

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM



Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2006

Prepared By
Business Services Department

501 MANHATTAN BOULEVARD
HARVEY, LOUISIANA 70058-4495

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

Release Date

2/14/07

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2006

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INTRODUCTORY SECTION



BUSINESS SERVICES
JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

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January 4, 2007

Honorable Board Members
Jefferson Parish Public School System
501 Manhattan Boulevard
Harvey, Louisiana 70058

Members of the Board and Citizens of Jefferson Parish:

The Comprehensive Annual Financial Report (CAFR) of the Jefferson Parish School System (School System) for the fiscal year ended June 30, 2006 is submitted herewith. The CAFR was prepared by the School System's Business Services Division. This report conforms to generally accepted accounting principles and standards for financial reporting as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the School System. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the School System. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the School System's financial activities have been included.

The CAFR is presented in four sections: (1) introductory, (2) financial, (3) statistical, and (4) state reporting. The introductory section includes this transmittal letter, the School System's organizational chart, and a list of principal officials. The financial section includes management's discussion and analysis, the government-wide financial statements and the combining and individual fund financial statements and other supplemental information. The School System's independent certified public accountants, Deloitte & Touche LLP and Rebowe & Company, have examined the accompanying financial statements, and their opinion is included in the financial section. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The state reporting section includes a review of financial and student data reported annually to the Louisiana Department of Education. The Management's Discussion and Analysis beginning on page 3 provides an overall review of the School System's activities for the year ended June 30, 2006 and should be carefully considered in conjunction with the financial information of the School System. The School System is required to undergo an annual single audit in conformity with provisions of the Single Audit Act Amendments of 1996 and U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and independent auditors' reports on the internal control over financial reporting and on compliance with the requirements applicable to each major program and the internal control over compliance in accordance with A-133 are included in a separate report.

THE REPORTING ENTITY

The Jefferson Parish Public School System is an independent special district created for the purpose of providing elementary and secondary education to the citizens of Jefferson Parish, Louisiana. The School System is the second largest district in the state and is ranked in the top 100 nationally in student enrollment.

The FY 2005/2006 and 2004/2005 total student count was 41,499 and 50,323. The Jefferson Parish School System operates 85 schools located on both sides of the Mississippi River. Approximately 21,806 public school students are transported daily by a fleet of 251 buses. The School System employs 3,494 teachers and other certificated employees.

The School System is governed by a nine-member school board (Board) elected by the citizens of Jefferson Parish. Each member is elected to a four-year term, and the terms are concurrent. See page xi for a listing of the present members of the Board along with the administrative officials who are appointed by the Board.

Regular meetings are scheduled the first Wednesday of the month and are held in the School System's Administration Building. Special meetings are scheduled as needed and announced in compliance with public notice requirements.

The Board has final control over local matters limited only by the state legislature, by the courts, and by the will of the people as expressed in School Board elections. Board decisions are based on a majority vote of those present.

In general, the Board adopts policies, sets direction for curriculum, employs the superintendent, and oversees the operations of the School System and its schools. Besides general board business, board members are charged with numerous statutory regulations including calling board and other school elections and canvassing the results of elections, organizing the Board, and electing its officers. The Board is also responsible for setting the ad valorem tax rate, setting salary schedules, acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions, and adopting and amending the annual budget.

The Board solicits and evaluates community input and support concerning school policies.

The basic financial statements of the School System include the accounts of all School System operations. These financial statements present the School System as the primary government.

The School System has one component unit, the Jefferson Community Charter School, which is presented as a discretely presented component unit. The Jefferson Community Charter School is included in the reporting entity because it is fiscally dependent on the School System. The purpose of the Charter School is to provide an alternative middle school for at-risk public school students in the sixth, seventh and eighth grades who have been expelled from the parish public school system, to learn appropriate behavioral and academic skills enabling them to return as functioning, responsible participants in the public middle and high school.

MISSION

The School System's adopted mission is:

to be an extraordinary school system by building an environment of excellence, effectiveness, and efficiency that supports the success of our students, our communities, and our employees.

The Jefferson Parish Public School System is a system that respects individuals, demands excellence, fosters life-long learning, and supports relationships that strengthen family and community. The School System is working to make the students of Jefferson Parish active participants in a global economy and in a changing world.

The Jefferson Parish Public School System envisions and seeks a positive, productive relationship with its stakeholders, as it attempts to restore meaning to the value of public education.

To accomplish its mission, the School System provides a full range of educational services appropriate to grade levels ranging from pre-kindergarten through adulthood. These include regular and enriched academic education, special education for children with disabilities, vocational education, and special programs for those with limited English proficiency. These programs are supplemented by a wide variety of offerings in the fine arts and athletics.

We, in the Jefferson Parish Public School System, recognize the challenges we face as we prepare students for the 21st century. The demands placed upon us as we begin the new millennium have increased. We must not only prepare our children to read, write, and do arithmetic, we must prepare them to live in a fast-changing, technologically-driven, globally competitive world. We must assist those who don't succeed academically by providing skills that are marketable in our metropolitan area since they will not find employment as unskilled laborers as those jobs have moved overseas or have been eliminated. We must teach our children to be problem-solvers, to be prepared for the challenge of an increasingly complex world that will require them to keep growing and changing with it.

To meet this very demanding role, we have developed an academically rigorous curriculum that includes programs to enhance abilities of the gifted and talented as well as programs that prepare students for the world of work. Our high school *academies* prepare students for the world of employment by coordinating class work with real work experiences. We offer academies in the fields of finance, travel and tourism, restaurant management, law-related careers, education, and health services. A credit union has been established at one of the high schools where students are encouraged to have actual bank accounts, deposit and withdraw their money, and learn hands-on how to deal with their personal finances. Our students have the opportunity to visit selected workplaces, to participate in internships during their senior year, and in some instances, to be placed in summer jobs.

We recognize that technological skills are critical for our students to be prepared. The School System maintains an advanced technology department, broadcasts from its own television station, and has recently opened a new school specializing in science and technology. Each of our 85 schools has computers in the classrooms and/or computer labs. All of our schools have Internet access. Our teachers and students have created web sites, use bulletin boards, participated in electronic classrooms, and communicated via E-mail. The School System's website is an invaluable tool used to communicate important information to our students, parents, teachers, and the community. The school district provides technicians for in-class technology support to promote incorporating technology into teaching and learning.

