

**RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2006**

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 11-8-06

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COUSHATTA, LOUISIANA
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COUSHATTA, LOUISIANA
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RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

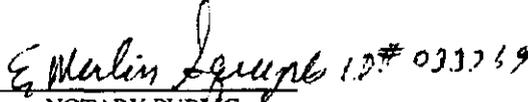
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Kay Easley, Superintendent of the Red River Parish School Board, who, duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Red River Parish School Board, at June 30, 2006 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 6th day of October, 2006.


NOTARY PUBLIC

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

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INDEPENDENT AUDITORS' REPORT

Board Members
Red River Parish School Board
Coushatta, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Red River Parish School Board, Coushatta, Louisiana, as of and for the year ended June 30, 2006, which collectively comprise the Red River Parish School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Red River Parish Schools Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Red River Parish School Board, Coushatta, Louisiana, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated October 6, 2006 on our consideration of the Red River 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 28, 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 required supplementary information. However, we did not audit the information and express no opinion on it.

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

The financial information for the year ended June 30, 2005, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated October 12, 2005, on the basic financial statements of the Red River Parish School Board.

Hines, Jackson & Hines
Natchitoches, Louisiana
October 6, 2006

~~-MEMBERS-~~

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006

The Management's Discussion and Analysis of the Red River Parish School Board's financial performance presents a narrative overview and analysis of Red River Parish School Board's financial activities for the year ended June 30, 2006. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the Red River Parish School Board's financial statements, which begin on page 8.

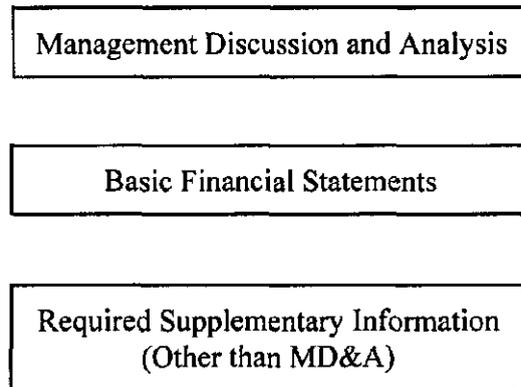
FINANCIAL HIGHLIGHTS

- 1) The Red River Parish School Board had cash and investments of \$8,257,437 at June 30, 2006 which represents an increase of \$1,191,088 from prior year end.
- 2) The Red River Parish School Board had receivables of \$834,663 at June 30, 2006 which represents an increase of \$51,663 from prior year end.
- 3) The Red River Parish School Board had accounts payable and accruals of \$1,439,271 at June 30, 2006 which represents an increase of \$7,642 from prior year end.
- 4) The Red River Parish School Board had total revenues of \$16,223,257 for the year ended June 30, 2006 which represents an increase of \$789,464 from prior year.
- 5) The Red River Parish School Board had taxes of \$3,443,825 for the year ended June 30, 2006 which represents an increase of \$244,008 from prior year.
- 6) The Red River Parish School Board had minimum foundation program revenues of \$8,856,870 for the year ended June 30, 2006 which represents an increase of \$234,523 from prior year.
- 7) The Red River Parish School Board had other state source revenues of \$694,359 for the year ended June 30, 2006 which represents an increase of \$57,455 from prior year.
- 8) The Red River Parish School Board had federal source revenues of \$2,844,707 for the year ended June 30, 2006 which represents an increase of \$262,789 from prior year.
- 9) The Red River Parish School Board had instructional services expenses of \$8,061,108 for the year ended June 30, 2006 which represents an increase of \$4,516 from prior year.
- 10) The Red River Parish School Board had support services expenses of \$4,850,046 for the year ended June 30, 2006 which represents an increase of \$199,019 from prior year.
- 11) The Red River Parish School Board had capital asset purchases of \$179,948 for the year ended June 30, 2006 which represents a decrease of \$124,680 from prior year.
- 12) The Red River Parish School Board had debt services payments of \$919,967 for the year ended June 30, 2006 which represents a decrease of \$2,650 from prior year.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2006

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Red River 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 Red River 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.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2006

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	<u>2006</u>	<u>2005</u>
Current and other assets	\$ 9,106,736	\$ 7,865,963
Capital assets, net	<u>12,538,636</u>	<u>12,979,446</u>
Total Assets	<u>\$ 21,645,372</u>	<u>\$ 20,845,409</u>
Accounts payable and accruals	\$ 1,568,072	\$ 1,567,892
Compensated absences payable	548,844	499,796
General obligation bonds	<u>8,690,000</u>	<u>9,200,000</u>
Total Liabilities	10,806,916	11,267,688
Net assets		
Investment in capital assets, net of related debt	3,848,636	3,779,446
Restricted	2,383,822	1,959,502
Unrestricted	<u>4,605,998</u>	<u>3,838,773</u>
Total Net Assets	<u>10,838,456</u>	<u>9,577,721</u>
Total Liabilities and Net Assets	<u>\$ 21,645,372</u>	<u>\$ 20,845,409</u>

Net assets of the Red River Parish School Board's increased by \$1,260,735 or 13.16% from the previous fiscal year. The increase is the result of operating and nonoperating revenues exceeding expenses during the fiscal year ended 2006 (See table below).

