes	75.0%	15	25.0%	5	0.0%	0	0.0%	0
Middle/Jr. High	91.6%	65	8.4%	6	0.0%	0	0.0%	0
Middle/Jr. High Activity Classes	75.0%	6	25.0%	2	0.0%	0	0.0%	0
High	76.8%	205	19.8%	53	3.4%	9	0.0%	0
High Activity Classes	88.9%	40	11.1%	5	0.0%	0	0.0%	0
Combination	72.4%	359	21.3%	106	6.1%	30	0.2%	1
Combination Activity Classes	0.0%	0	0.0%	0	0.0%	0	0.0%	0

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

SCHEDULE 13

SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP) FOR THE 21<sup>ST</sup> CENTURY  
FOR THE YEAR ENDED JUNE 30, 2004

District Achievement Level	English Language Arts						Mathematics					
	20 X 4		20 X 3		20 X 2		20 X 4		20 X 3		20 X 2	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	8	2.6%	1	0.4%	7	1.9%	9	3.0%	6	2.0%	7	1.7%
Proficient	38	12.4%	24	8.1%	38	10.6%	31	10.1%	27	9.1%	28	6.9%
Basic	128	41.8%	109	36.8%	127	35.3%	131	42.8%	109	36.8%	98	38.3%
Approaching Basic	77	25.2%	100	33.8%	125	34.7%	68	22.2%	86	29.1%	89	26.7%
Unsatisfactory	55	18.0%	62	20.9%	63	17.5%	67	21.9%	68	23.0%	88	26.4%
<b>Total</b>	<b>306</b>	<b>100%</b>	<b>296</b>	<b>100%</b>	<b>360</b>	<b>100%</b>	<b>306</b>	<b>100%</b>	<b>296</b>	<b>100%</b>	<b>310</b>	<b>100%</b>

District Achievement Level	Science						Social Studies					
	20 X 4		20 X 3		20 X 2		20 X 4		20 X 3		20 X 2	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	2	0.7%	3	0.9%	0	0.0%	0	0.0%	2	0.6%	1	0.3%
Proficient	47	15.3%	45	13.6%	31	9.2%	24	7.8%	18	5.4%	20	5.9%
Basic	118	38.3%	125	37.7%	128	37.9%	161	52.3%	142	42.8%	159	47.1%
Approaching Basic	95	30.8%	92	27.7%	113	33.4%	86	27.9%	112	33.7%	96	28.4%
Unsatisfactory	46	14.9%	67	20.1%	66	19.5%	37	12.0%	58	17.5%	62	18.3%
<b>Total</b>	<b>308</b>	<b>100%</b>	<b>332</b>	<b>100%</b>	<b>338</b>	<b>100%</b>	<b>308</b>	<b>100%</b>	<b>332</b>	<b>100%</b>	<b>338</b>	<b>100%</b>



SCHEDULE 14

SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
THE GRADUATION EXIT EXAM FOR THE 21<sup>ST</sup> CENTURY  
FOR THE YEAR ENDED JUNE 30, 2004

District Achievement Level	English Language Arts						Mathematics					
	20 X 4		20 X 3		20 X 2		20 X 4		20 X 3		20 X 2	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10</b>												
Advanced	4	1.4%	1	0.3%	0	0.0%	17	6.0%	13	3.8%	15	4.2%
Proficient	38	13.6%	18	5.6%	37	10.8%	39	14.0%	42	12.4%	42	11.8%
Basic	114	40.7%	116	36.4%	136	39.8%	134	48.0%	123	36.2%	119	33.5%
Approaching Basic	76	27.2%	94	29.5%	83	24.3%	42	15.0%	55	16.2%	54	15.2%
Unsatisfactory	48	17.1%	90	28.2%	86	25.1%	48	17.0%	107	31.4%	125	35.3%
<b>Total</b>	<b>280</b>	<b>100%</b>	<b>319</b>	<b>100%</b>	<b>342</b>	<b>100%</b>	<b>280</b>	<b>100%</b>	<b>340</b>	<b>100%</b>	<b>355</b>	<b>100%</b>

District Achievement Level	Science						Social Studies					
	20 X 4		20 X 3		20 X 2		20 X 4		20 X 3		20 X 2	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 11</b>												
Advanced	7	3.0%	2	0.7%	7	2.6%	1	0.7%	2	0.7%	1	0.4%
Proficient	32	12.0%	21	7.2%	37	13.7%	16	5.8%	17	5.8%	12	4.4%
Basic	103	39.0%	122	41.9%	101	37.3%	123	44.0%	128	44.0%	129	47.6%
Approaching Basic	81	31.0%	77	26.5%	68	25.1%	78	26.1%	76	26.1%	69	25.5%
Unsatisfactory	38	15.0%	69	23.7%	58	21.3%	43	23.4%	68	23.4%	60	22.1%
<b>Total</b>	<b>261</b>	<b>100%</b>	<b>291</b>	<b>100%</b>	<b>271</b>	<b>100%</b>	<b>261</b>	<b>100%</b>	<b>291</b>	<b>100%</b>	<b>271</b>	<b>100%</b>

SABINE PARISH SCHOOL BOARD  
MANY, LOUISIANA  
THE IOWA TESTS  
FOR THE YEAR ENDED JUNE 30, 2004

	<b>Composite</b>		
	<u>20 X 4</u>	<u>20 X 3</u>	<u>20 X 2</u>
<b>Test of Basic Skills (ITBS)</b>			
Grade 3	53	51	54
Grade 5	53	46	46
Grade 6	42	41	54
Grade 7	47	53	50
<b>Tests of Educational Development (ITED)</b>			
Grade 9	47	43	48

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.

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## 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 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 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 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 (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) for the 21<sup>st</sup> Century (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.

**The Graduation Exit Exam for the 21<sup>st</sup> Century (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 8, 2004