The School System's commitment to its mission is reflected in its allocation of financial resources. The 2006/2007 budget was adopted on August 16, 2006. Total expected budgeted expenditures for the General Fund are \$350,454,901. Projected revenues and other financing sources for the General Fund total \$350,555,036. The projected year-end fund balance for FY 2006/2007 is \$44,426,334.

On Monday, August 29, 2005, Hurricane Katrina slammed into southeastern Louisiana. One of the worst hurricanes in the past 40 years blew away our homes, our levees, and our sense of normalcy. In the course of a few hours, the Jefferson Parish Public School System was radically altered, with thousands of students scattered across the country, principals and teachers equally spread throughout, and more than 70 schools damaged, and four schools destroyed beyond repair. Yet, within five short weeks, the Jefferson Parish Public School System rebounded after a tremendous amount of cleanup work, and reopened on October 3, 2005. Although the economic impact on the area was uncertain in the first months following the storm, local tax trends and economic conditions have improved substantially. Great strides have been made in the rebuilding efforts in both the Jefferson Parish School System and the Parish of Jefferson. The entire Jefferson Parish government is dedicated to overcoming the devastation of Hurricane Katrina.

ACCOMPLISHMENTS

NASA astronaut Dr. Leroy Chiao flew into the Taylor Science & Technology Academy for a brief visit to talk about Expedition 10, its mission, the International Space Station, and his space flight experiences.

The Jefferson Parish Public School System was honored by Ruth's Chris restaurant as one of its "Heroes of New Orleans."

Alice Birney Elementary School fourth grade math teacher Susan Panzavecchia is one of only two teachers in Louisiana to be honored as a Milken National Educator in 2006 and received a \$25,000 check from the Milken Family Foundation.

The Jefferson Parish Public School System is working with OMNI Bank and Saints quarterback Drew Brees to honor outstanding students in our school system who are making the grade.

Superintendent of the Year - Jefferson Parish Public School System Superintendent Dr. Diane Roussel was named the state's Superintendent of the Year by the Louisiana Association of School Executives (LASE). Roussel, in only her third year as superintendent, received the award during the association's annual conference in Baton Rouge.

The Principals of the Year are as follows:

- Clothilde Cobert – John Ehret High School
- Elizabeth Davis – Gretna Middle School
- Stephanie Sara – Bridgedale Elementary School

The Teachers of the Year are as follows:

- Deirdre Colleen Winkler – Riverdale High School
- Sharon Dooley – Haynes Middle School
- Rebecca Dowden – Ella C. Pittman Elementary School

Students of the Year are as follows:

Caitlyn Clarke – Grace King High School
Taylor Noverola – Riverdale Middle School
Daniel Gutierrez – Live Oak Elementary School

New Orleans City Business 2006 Women of the Year Award

Mary "Mikie" Ehret – Deputy Superintendent

INSTRUCTIONAL PROGRAM

The heart of the school system is a varied curriculum and a wide range of educational experiences offered from pre-kindergarten through adulthood for the community.

The core curriculum addresses English/language arts, mathematics, science, social studies, creative arts and physical education. Electives offered in secondary schools include foreign languages, art, music, vocational courses, computer science and computer literacy.

Programs for academically gifted students spanning pre-school through grade 12 are structured enrichment resources as well as specially designed elective classes.

Students receive specialized instruction to meet individual needs during the school year and some extended year programs. In addition to academics, students are taught skills to help them function in the community, including job counseling and placement. Support services provided include social work services, occupational, physical, and speech/language therapy.

Each ninth grade student completes a Career Path plan on which vocational electives are based. The Academy programs in each high school offer opportunities for young adults to explore careers of interest in depth.

Title I is a federally funded program designed to improve the educational opportunities of educationally deprived children by helping them succeed in the regular program, attain grade level proficiency, and improve achievement in basic and more advanced skills. These purposes are accomplished through academic instruction in the areas of reading/language arts and math, increased parental involvement and implementation of innovative programs.

Title II Dwight D. Eisenhower Professional Development Program's major goal is to improve the teaching and learning of all students by helping to ensure that teachers, and where appropriate, other staff and administrators, have access to sustained and intensive high-quality professional development that is aligned to challenging state content standards and state student performance standards, and to support the development and implementation of sustained and intensive high-quality professional development activities in the core academic subjects; and helping to ensure that teachers, and where appropriate, administrators, other staff, pupil services personnel, and parents, have access to professional development.

Title VI Innovative Education Program Strategies is to support local education reform efforts which are consistent with and support statewide reform efforts under Goals 2000; Educate America Act; support state and local efforts to accomplish the National Education Goals; provide funding to enable state and local education agencies to implement promising educational reform programs; provide a continuing source of innovation and an educational improvement, including support for library services and instructional and media material; and meet the special education needs of at-risk and high-cost students.

The goal of the Class-Size Reduction initiative is to help schools improve student achievement by adding additional, highly qualified teachers to the work force to ensure that class size—particularly in the early grades—is reduced to no more than 18 children per class.

Bilingual/ESOL Program—the English to Speakers of Other Languages program fulfills the school district's obligation to develop and implement an alternative program which teaches language minority students English, provides them parity of access to instruction, and moves them into the regular educational program within a reasonable length of time. The goal of this program is to develop students' academic and conversational proficiency in English so that they can effectively participate in the educational program conducted exclusively in English. It employs the use of two languages, one of which is English, and instruction to the extent necessary for students to function effectively in the content classes. Currently the English to Speaker of Other Languages Program is implemented in 32 schools, serving 2,500 students, pre K-12, who represent 68 countries with 52 spoken languages.

Adult education provides instructional offerings in basic academic and life-long coping skills that will enable the adult student to continue an education. Students in the adult education program must be 16 years of age or older, must not be reenrolled in the K-12 system, and must have less than a high school education. Project Open Door, Project Independence, and classes in English as a second language in addition to basic education classes and pre-GED classes assist the adult in the ability to function more productively and responsibly in society.

ECONOMIC CONDITIONS AND OUTLOOK

The school system has a tremendous financial impact on the community. It has in excess of 7,500 employees. It also spends annually over \$50 million on goods and services. These funds are spent primarily with local businesses.