Statement of Activities
For the Year Ended

	<u>2006</u>	<u>2005</u>
General government		
Expenses	\$ (14,962,522)	\$ (14,776,038)
Program revenues		
Charges for services	71,335	76,370
Operating and capital grants and contributions	<u>3,491,582</u>	<u>3,171,682</u>
Subtotal	(11,399,605)	(11,527,986)
Taxes	3,443,825	3,199,817
Minimum foundation revenues	8,856,870	8,622,347
Other	<u>359,645</u>	<u>363,577</u>
Change in net assets	<u>\$ 1,260,735</u>	<u>\$ 657,755</u>

The Red River Parish School Board's total revenues increased by \$789,464 or 5.12% from the previous year. The total cost of all programs and services increased by \$186,484 or 1.26% from the previous year.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2006

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$224,473 more than budgeted amounts due to minimum foundation program (MFP) revenues being more than expected.

Actual expenditures were \$167,852 less than budgeted amounts due to student transportation services expenses being less than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

CONTACTING THE RED RIVER 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 Red River Parish School Board's finances and to show the Red River Parish School Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kay Easley, Superintendent, Post Office Box 1369, Coushatta, Louisiana 71019.

EXHIBIT A

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 7,090,642	\$ 5,946,820
Investments	1,166,795	1,119,529
Accounts receivable	834,663	783,000
Inventories	<u>14,636</u>	<u>16,614</u>
Total Current Assets	9,106,736	7,865,963
Noncurrent Assets		
Capital assets, net	<u>12,538,636</u>	<u>12,979,446</u>
Total Assets	<u>\$ 21,645,372</u>	<u>\$ 20,845,409</u>
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Current portion of general obligation bonds	\$ 540,000	\$ 510,000
Accounts payable and accruals	1,439,271	1,431,629
Interest payable	<u>128,801</u>	<u>136,263</u>
Total Current Liabilities	2,108,072	2,077,892
Noncurrent Liabilities		
Compensated absences payable	548,844	499,796
General obligation bonds, net of current portion	<u>8,150,000</u>	<u>8,690,000</u>
Total Liabilities	10,806,916	11,267,688
Net Assets		
Investment in capital assets, net of related debt	3,848,636	3,779,446
Restricted		
Salaries	949,607	693,606
Retirement of long-term debt	1,289,297	1,135,507
Construction and renovations of capital assets	144,918	130,389
Unrestricted	<u>4,605,998</u>	<u>3,838,773</u>
Total Net Assets	<u>10,838,456</u>	<u>9,577,721</u>
Total Liabilities and Net Assets	<u>\$ 21,645,372</u>	<u>\$ 20,845,409</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

**RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

	2006			2005		
	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	\$ 4,968,010	\$ 0	\$ 416,805	\$ 0	\$ (4,551,205)	\$ (4,497,531)
Special programs	2,527,025	0	1,555,622	0	(971,403)	(1,165,185)
Adult and continuing education	566,073	0	139,244	0	(426,829)	(430,634)
Support services						
Student services	580,098	0	63,121	0	(516,977)	(490,517)
Instructional staff support	635,492	0	242,904	0	(392,588)	(501,078)
General administration	466,648	0	4,288	0	(462,360)	(441,382)
School administration	851,529	0	132,401	0	(719,128)	(639,459)
Business services	239,221	0	11,000	0	(228,221)	(225,401)
Plant services	1,168,198	0	73,413	0	(1,094,785)	(938,092)
Student transportation services	908,860	0	26,850	0	(882,010)	(889,864)
Central services	14,189	0	134	0	(14,055)	(6,788)
Food services	1,013,916	71,335	645,852	0	(296,729)	(323,236)
Interest on long-term debt	402,505	0	0	0	(402,505)	(428,400)
Depreciation (unallocated)	620,758	0	0	179,948	(440,810)	(550,419)
Total General Activities	\$ 14,962,522	\$ 71,335	\$ 3,311,634	\$ 179,948	\$ (11,399,605)	\$ (11,527,986)
General Revenues						
Property taxes, levied for general purposes					1,031,333	993,345
Property taxes, levied for debt service					1,033,011	997,449
Sales taxes, levied for general purposes					1,379,481	1,209,023
State revenue sharing					47,484	47,140
Minimum foundation program (MFP) revenues					8,856,870	8,622,347
Interest income					232,647	202,405
Miscellaneous					79,514	114,032
Total General Revenues					12,660,340	12,185,741
Change in Net Assets					1,260,735	657,755
Net Assets, Beginning of year					9,577,721	8,919,966
Net Assets, End of year					\$ 10,838,456	\$ 9,577,721