Jefferson Parish has a great deal to offer potential employers. It is located west of the City of New Orleans and is a wonderful collection of contrasts and similarities offering visitors and residents alike a kaleidoscopic view of a unique and fascinating region. It combines the vibrancy of New Orleans, the colorful intensity of Cajun country, and the serenity of peaceful bayous.

Future job growth in Jefferson Parish is expected to be concentrated most heavily in the service and reconstruction industry, especially professional services such as law, medicine, accounting, engineering and financial services. The oil and gas industry has shown considerable growth particularly along the Harvey Canal located on the West Bank of the Mississippi River. While Jefferson Parish offers all of the business amenities and services which commercial establishments look for, it also affords its residents a high quality of life—with good schools, low crime rates and plenty of recreation activities. The LaSalle Tract, located on Airline Drive is home to the training facility of the New Orleans Saints and Zephyr Stadium, a minor league baseball park, home to the AAA semi-professional New Orleans Zephyrs. The Tract has become a magnet for family recreational activities and 47 acres are currently being developed into a nature preserve with walking trails, an amphitheater, a performing arts center and a multi-purpose building.

In addition, the parish offers some of the finest medical care in the nation with world-renowned institutions staffed by pioneering physicians. The Parish provides oversight to two hospitals and six privately owned institutions which provide a full range of services including acute care as well as specialized services such as oncology, high-risk maternity, chemical dependency, burn care and others.

Jefferson Parish is well on its way to becoming the future business and commercial hub of the Gulf South, but it has not forgotten its rich history nor neglected its abundant natural and scenic resources. It is a community where quality of life and progress go hand-in-hand. In an attempt to shed the label "bedroom community" which is so often applied to suburban areas on the perimeters of large cities, Jefferson has moved progressively forward with major office, shopping and industrial development complexes in the Parish.

There are no local personal or corporate income taxes in Jefferson Parish. Furthermore, there are no state ad valorem (property) taxes, and local property taxes are among the lowest in the nation.

For the tourist, Jefferson Parish is a popular home base from which to explore the fascinating environs of South Louisiana. Its modern, first class accommodations are competitively priced and offer a quiet, safe and affordable environment in which to enjoy the quaint charm and *joie de vivre* of the surrounding parishes. Jefferson is home to the Jean Lafitte National Park and the Bayou Segnette State Park, both of which are very popular with residents and tourists alike. While catering to family tourists, Jefferson Parish has an extensive collection of fine restaurants, many specializing in Creole and Cajun cuisine. Residents and tourists participate in the lively parades and celebration of the Mardi Gras season throughout Jefferson Parish.

Jefferson Parish encompasses some 359 square miles of land, from Lake Pontchartrain in the north and to the Gulf of Mexico in the south. It straddles the Mississippi River, which is 2,200 feet wide in the area with a bankside depth of 30 to 60 feet and a midstream depth, which attains 180 feet. The river is a great asset to the entire New Orleans Metropolitan area. It is the source of the drinking water supply. Approximately 310 billion gallons flow daily through Jefferson Parish, approximately the amount consumed daily in the continental United States. Our water rates are among the lowest in the nation. The climate permits year-round, outdoor activity for business as well as pleasure. It can be described as semi-tropical with the surrounding water modifying the temperature and decreasing the range between extremes.

Eleven institutions of higher learning are located in the New Orleans area and are easily accessible to Jefferson Parish residents. In addition, there are two theological institutions and several business, trade and technical schools that prepare students for various occupations.

The number of events held at the Alario Center, a 75,000 square foot amateur sports complex, has exceeded projections since its completion. It is located on the West Bank on the edge of Bayou Segnette State Park, a 600 acre state park and wetland area and during 2005 accommodated regional, national and international amateur sporting events, as well as conferences, conventions, trade shows, Mardi Gras functions, and Jefferson Parish School System graduation ceremonies. The New Orleans Hornets, an NBA basketball team, uses the Alario Center for its practice facility. On the grounds of the Alario Center, a state of the art baseball stadium was constructed which will be available for high school tournaments and other amateur events. A major college in the area schedules a number of games at the baseball stadium.

FINANCIAL INFORMATION

Accounting System and Budgetary Control

In developing and evaluating the School System's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from

unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concepts of reasonable assurance recognize that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the School System's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained at a detailed level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors.

The school system emphasizes decentralized budgeting in order to enhance the ability of principals to serve as effective and efficient instructional leaders. In fiscal year 1987 the School Board gave principals, with input from subject coordinators, teachers, students and parents, the authority to spend the allocated financial resources to best meet the needs of their unique student groups. To accomplish this end, the School Board adopted a set of guidelines consistent with applicable State law. This system allows each school to determine its needs, establish budgets, and spend their financial resources according to their own timetable or reserve the funds for future years' needs. The vehicle for these actions is the Student Activity Fund. All monies due a school are deposited directly into each school's activity account at the beginning of each school year. The principal, using School Board adopted guidelines, operates his/her school according to his/her individually tailored educational plan. A major advantage of this system is that it gives principals direct control over resources vital to achieving educational success and in so doing makes it easier to assess accountability for goal achievement.

Cash Management

During the year, the School System invested directly in instruments issued by the United States Government or its agencies created by an act of Congress, or in repurchase agreements backed by such instruments.

For purposes of maximizing interest earnings, cash balances of all funds are pooled, except where separate cash and investment accounts are mandated by legal requirements. This year's investment activities have shown a decline from the prior year resulting from historically low interest rates.

Risk Management

Jefferson Parish is self-insured for general liability, auto liability, and workers' compensation insurance. As part of this program, resources are being accumulated in the General Fund to meet potential losses. In addition, various risk control techniques including an employee safety program and pre-employment physicals have been implemented to minimize accident-related losses. Risk financing is accomplished through the purchase of various insurance policies from commercial insurers.

Financial Policies

In fiscal year 2000-2001, the Jefferson Parish School Board passed a policy to build and maintain a fund balance that represents 10% of actual expenditures. The General Fund balance increased to \$26 million in fiscal year 2004-2005. The fund balance provided the critical resources and financial stability needed following Hurricane Katrina in August 2005. On October 3, the Jefferson Parish Public School System welcomed the families of Jefferson Parish back home. Students embraced the opportunity to resume their

academic endeavors. Jefferson Parish Schools provided the nurturing stability desperately needed during the recovery efforts. With a safe haven for their children, the citizens of Jefferson Parish focused on rebuilding their homes and communities. The Jefferson Parish School System played a vital role in the quick recovery of Jefferson Parish.