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006 AND 2005

	2006				2005
	General Fund	Debt Service Fund	Other Governmental Funds	Total	Total
Assets					
Cash and cash equivalents	\$ 4,984,895	\$ 545,381	\$ 1,560,366	\$ 7,090,642	\$ 5,946,820
Investments	299,773	720,390	146,632	1,166,795	1,119,529
Receivable	83,528	23,526	727,609	834,663	783,000
Interfund receivable	634,615	0	0	634,615	420,064
Inventories	0	0	14,636	14,636	16,614
Total Assets	\$ 6,002,811	\$ 1,289,297	\$ 2,449,243	\$ 9,741,351	\$ 8,286,027
Liabilities and Fund Balances					
Liabilities					
Accounts payable and accruals	\$ 1,419,269	\$ 0	\$ 20,002	\$ 1,439,271	\$ 1,431,629
Interfund payables	0	0	634,615	634,615	420,064
Total Liabilities	1,419,269	0	654,617	2,073,886	1,851,693
Fund Balances					
Reserved					
Salaries	0	0	949,607	949,607	693,606
Retirement of long-term debt	0	1,289,297	0	1,289,297	1,135,507
Construction and renovations of capital assets	0	0	144,918	144,918	130,389
Unreserved	4,583,542	0	700,101	5,283,643	4,474,832
Total Net Assets	4,583,542	1,289,297	1,794,626	7,667,465	6,434,334
Total Liabilities and Fund Balances	\$ 6,002,811	\$ 1,289,297	\$ 2,449,243	\$ 9,741,351	\$ 8,286,027

The accompanying notes are an integral part of this statements.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2006

Total Fund Balances for Governmental Funds (Exhibit C) \$ 7,667,465

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	\$ 150,657	
Buildings and building improvements, net of \$2,181,674 in accumulated depreciation	11,559,360	
Automobiles and equipment, net of \$1,142,497 in accumulated depreciation	<u>828,619</u>	
Total Capital Assets		12,538,636

Elimination of interfund assets and liabilities

Interfund receivables	(14,715)	
Interfund payables	<u>14,715</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	128,801	
Compensated absences payable	548,844	
General obligation bonds	<u>\$ 8,690,000</u>	
Total Long-term Liabilities		<u>(9,367,645)</u>

Total Net Assets of Governmental Activities (Exhibit A) \$ 10,838,456

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	2006			2005	
	General Fund	Debt Service Fund	Other Governmental Funds	Total	Total
Revenues					
Local Sources					
Taxes: Ad valorem	\$ 512,218	\$ 1,033,011	\$ 519,115	\$ 2,064,344	\$ 1,990,794
Taxes: Sales and use	689,740	0	689,741	1,379,481	1,209,023
Interest earnings	183,014	40,746	8,887	232,647	202,405
Charges for services	0	0	71,335	71,335	76,370
Other	76,527	0	2,887	79,514	114,032
State Sources					
Minimum foundation program (MFP)	8,712,870	0	144,000	8,856,870	8,622,347
Other	252,378	0	441,981	694,359	636,904
Federal Sources	0	0	2,844,707	2,844,707	2,581,918
Total Revenues	10,426,847	1,073,757	4,722,653	16,223,257	15,433,793
Expenditures					
Current					
Instruction					
Regular programs	4,156,656	0	762,306	4,918,962	4,817,564
Special programs	913,370	0	1,613,655	2,527,025	2,542,319
Adult and continuing education	382,808	0	183,265	566,073	588,198
Support Services					
Student services	477,940	0	102,158	580,098	543,975
Instructional staff support	376,589	0	258,903	635,492	742,826
General administration	453,076	0	13,572	466,648	447,095
School administration	660,318	0	191,211	851,529	749,764
Business services	214,862	0	24,359	239,221	237,596
Plant services	931,858	0	236,340	1,168,198	1,009,523
Student transportation services	816,673	0	92,187	908,860	920,248
Central services	14,189	0	0	14,189	6,874
Food services	77,705	0	936,211	1,013,916	1,027,951
Capital outlay	138,579	0	41,369	179,948	304,628
Debt Service					
Principal retirement	0	510,000	0	510,000	485,000
Interest and bank charges	0	409,967	0	409,967	437,617
Total Expenditures	9,614,623	919,967	4,455,536	14,990,126	14,861,178
Excess/(Deficiency) of Revenues Over Expenditures					
	812,224	153,790	267,117	1,233,131	572,615
Other Financing Sources/(Uses)					
Operating transfers in	14,715	0	0	14,715	69,196
Operating transfers out	0	0	(14,715)	(14,715)	(69,196)
Total Other Financing Sources/(Uses)	14,715	0	(14,715)	0	0
Net Changes In Fund Balances	826,939	153,790	252,402	1,233,131	572,615
Fund Balances, Beginning of year	3,756,603	1,135,507	1,542,224	6,434,334	5,861,719
Fund Balances, End of year	\$ 4,583,542	\$ 1,289,297	\$ 1,794,626	\$ 7,667,465	\$ 6,434,334

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, 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, 2006