The Management's Discussions and Analysis section beginning on page 3 provides an overall review of the School System's financial operations for the year and its financial position and should be read in conjunction with the accompanying financial data.

OTHER INFORMATION

Independent Audit

State law and School System policy require an annual audit of the books of account and financial records of the School System by independent certified public accountants selected by the School Board. The School System has complied with this requirement, and the independent auditors' report is included in this report.

Awards

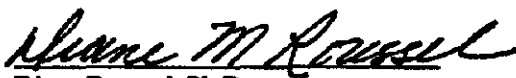
The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting, and the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Jefferson Parish Public School System for its comprehensive annual financial report for the fiscal year ended June 30, 2005. This was the 16th consecutive year that the school system has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificates of Achievement is valid for a period of one year only. The School System believes that our current comprehensive annual financial report continues to meet the Certificate of Achievement Programs' requirements and will be submitted to ASBO and GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance and Accounting Activity of the Business Services Division. We would like to express our appreciation to all members of the division who assisted and contributed to its preparation.

We also wish to thank the members of the School Board for their continued consideration and support, and for planning and conducting the financial operations of the School System in a responsible and progressive manner.



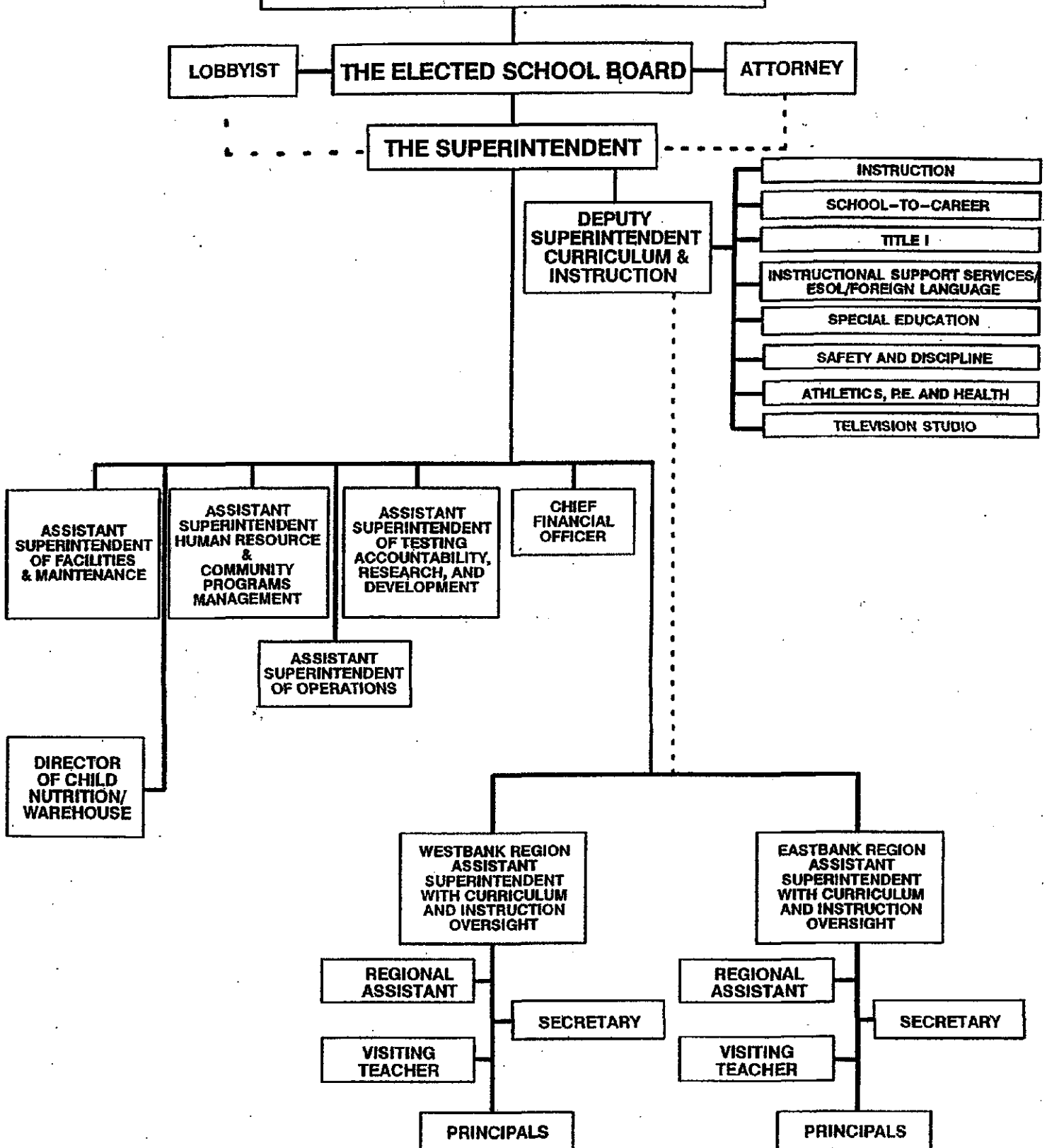
Diane Roussel, Ph.D
Superintendent



Raylyn Stevens
Chief Financial Officer

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THE PEOPLE OF JEFFERSON PARISH

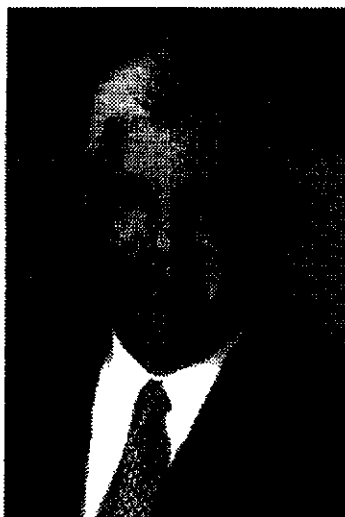


SCHOOL BOARD

Name	Length of Service	Term Expires	Occupation
Martin Marino, President, District 6	25 years	December, 2006	Retired School Principal
Libby Moran, Vice-President, District 7	13 years	December, 2006	Former Teacher/ Businesswoman
Mark Morgan, Member, District 1	2 years	December, 2006	Attorney
Dr. Etta Licciardi, Member, District 2	1 year	December, 2006	Retired Public School Administrator
Ray St.Pierre, Member, District 3	6 years	December, 2006	Retired Public School Administrator
Ellen Shirer Kovach, Member, District 4	1 year	December, 2006	Businessman
Karen M. Barnes, Member, District 5	6 years	December, 2006	Former Teacher/ Reservist
Judy Colgan, Member, District 8	9 years	December, 2006	Social/Political Activist
Gene Katsanis, Member, District 9	11 years	December, 2006	Businessman