Net Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$ 1,233,131
The change in Net Assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$620,758) exceeds capital outlays (\$179,948) in the current period.	(440,810)
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.	(41,586)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	<u>510,000</u>
Change in Net Assets of Governmental Activities (Exhibit B)	<u>\$ 1,260,735</u>

EXHIBIT G

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Assets		
Cash	<u>\$ 85,218</u>	<u>\$ 65,985</u>
Total Assets	<u>\$ 85,218</u>	<u>\$ 65,985</u>
Liabilities		
Due to other governments	<u>\$ 85,218</u>	<u>\$ 65,985</u>
Total Liabilities	<u>\$ 85,218</u>	<u>\$ 65,985</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

INTRODUCTION

The Red River Parish School Board was created by Louisiana Revised Statute (LSA R.S.) 17:51 to provide public education for the children within Red River 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 1,452 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 Red River 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:

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

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 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.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

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.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Red River 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, 2006, \$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.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

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

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Red River 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

Red River Parish School Board employees earn annual and sick leave at various rates depending on the number of years in service. The maximum amount of annual and sick leave that may be accumulated and carried forward is 480 hours and unlimited, respectively. Several employees have been allowed accumulated annual leave in excess of the 480 hours for time accumulated under the previous policies, which allowed for unlimited annual leave. Upon termination, an employee is compensated for up to 640 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.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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; and
2. Imposed by law through constitutional provisions or enabling legislation.

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 Red River 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. In accordance with a School Board resolution adopted on June 4, 1974, the proceeds of the tax are designated as follows: 20 percent for salaries, 35 percent for transportation, 20 percent for individual school needs, and 25 percent to the general fund. The tax, authorized under the provisions of LSA-R.S. 33:2737 and approved by the voters on June 24, 1974, has no expiration date. The school board also collects a one percent parish-wide sales and use tax with the net proceeds, after deducting the reasonable and necessary cost of administering and collecting the tax, dedicated to employee salaries and benefits. The tax receipts and expenditures are accounted for in a special revenue fund entitled Employee Salaries and Benefits.

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.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

NOTE 2 LEVIED TAXES

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

Parish-wide taxes	Authorized Millage	Levied Millage	Expiration Date
Constitutional	4.63	4.63	Statutory
Maintenance	16.11	16.11	2013
Construction, repair and maintenance	5.05	5.05	2007
Employee salary and benefits	15.97	15.97	2013
Consolidation	42.00	42.00	2017

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 Red River 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, 2006, the Red River Parish School Board had bank deposits per balance sheet of \$8,342,655, as follows:

Demand deposits	\$ 650,048
Interest-bearing demand deposits	6,525,812
Certificates of Deposit, maturities greater than 90 days	<u>1,166,795</u>
Total	<u>\$ 8,342,655</u>

The deposits at June 30, 2006 were secured as follows:

	Cash	Certificates of Deposit	Total
Bank Balances (Category 3 Only, If Any)			
a. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	0	0	0
Total Category 3 Bank Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Bank Balances (All Categories Including Category 3 Reported Above)	<u>\$ 7,534,323</u>	<u>\$ 1,166,795</u>	<u>\$ 8,701,118</u>

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

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>
Bank of Coushatta	\$ 8,701,118
Total	\$ 8,701,118

B. Investments

At June 30, 2006, the Red River Parish School Board had investments of \$0.

NOTE 4 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at June 30, 2006:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Taxes	\$ 83,527	\$ 16,826	\$ 83,675	\$ 184,028
Intergovernmental	0	0	643,935	643,935
Interest	0	6,700	0	6,700
Total	\$ 83,527	\$ 23,526	\$ 727,610	\$ 834,663

NOTE 5 INTERFUND ASSETS/LIABILITIES

Due from/to other funds:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 634,615	\$ 0
Debit service	0	0
Other governmental	0	634,615
Total	\$ 634,615	\$ 634,615

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

NOTE 6 CAPITAL ASSETS

A summary of Red River Parish School Board's capital assets at June 30, 2006 follows:

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2006</u>
Capital Assets, not being depreciated				
Land	\$ 150,657	\$ 0	\$ 0	\$ 150,657
Total Capital Assets, not being depreciated	150,657	0	0	150,657
Capital Assets, being depreciated				
Buildings and building improvements	13,741,034	0	0	13,741,034
Less accumulated depreciation	<u>(1,828,296)</u>	<u>(353,378)</u>	<u>0</u>	<u>(2,181,674)</u>
Total Buildings and building improvements	11,912,738	(353,378)	0	11,559,360
Automobiles and equipment	1,890,713	179,948	(99,545)	1,971,116
Less accumulated depreciation:	<u>(974,662)</u>	<u>(267,380)</u>	<u>99,545</u>	<u>(1,142,497)</u>
Total Automobiles and equipment	<u>916,051</u>	<u>(87,432)</u>	<u>0</u>	<u>828,619</u>
Total Capital Assets, being depreciated	<u>12,828,789</u>	<u>(440,810)</u>	<u>0</u>	<u>12,387,979</u>
Total Capital Assets, net	<u>\$ 12,979,446</u>	<u>\$ (440,810)</u>	<u>\$ 0</u>	<u>\$ 12,538,636</u>