ADMINISTRATIVE OFFICIALS

Name	Position
Dr. Diane Roussel	Superintendent
Raylyn Stevens	Chief Financial Officer
Mary Ehret	Deputy Superintendent, Curriculum and Instruction
Dr. Leigh Barton	Assistant Superintendent, Research Accountability and Assessment
Ronald Ceruti	Assistant Superintendent, Human Resources and Community Program Management
Paul Emenes	Assistant Superintendent, East Bank Region
George Hebert	Assistant Superintendent, West Bank Region
David Taylor	Assistant Superintendent, Facilities and Maintenance
Barbara Adams	Assistant Superintendent, Special Programs
Isaac Joseph	Assistant Superintendent, Federal Programs
Wendy Mangiaracina	Assistant Superintendent, Operations



MARTIN B. MARINO
President, District 6



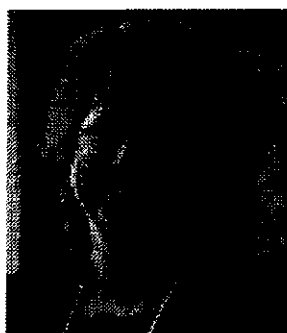
DR. DIANE M. ROUSSEL
Superintendent



LIBBY L. MORAN
Vice-President, District 7



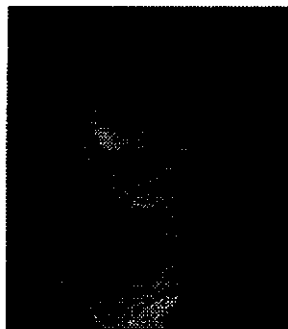
MARK C. MORGAN
District 1



ETTA S. LICCIARDI, PH. D.
District 2



RAY ST. PIERRE
District 3



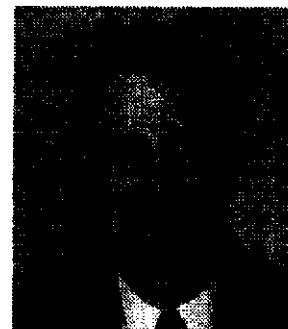
Ellen Shirer Kovach
District 4



KAREN M. BARNES
District 5



JUDY M. COLGAN
District 8



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**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2005

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

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Certificate of Achievement for Excellence in Financial Reporting

Presented to
**Jefferson Parish
Public School System
Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

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INDEPENDENT AUDITORS' REPORT

To the Members of the School Board of
Jefferson Parish, Louisiana:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Jefferson Parish Public School System (the "School System") as of June 30, 2006 and for the year then ended, which collectively comprise the Jefferson Parish Public School System's basic financial statements, as listed in the foregoing table of contents. These financial statements are the responsibility of the Jefferson Parish Public School System's management. Our responsibility is to express an opinion on the respective financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("generally accepted auditing standards") 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 respective financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Jefferson Parish Public School System as of June 30, 2006, and the respective changes in financial position and respective cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Elementary and Secondary Education Act of 1965 (Title I) for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 3 through 13, as well as the Special Revenue Fund Budget and Actual—Community Education Fund schedules on pages 72 through 73 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the Jefferson Parish Public School System's management. 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 such information and we do not express an opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Jefferson Parish Public School System's respective financial statements that collectively comprise the School System's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is the responsibility of the Jefferson Parish Public School System's management. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly presented in all material respects when considered in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 4, 2007 on our consideration of the Jefferson Parish Public School System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

January 4, 2007

Rebore & Company

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

The Management's Discussion and Analysis (MD&A) of the Jefferson Parish Public School System's financial performance provides an overall review and an objective, easily readable analysis of the School System's financial activities for the fiscal years ended June 30, 2006 and 2005. The intent of the MD&A is to look at the School System's overall financial performance and to assist readers in assessing the financial position as a result of the year's operations. Therefore, readers should read the MD&A in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal in the Introductory Section, the School System's Financial Statements (Financial Section), and the Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS

- The School System's total net assets of governmental activities increased \$139.9 million which represents a 197.28 percent increase from fiscal year 2005 as a result of current year assets increasing, specifically in cash, reductions in outstanding debt and the excess of revenues over expenditures. Net assets of the governmental activities increased by \$141.7 million. Net assets of the business-type activities decreased by \$1.8 million primarily due to the excess of expenditures over revenues for fiscal year 2005-2006.
- The Hurricane Education Recovery Act was passed by congress in an attempt to provide additional funds to educational agencies impacted throughout the south as a result of Hurricanes Katrina and Rita. Funds were available to public and non-public schools that provided instruction to displaced students during the aftermath of Katrina. This act created a one-time only emergency grant for the 2005-2006 school year for the specific needs of students displaced by Hurricanes Katrina and Rita. Additionally, a Restart Grant to aid school systems that reopened after the storm was also issued. The assistance was provided solely because of the unprecedented nature of the crisis and the massive dislocation of students. These funds were specifically ear marked for paying the compensation of personnel such as teachers and teacher aides in schools enrolling displaced students. Funds received through both grants could not be used for construction or major renovation of schools. The grant was used solely to pay General Fund salaries for teachers and teacher assistants. As a result of this grant, a General Fund savings of \$58 million was realized.
- The deficiency of \$10.2 million of "invested in capital assets, net of related debt" represents the School System's book value of its fixed assets (less accumulated depreciation) net of the current balances of debt incurred to acquire or improve the capital assets. It is the accumulation of years of investments in capital projects and related debt.

Over the past 25 years, the School System has issued debt exclusively for capital improvements. The School System has 85 school sites and a large percentage of the System's buildings are older and consequently are substantially depreciated. Most of the capital improvements in recent years have pertained to replacement of roofs, renovation of bathrooms and other routine renovations necessary to maintain aged facilities. In spite of the age of the School System's facilities, schools within the system are well maintained and are in a physical condition conducive to the educational process.

- Capital asset cost decreased by \$2.6 million primarily due the damages caused by Hurricane Katrina. Existing budgeted capital projects were temporarily suspended due to the effects of Hurricane Katrina.
- The School System's Property Tax revenue collections decreased by \$4.5 million or -8.42%. This decrease can be attributed to the damage of property due to Hurricane Katrina.

- Gross sales and use tax revenue collections increased over prior year's collections by \$32.7 million or 21%. The spike in sales tax is directly related to the rebuilding efforts throughout the Jefferson Parish and Greater New Orleans area as a result of Hurricane Katrina. A portion of the gross sales tax collections is dedicated for the purpose of debt service and capital improvements. The Jefferson Parish Public School System pays a 9.5% collection fee to the Jefferson Parish Sheriff's Office on general collections as set forth in the state constitution.
- The Minimum Foundation Program (MFP) distribution from the state decreased by \$6.0 million or -4.25% for 2006 due to the decrease in student enrollment affected by Hurricane Katrina. This MFP is a block grant that establishes a standard of local support for each school system based on the state average local support relative to the system's capacity to raise local funds.
- Expenditures have increased by \$16.9 million or 4% in 2006. Benefits increased for all employees in the areas of Health Insurance and Retirement. These benefits are administered by the Louisiana Office of Group Benefits (OGB) and the Teachers' Retirement System of Louisiana (TRS) respectively and contribution rates are required by State statute.
- As of the close of the current year, the School System reported a combined ending fund balance of \$301.0 million. The fund balance of the combined governmental funds increased by \$145.8 from the prior year's ending fund balance of \$155.2 million. Of the \$301.0 million, \$206.3 million is considered unreserved at June 30, 2006. Approximately \$94.7 million is designated for specific uses, \$26.4 million which can only be expended for the sole purpose of teacher raises as set forth by the dedicated 9 mill property tax.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The *statement of net assets* presents information on all of the School System's assets and liabilities, with the difference between the two reported as *net assets* or *deficiency in net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School System is improving or deteriorating. The causes of the change in net assets may be the result of many factors, both financial and non-financial in nature. Non-financial factors, which may have an impact on the School System's financial condition include the property and sales tax base, student enrollment, state mandated educational programs for which little or no funding is provided, or other external factors.

The *statement of activities* presents information showing how the School System's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. earned but unused leave for vacations and sabbaticals).

Both of the government-wide financial statements distinguish functions of the School System that are principally supported by taxes and intergovernmental revenues ("governmental activities") from other functions that are intended to recover a significant portion of their cost through user fees and charges ("Business-type activities"). The business-type activities of the School System consist of the School Lunch Enterprise Fund which provides breakfasts and lunches to students at reduced prices.

The government-wide financial statements include not only the School System itself (known as the "primary government") but also a legally separate charter school, the Jefferson Community Charter School, for which the School System is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 14-16 of this report.

Fund Financial Statements

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School System, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School System can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The School System maintains a variety of funds which are grouped for management purposes into special revenue, debt service, and capital projects fund groups. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund, the special revenue fund used to control Title I monies and the capital projects fund which receives dedicated sales taxes, all of which are considered to be major funds. Data from all the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is presented in the form of combining statements elsewhere in this report.

The School System adopts an annual appropriated budget for its general fund and selected special revenue funds. A budgetary comparison statement for the general fund and the major Title I fund has been provided on pages 22 and 23 of this report to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 17-21 of this report.

Proprietary funds. The proprietary fund consists of the School Lunch Enterprise Fund which is also presented as the business-type activities in the government-wide financial statements. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements can be found on pages 24-26 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the School System's own programs. The School system's fiduciary funds consist of agency funds held in a custodial capacity.

The basic fiduciary fund financial statement can be found on page 27 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 28 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the School System, its total assets exceeded liabilities by \$210.6 million at the close of the most recent fiscal year.

Table 1
Net Assets
(In Thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 356,158	\$ 200,929	\$ 12,928	\$ 7,331	\$ 369,086	\$ 208,260
Capital assets	105,989	112,476	464	516	106,453	112,992
Total assets	462,147	313,405	13,392	7,847	475,539	321,252
Long-term debt outstanding	167,055	170,569			167,055	170,569
Other liabilities	85,415	74,861	12,482	4,924	97,897	79,785
Total liabilities	252,470	245,430	12,482	4,924	264,952	250,354
Net assets						
Invested in capital assets, net of related debt	(10,221)	(22,795)	464	516	(9,757)	(22,279)
Restricted	147,680	120,451			147,680	120,451
Unrestricted	72,218	(29,681)	446	2,407	72,664	(27,274)
Total net assets	\$ 209,677	\$ 67,975	\$ 910	\$ 2,923	\$ 210,587	\$ 70,898

While the bonds payable are associated with the capital expenditures for purposes of categorizing net assets, the capital assets themselves are not a source of repayment of the bonds. The bonds are serviced primarily by dedicated sales taxes. In addition, debt service funds have accumulated \$50.4 million at June 30, 2006 to provide for the servicing of annual interest and principal payments on bonds.

The following are significant current year transactions that have had an impact on the Statement of Net Assets.

- Capital assets, net decreased \$6.5 million due to the impairment of assets recorded as a result of damage sustained during Hurricane Katrina as well as depreciation expense recorded during the year on buildings, and furniture and equipment.
- Net assets may serve over time as a useful indication of a government's financial position. As of June 30, 2006, assets exceeded liabilities by \$210.6 million.
- Revenues and expenditures were severely impacted as a result of Hurricane Katrina.
- Bond payable decreased on a net basis as a result of principal retirement of \$15,474,634 as well as premium/discount amortization of \$5,040,000 offset by an increase of \$17,000,000 for a loan agreement with the Federal Emergency Management Agency which occurred for the purpose of providing funding for ongoing operations in the aftermath of Hurricane Katrina.

See Notes 3 and 6 to the financial statements for a more comprehensive discussion of changes in capital assets and bonds payable.