NOTE 7 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at June 30, 2006:

<u>Class of Payable</u>	<u>General Fund</u>	<u>Debt Service</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>
Vendor	\$ 63,039	\$ 0	\$ 20,002	\$ 83,041
Salaries and benefits	<u>1,356,230</u>	<u>0</u>	<u>0</u>	<u>1,356,230</u>
Total	<u>\$ 1,419,269</u>	<u>\$ 0</u>	<u>\$ 20,002</u>	<u>\$ 1,439,271</u>

NOTE 8 LONG-TERM DEBT

The following is a summary of the long-term obligations of the Red River Parish School Board for the year ended June 30, 2006:

	<u>Balance</u> <u>June 30, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>	<u>Current</u> <u>Amounts</u>
Compensated absences	\$ 499,796	\$ 218,908	\$ 169,860	\$ 548,844	\$ 0
General obligation bonds-1998	6,860,000	0	380,000	6,480,000	400,000
General obligation bonds-1999	<u>2,340,000</u>	<u>0</u>	<u>130,000</u>	<u>2,210,000</u>	<u>140,000</u>
Total	<u>\$ 9,699,796</u>	<u>\$ 218,908</u>	<u>\$ 679,860</u>	<u>\$ 9,238,844</u>	<u>\$ 540,000</u>

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

NOTE 8 LONG-TERM DEBT (CONTINUED)

The terms of the individual general obligation bonds at June 30, 2006 are as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
General obligation bonds-1998	4.62%	2018	\$ 8,750,000	\$ 6,480,000
General obligation bonds-1999	4.37%	2018	3,000,000	2,210,000
Total			<u>\$ 11,750,000</u>	<u>\$ 8,690,000</u>

The annual requirements to amortize all debt outstanding as of June 30, 2006 are as follows:

<u>Year Ended June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2007	\$ 540,000	\$ 386,405	\$ 926,405
2008	565,000	363,545	928,545
2009	595,000	339,370	934,370
2010	625,000	313,655	938,655
2011	660,000	286,322	946,322
2012-2016	3,855,000	957,368	4,812,368
2017-2018	1,850,000	126,332	1,976,332
Total	<u>\$ 8,690,000</u>	<u>\$ 2,772,997</u>	<u>\$ 11,462,997</u>

In accordance with R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. As June 30, 2006, the statutory limit is \$13,022,401, and outstanding bonded debt totals \$8,690,000.

NOTE 9 INTERFUND TRANSFERS

Operating transfers for the year ended June 30, 2006, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 14,715	\$ 0
Debit service	0	0
Other governmental	0	14,715
Total	<u>\$ 14,715</u>	<u>\$ 14,715</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>Balance</u>
Agency Funds	<u>June 30, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2006</u>
School activity accounts	\$ 65,985	\$ 226,249	\$ 207,016	\$ 85,218
Total	<u>\$ 65,985</u>	<u>\$ 226,249</u>	<u>\$ 207,016</u>	<u>\$ 85,218</u>

NOTE 11 LEASES

The Red River Parish School Board was not obligated under any capital or operating lease commitments at June 30, 2006.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

NOTE 12 RETIREMENT SYSTEMS

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

A. Teachers' Retirement System of Louisiana (TRS)

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

Plan members are required to contribute 8.0%, 9.1%, and 5.00% of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 15.9%, 15.9% and 15.9% 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 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, 2006, 2005 and 2004, were \$1,086,184, \$1,029,939 and \$978,957, respectively, equal to the required contributions for each year.

B. Louisiana School Employees' Retirement System (LASERS)

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

Plan members are required to contribute 7.5% of their annual covered salary and the school board is required to contribute at an actuarially determined rate. The current rate is 18.4% 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 years June 30, 2006, 2005 and 2004, were \$132,004, \$115,763 and \$67,946, respectively, equal to the required contributions for each year.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS

In accordance with state statutes, the Red River 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 \$1,202,750 for the year ended June 30, 2006. The cost of retiree benefits totaled \$482,526 for 113 retirees.

NOTE 14 RISK MANAGEMENT

The Red River 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.

NOTE 15 LITIGATION

The Red River Parish School Board is a defendant in various litigation as of the close of business on June 30, 2006. 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 Red River Parish School Board.