Changes in Net Assets

The School System's total revenues for the fiscal year ended June 30, 2006 were \$576.2 million compared to \$448.7 million for June 30, 2005. The total cost of all programs and services was \$436.5 million in 2006 compared to \$419.4 million in 2005. The following table presents a summary of the changes in net assets for the fiscal year ended June 30, 2006 and 2005.

Table 2
Changes in Net Assets
(In Thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for Services	\$ 3,614	\$ 4,141	\$ 1,483	\$ 2,389	\$ 5,097	\$ 6,530
Operating Grants and contributions	178,899	68,496	11,036	16,564	\$187,935	85,060
General revenues:						
Property taxes	49,476	54,028			\$ 49,476	54,028
Sales and use taxes, general	155,287	128,512			\$155,287	128,512
Sales and use taxes, debt service	28,538	23,538			\$ 28,538	23,538
Sales and use taxes, public improvement	5,000	4,000			\$ 5,000	4,000
State revenue sharing	2,229	2,224			\$ 2,229	2,224
Minimum foundation program (MFP)	135,883	141,908			\$135,883	141,908
Interest and investment earnings	6,825	3,057			\$ 6,825	3,057
Special item - loss on disposal of asset	(91)	(107)	(10)		\$ (101)	(107)
Total revenues	563,860	429,793	12,509	18,953	576,169	448,746
Expenses:						
General government						
Instruction:						
Regular programs	135,268	133,719			\$135,268	133,719
Special programs	95,173	105,806			\$ 95,173	105,806
Vocational programs	12,748	11,713			\$ 12,748	11,713
All other programs	8,542	6,703			\$ 8,542	6,703
Support services:						
Student services	56,982	30,993			\$ 56,982	30,993
Instructional staff support	6,976	6,399			\$ 6,976	6,399
General administration	25,180	22,007			\$ 25,180	22,007
School administration	23,645	23,291			\$ 23,645	23,291
Business services	3,330	3,120			\$ 3,330	3,120
Operations maintenance services	25,096	25,228			\$ 25,096	25,228
Pupil transportation services	14,854	15,527			\$ 14,854	15,527
Central activity services	2,776	3,032			\$ 2,776	3,032
Principal Retirement						
Interest on long-term debt	8,179	8,205			\$ 8,179	8,205
Other expenses	4,013	4,751			\$ 4,013	4,751
School Lunch			15,738	18,925	15,738	18,925
Total expenses	420,742	400,494	15,738	18,925	436,480	419,419
Increase in net assets before transfers	142,918	29,299	(3,229)	28	\$139,689	29,327
Transfers	(1,216)	(774)	1,216	774		
Increase (decrease) in net assets	141,702	28,525	(2,013)	802	139,689	29,327
Net assets - July 1	67,975	39,450	2,923	2,121	\$ 70,898	41,571
Net assets - June 30	\$209,677	\$ 67,975	\$ 910	\$ 2,923	\$210,587	\$ 70,898

- Revenues exceeded expenses on the government-wide basis by \$139.7 million in the year ended June 30, 2006.

The overall financial condition has improved with unrestricted net assets increasing from -\$27.0 million in 2005 to \$72.7 million in 2006.

The following contrasts the changes in revenues for governmental activities as compared to the prior year:

2006	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2005</u>	<u>Percentage Change</u>
Sales tax	\$ 188,825,376	33 %	\$ 32,777,577	21.00%
Ad Valorem tax	49,476,120	9 %	(4,549,858)	-8.42%
Minimum Foundation Program	135,882,884	24 %	(6,025,085)	-4.25%
Other state grants	14,774,350	3 %	1,999,785	15.65%
Federal grants	129,903,879	23 %	78,084,200	150.68%
All other	<u>44,888,992</u>	<u>8 %</u>	<u>31,564,939</u>	<u>236.90%</u>
Total	<u>\$ 563,751,401</u>	<u>100 %</u>	<u>\$ 133,851,538</u>	<u>31.14%</u>

As reported in the Statement of Activities on page 16, the cost of the School System's governmental activities for the years ended June 30, 2006 was \$243,449,103. The Statement of Activities shows the cost of program services net of charges and grants offsetting some of the cost of such services.

In Table 3 below, the cost of the School System's largest categories of expenses are presented as well as each program's net cost (total cost less revenues generated by the activities). This "net cost" presentation allows the parish taxpayers to determine the remaining cost of the various categories, and also allows them the opportunity to assess the cost of each function in comparison to the benefits they believe are provided by the function. The net cost also reflects the amount needed to finance these functions from general sources such as taxes and MFP.

Table 3
Total and Net Cost of Governmental Activities

	2006		2005	
	<u>Total Cost of Services</u>	<u>Net cost of Services</u>	<u>Total Cost of Services</u>	<u>Net cost of Services</u>
Governmental activities:				
Instruction:				
Regular programs	\$ 135,267,679	\$ (129,294,152)	\$ 133,719,096	\$ (129,902,732)
Special programs	95,173,411	40,003,102	105,806,109	(48,764,442)
Vocational programs	12,747,772	525,506	11,712,865	(1,407,994)
All other programs	6,542,581	(6,279,506)	6,702,742	(6,547,833)
Support services:				
Student services	56,982,047	(56,982,047)	30,993,517	(30,993,517)
Instructional staff support	6,975,762	(6,975,762)	6,399,284	(6,399,284)
General administration	25,160,376	30,191	22,006,686	(21,707,197)
School administration	23,644,908	(23,644,908)	23,290,537	(23,290,537)
Business services	3,329,760	(3,329,760)	3,120,348	(3,120,348)
Operations maintenance services	25,095,845	(25,095,845)	25,228,363	(25,228,363)
Pupil transportation services	14,854,271	(14,217,985)	15,526,724	(14,506,478)
Central activity services	2,776,225	(2,776,225)	3,031,972	(3,031,972)
Interest on long-term debt	8,178,983	(8,178,983)	8,205,027	(8,205,027)
Other expenses	4,013,135	(4,013,135)	4,750,557	(4,750,557)
Total Governmental Activities	\$ 420,742,755	\$ (240,229,509)	\$ 400,493,827	\$ (327,856,281)

Net cost of governmental activities of \$240.2 million were financed by general revenues, primarily made up of property taxes of \$49.5 million, sales taxes of \$188.8 million, and state sources of \$150.6 million. Interest income accounted for \$6.8 million of funding.