NOTE 16 CLAIMS AND JUDGMENTS

The Red River 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

SCHEDULE 1

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, 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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fav./Unfav.)</u>
Revenues				
Local Sources				
Taxes: Ad valorem	\$ 493,445	\$ 506,893	\$ 512,218	\$ 5,325
Taxes: Sales and use	615,000	620,000	689,740	69,740
Interest earnings	156,737	156,270	183,014	26,744
Other	136,625	128,693	76,627	(52,066)
State Sources				
Minimum foundation program (MFP)	8,593,575	8,593,575	8,712,870	119,295
Other	117,773	184,976	252,378	67,402
Federal Sources	<u>0</u>	<u>11,967</u>	<u>0</u>	<u>(11,967)</u>
Total Revenues	10,113,155	10,202,374	10,426,847	224,473
Expenditures				
Current				
Instruction				
Regular programs	4,340,550	4,197,316	4,156,656	40,660
Special programs	1,018,371	937,960	913,370	24,590
Adult and continuing education	377,480	390,479	382,808	7,671
Support Services				
Student services	473,055	468,267	477,940	(9,673)
Instructional staff support	499,381	412,692	376,589	36,103
General administration	462,029	464,538	453,076	11,462
School administration	648,437	663,633	660,318	3,315
Business services	220,015	224,303	214,862	9,441
Plant services	843,385	921,054	931,858	(10,804)
Student transportation services	1,020,325	967,143	816,673	150,470
Central services	11,300	17,100	14,189	2,911
Food services	78,239	79,594	77,705	1,889
Capital outlay	<u>0</u>	<u>38,396</u>	<u>138,579</u>	<u>(100,183)</u>
Total Expenditures	9,992,567	9,782,475	9,614,623	167,852
Excess/(Deficiency) of Revenues Over Expenditures	120,588	419,899	812,224	392,325
Other Financing Sources/(Uses)				
Operating transfers in	<u>50,000</u>	<u>50,000</u>	<u>14,715</u>	<u>(35,285)</u>
Total Other Financing Sources/(Uses)	50,000	50,000	14,715	(35,285)
Net Changes In Fund Balances	170,588	469,899	826,939	357,040
Fund Balances, Beginning of year	3,756,603	3,756,603	3,756,603	0
Fund Balances, End of year	\$ 3,927,191	\$ 4,226,502	\$ 4,583,542	\$ 357,040

OTHER SUPPLEMENTARY INFORMATION

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
GENERAL
JUNE 30, 2006

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 \$800 per month with 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.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 2006

SCHEDULE 2

Mr. Richard B. Cannon, President	\$ 10,200
Mr. Roger G. Longino	9,600
Mr. J. B. McElwee	9,600
Mr. Cleve L. Miller	9,600
Mr. Jessie Webber	10,200
Ms. Kasandria W. White	9,600
Ms. Karen S. Womack	<u>9,600</u>
Total	<u>\$ 68,400</u>

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006

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

Name of Federal Program

Title I Grants to Local Educational Agencies
Special Education - State Grants

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

SECTION #2

FINANCIAL STATEMENT FINDINGS

None reported.

SECTION #3

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED
JUNE 30, 2006

<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	\$ 165,510
National School Lunch Program	None	10.555	<u>434,625</u>
Total United States Department of Agriculture			600,135
United States Department of Education			
Passed through Louisiana Department of Education			
Adult Education - State Grant Program	06-21-41,06-44-41	84.002	43,076
Title I Grants to Local Educational Agencies *	05-T1-41, 05-TB-41,E041705	84.010	887,178
Special Education			
State Grants *	05-B1-41,E041705	84.027	451,079
Preschool Grants	05-P1-41,E041705	84.173	11,704
Vocational Education			
Basic Grants to States	05-02-41,06-02-41	84.048	37,902
Safe and Drug-Free Schools and Communities-State Grants	05-70-41	84.186	4,632
Even Start - State Educational Agencies	05-F1-41,06-F1-41	84.213	197,079
Eisenhower Professional Development State Grants (Title II)	05-50-41,E041705	84.281	149,730
Innovative Education Program Strategies (Title V)	05-80-41,E041705	84.298	5,909
Technology Literacy Challenge Fund Grant	05-49-41	84.318	5,007
Rural Education	05-RE-41,06-RE-41	84.358	45,366
Hurricane Education Recovery	28061P-41	84.938	<u>101,870</u>
Total United States Department of Education			1,940,532
United States Department of Health and Human Services			
Passed through Louisiana Department of Education			
Temporary Assistance for Needy Families	06-35-41	93.558	257,558
Noncash Federal Financial Assistance			
Passed through Louisiana Department of Agriculture and Forestry			
Food Distribution Program	None	10.550	<u>46,482</u>
TOTAL FEDERAL AWARDS			<u>\$ 2,844,707</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.

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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
Red River Parish School Board
Coushatta, Louisiana

We have audited the basic financial statements of the Red River Parish School Board, Coushatta, Louisiana, as of and for the year ended June 30, 2006, and have issued our report dated October 6, 2006. 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 Red River 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 Red River 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 control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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 Red River 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
October 6, 2006

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
Red River Parish School Board
Coushatta, Louisiana

Compliance

We have audited the compliance of the Red River 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, 2006. The Red River 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 Red River Parish School Board's management. Our responsibility is to express an opinion on the Red River 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 Red River 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 Red River Parish School Board's compliance with those requirements.

In our opinion, the Red River 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, 2006.

Internal Control Over Compliance

The management of the Red River Parish School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Red River 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 the internal control over compliance in accordance with OMB Circular A-133.

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

This report is intended solely for the information and use of the Red River 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
October 6, 2006

-MEMBERS-

American Institute of Certified Public Accountants Society of Louisiana Certified Public Accountants

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RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006

<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.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006

<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.

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUES SOURCES
FOR THE YEAR ENDED JUNE 30, 2006

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 3,735,006	
Other Instructional Staff Activities	1,946	
Employee Benefits	1,352,989	
Purchased Professional and Technical Services	123,822	
Instructional Materials and Supplies	193,825	
Instructional Equipment	<u>9,280</u>	

Total Teacher and Student Interaction Activities	\$ 5,416,868
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Other Instructional Activities	45,246
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Pupil Support Activities	477,940
--------------------------	---------

Less: Equipment for Pupil Support Activities	<u>0</u>
--	----------

Net Pupil Support Activities	477,940
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Instructional Staff Services	376,589
------------------------------	---------

Less: Equipment for Instructional Staff Services	<u>\$ 0</u>
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Net Instructional Staff Services	<u>376,589</u>
----------------------------------	----------------

Total General Fund Instructional Expenditures	<u>\$ 6,316,643</u>
---	---------------------

Total General Fund Equipment Expenditures	<u>\$ 138,579</u>
---	-------------------

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 118,466
Renewable Ad Valorem Tax	412,200
Debt Service Ad Valorem tax	0
Up to 1% of collections by the Sheriff on Taxes Other than School Taxes	(18,448)
Sales and Use Taxes	<u>689,740</u>
Total Local Taxation Revenue	<u>\$ 1,201,958</u>

Local Earnings on investment in Real Property:

Earnings from 16 th Section Property	\$ 3,600
Earnings from Other Real Property	<u>1,870</u>
Total Local Earnings on Investments in Real Property	<u>\$ 5,470</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 21,425
Revenue Sharing - Other Taxes	0
Revenue Sharing - Excess Portion	2,690
Other Revenue in Lieu of Taxes	<u>0</u>
Total State Revenue in Lieu of Taxes	<u>\$ 24,115</u>

Nonpublic Textbook Revenue	<u>\$ 0</u>
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Nonpublic Transportation Revenue	<u>\$ 0</u>
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SCHEDULE 8

RED RIVER PARISH SCHOOL BOARD
 COUSHATTA, LOUISIANA
 EDUCATION LEVELS OF PUBLIC SCHOOL STAFF
 AS OF OCTOBER 1, 2005

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%	1	14.3%	0	0.0%	0	0.0%
Bachelor's Degree	79	71.8%	6	85.7%	0	0.0%	0	0.0%
Master's Degree	18	16.4%	0	0.0%	4	80.0%	0	0.0%
Master's Degree + 30	9	8.2%	0	0.0%	1	20.0%	0	0.0%
Specialist in Education	1	0.9%	0	0.0%	0	0.0%	0	0.0%
Ph. D. or Ed. D.	3	2.7%	0	0.0%	0	0.0%	0	0.0%
Total	110	B	7	C	5	F	0	G

SCHEDULE 9

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
NUMBER AND TYPE OF PUBLIC SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2006

<u>Type</u>	<u>Number</u>
Elementary	1
Middle/Jr. High	1
Secondary	1
Combination	2
Total	5

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

SCHEDULE 10

RED RIVER PARISH SCHOOL BOARD

COUSHATTA, LOUISIANA

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

AS OF OCTOBER 1, 2005

	<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	0	1	0	0	1	2
Principals	0	0	0	1	1	0	1	3
Classroom Teachers	7	14	41	17	15	6	17	117
Total	<u>7</u>	<u>14</u>	<u>41</u>	<u>19</u>	<u>16</u>	<u>6</u>	<u>19</u>	<u>122</u>

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
PUBLIC SCHOOL STAFF DATA: AVERAGE SALARIES
FOR THE YEAR ENDED JUNE 30, 2006

	<u>All Classroom Teachers</u>	<u>Classroom Teachers</u> <u>Excluding ROTC and</u> <u>Rehired Retirees</u>
Average Classroom Teachers' Salary Including Extra Compensation	\$ 37,643	\$ 36,769
Average Classroom Teachers' Salary' Excluding Extra Compensation	\$ 36,773	\$ 35,830
Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries	109	98

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

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
CLASS SIZE CHARACTERISTICS
AS OF OCTOBER 1, 2005

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	43.7%	69	56.3%	89	0.0%	0	0.0%	0
Elementary Activity Classes	19.6%	10	80.4%	41	0.0%	0	0.0%	0
Middle/Jr. High	38.1%	32	48.8%	41	13.1%	11	0.0%	0
Middle/Jr. High Activity Classes	23.8%	5	52.4%	11	14.3%	3	9.5%	2
High	76.6%	98	21.1%	27	2.3%	3	0.0%	0
High Activity Classes	85.7%	18	9.5%	2	4.8%	1	0.0%	0
Combination	100.0%	21	0.0%	0	0.0%	0	0.0%	0
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

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)
FOR THE YEAR ENDED JUNE 30, 2006

District Achievement Level Results	English Language Arts						Mathematics					
	20 X 6		20 X 5		20 X 4		20 X 6		20 X 5		20 X 4	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	2	1.7%	0	0.0%	0	0.0%	2	1.7%	3	2.0%	0	0.0%
Mastery	6	5.2%	7	4.8%	7	4.3%	9	7.8%	14	9.6%	5	3.1%
Basic	38	32.8%	72	49.3%	47	29.2%	45	38.8%	61	41.8%	45	27.9%
Approaching Basic	41	35.3%	42	28.8%	59	36.7%	33	28.4%	41	28.1%	46	28.6%
Unsatisfactory	29	25.0%	25	17.1%	48	29.8%	27	23.3%	27	18.5%	65	40.4%
Total	116	100.0%	146	100%	161	100%	116	100%	146	100%	161	100%

District Achievement Level Results	Science						Social Studies					
	20 X 6		20 X 5		20 X 4		20 X 6		20 X 5		20 X 4	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0.0%	2	1.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Mastery	4	2.9%	6	5.6%	11	8.4%	1	0.7%	2	1.9%	1	0.8%
Basic	45	32.1%	34	31.8%	42	32.1%	46	32.9%	46	43.4%	42	32.0%
Approaching Basic	50	35.7%	33	30.8%	36	27.5%	46	32.9%	30	28.3%	44	33.6%
Unsatisfactory	41	29.3%	32	29.9%	42	32.0%	47	33.5%	28	26.4%	44	33.6%
Total	140	100%	107	100%	131	100%	140	100%	106	100%	131	100%

SCHEDULE 14

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
GRADUATION EXIT EXAMINATION (GEE)
FOR THE YEAR ENDED JUNE 30, 2006

District Achievement Level	English Language Arts						Mathematics						
	20 X 6		20 X 5		20 X 4		20 X 6		20 X 5		20 X 4		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 10													
Advanced	0	0.0%	0	0.0%	0	0.0%	2	2.1%	2	2.1%	0	0.0%	
Mastery	4	4.8%	11	12.2%	4	3.7%	2	2.1%	6	6.4%	8	7.7%	
Basic	42	50.6%	39	43.3%	28	26.2%	32	34.0%	31	33.0%	23	22.1%	
Approaching Basic	26	31.3%	23	25.6%	33	30.8%	34	36.2%	13	13.8%	28	26.9%	
Unsatisfactory	11	13.3%	17	18.9%	42	39.3%	24	25.6%	42	44.7%	45	43.3%	
Total	83	100%	90	100%	107	100%	94	100%	94	100%	104	100%	

District Achievement Level	Science						Social Studies					
	20 X 6		20 X 5		20 X 4		20 X 6		20 X 5		20 X 4	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	1	1.4%	1	1.2%	1	1.1%	0	0.0%	0	0.0%	0	0.0%
Mastery	9	12.7%	7	8.8%	6	6.8%	1	1.4%	5	6.2%	4	4.5%
Basic	15	21.1%	20	25.0%	34	38.6%	30	42.3%	30	37.5%	35	39.8%
Approaching Basic	21	29.6%	30	37.5%	26	29.6%	23	32.4%	18	22.5%	22	25.0%
Unsatisfactory	25	35.2%	22	27.5%	21	23.9%	17	23.9%	27	33.8%	27	30.7%
Total	71	100%	80	100%	88	100%	71	100%	80	100%	88	100%

RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA
THE IOWA TESTS
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Composite</u>		
	<u>20 X 6</u>	<u>20 X 5</u>	<u>20 X 4</u>
Test of Basic Skills (ITBS)			
Grade 3	41	42	36
Grade 5	35	44	39
Grade 6	37	33	37
Grade 7	33	42	48
Tests of Educational Development (ITED)			
Grade 9	45	37	38

Scores are reported by National Percentile Rank. A student's National Percentile Rank shows the student's relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. A student with 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 Red River Parish School Board

Board Members
Red River Parish School Board
Coushatta, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of the Red River 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 Red River 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, Assistant Principals, and Full-time Classroom Teachers" (Schedule 10) to the combined total of principals and assistant principals per this schedule.

No exceptions were noted.

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

No exceptions were noted.

Number and Type of Public Schools (Schedule 9)

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

No exceptions were noted.

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

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

One exception was noted. The individual was included in the schedule with 4-10 years of experience; however, documentation in their personnel file supported 0 years of experience.

Management has informed us that the error has been corrected and personnel files of full-time classroom teachers, principals, and assistant principals will be reviewed for any other inaccuracies.

Public Staff Data: Average Salaries (Schedule 11)

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

No exceptions were noted.

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

No exceptions were noted.

Class Size Characteristics (Schedule 12)

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

No exceptions were noted.

Louisiana Educational Assessment Program (LEAP) (Schedule 13)

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

No exceptions were noted.

Graduation Exit Examination (GEE) (Schedule 14)

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

October 6, 2006