Business-Type Activities

The School Lunch Enterprise Fund reported an excess of expenses over revenues of \$2,012,970 as of June 30, 2006. Included in the operating results is a mandatory transfer from the general fund of \$773,685. The deficit can be attributed to the loss of revenue for serving days as a result of Hurricane Katrina. In order to retain staff, Lunch Fund employees were paid for their entire salary for days lost. The decrease in revenues and the continuation of expenses caused the current fiscal year deficit. Due to the prior year fund balance of \$2,922,739, the School Lunch Enterprise Fund was able to absorb the extraordinary deficit.

FINANCIAL ANALYSIS OF THE SCHOOL SYSTEM'S FUNDS

The School System uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The School System uses funds to control and permit measurement in the short term of the revenues and expenditures of a particular activity or purpose (e.g., dedicated taxes and grant programs). The Governmental Fund Financial Statements allow the School System to demonstrate its stewardship over and accountability for resources provided by taxpayers and other entities. These statements also allow the reader to obtain more

insight into the financial management of the School System and assess further the School System's overall financial stability.

As the School System completed the fiscal year ended June 30, 2006 its combined fund balance was \$301,011,675 as compared to a combined fund balance of \$155,190,848 as of June 30, 2005. An increase in Sales Tax collection of \$32.8 million, a decrease in expenditures of \$10.0 million in salaries due to the loss of staff, and a transfer in of Federal Hurricane Recovery Funds of \$59 million can be attributed to the favorable variance. The General Fund's balance increased \$96.9 million of which \$26.4 million is reserved for teacher pay raises. In addition, expenditures remain limited to those which have the greatest impact on academic achievement and in addition to mandated cost by state agencies. An increase in the Capital Projects - Dedicated Sales Tax fund balance of \$2.5 million can be attributed to the spike in sales tax revenue and the increase in interest income for 2006 while capital outlay expenditures were stalled due to Hurricane Katrina.

General Fund Budgetary Highlights

The School System's budget is prepared according to Louisiana law. During the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires the budget be revised if either expected revenues are less or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The original budget for the School System was adopted on June 8, 2005 and the final revised budget was adopted on June 7, 2006.

A statement showing the School System's original and final budget compared with actual operating results is provided in this CAFR on page 22. The School System's year-end actual results were better than had been budgeted, as conservative budgetary practices are customary. Revenues are forecast conservatively and expenditures are budgeted in anticipation of all possible costs and projects. The General Fund actual revenues exceeded projections by \$12.5 million and expenditures were under final projections by \$53.1 million. The favorable expenditure variance can be attributed to a one time federal grant for displaced students accepted into Jefferson Parish and reimbursement of restart expenditures.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2006, the School System had invested \$344.5 million in capital assets, including school buildings and improvements, computers, furniture and equipment. This amount represents a net decrease prior to depreciation of \$2.6 million over last year, primarily due to the damages caused by Hurricane Katrina. A \$3.3 million impairment charge was recorded to properly state the value of assets damaged by Hurricane Katrina. Total depreciation expense for the year was \$7.9 million. The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2006

	<u>Amount</u>
Land	\$20,079,005
Buildings	77,501,049
Furniture and equipment	<u>8,872,918</u>
Total	<u>\$106,452,972</u>

Additional information on capital assets can be found in Note 3 on page 36 of this report.

Debt Administration

As of June 30, 2006, the School System had \$167,054,683 in general obligation bonds and other long-term debt outstanding, of which \$23,647,640 is due within one year. The net decrease of \$3.5 million can be attributed to scheduled principal payments, amortization of premium/discount associated with outstanding bonds, and an increase in loans payable of \$17,000,000 to FEMA for the Community Disaster Loan. The CDL loan was issued for the purpose of providing funding for ongoing operations in the aftermath of Hurricane Katrina. The full amount of principal and interest on the loan is due at the end of five years. The following table presents a summary of the outstanding long-term debt for the fiscal year ended June 30, 2006.

	Amount
General Obligation Bonds	\$ 5,730,000
Sales Tax Bonds	143,374,483
Certificates of indebtedness	17,950,200
Total	\$ 167,054,683

Additional information on long-term debt can be found in Note 6 on pages 38-41 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Jefferson Parish School System is on a quest to restructure, redesign, and remarket itself. The School System is on the path of transformation to excellence and greatness in several areas, not the least of which is academic achievement. A few of these endeavors include the creation of a magnet elementary, middle, and high school on both sides of the river, a science and technology school, and assessing the need of additional West Bank schools.

The major focus of the Fiscal Year 2006/2007 Projected General Operations Fund Budget remains the effects of Hurricane Katrina on the Jefferson Parish School System. Budget variables such as student enrollment, sales tax and property tax collections, MFP state funding, property insurance cost, and teacher staffing are directly affected by the aftermath of Hurricane Katrina. The extraordinary increase in sales tax is directly related to Hurricane Katrina. The increase in sales tax collections can be expected to continue as residents of the Greater New Orleans area rebuild. While this will help the overall fiscal posture of the school system, we should remain cautious for several reasons. The increase in sales tax collections should be considered as a non-recurring revenue and cannot be expected to continue indefinitely. It has been a long-standing policy of the school board and administration to reserve non-recurring revenues. Additionally, increases in local revenues have a large effect on the calculation of the state funded MFP formula. The increase in sales tax collections will cause a significant decrease in state funding beginning in fiscal year 2007/2008 due to the equity component of the MFP formula.

The FY 2006/2007 General Operations Fund Budget was developed with student development and achievement as the primary goal. As Jefferson Parish becomes the central hub of the Hurricane Katrina recovery efforts, greater demands are being placed on the Jefferson Parish School System. The Jefferson Parish Public School System must expand educational growth and succeed in improving the lives of the children and community we serve.

CONTACTING THE SCHOOL SYSTEM'S FINANCIAL MANAGEMENT

While this CAFR is designed to provide full and complete disclosure of the financial condition and operations of the School System, citizens groups, taxpayers, parents, students, other parish officials, investors or creditors may need further details. To obtain such details, please contact Jefferson Parish Public School System, 4600 River Road Marrero, Louisiana, 70072, or by calling (504) 349-7627 during regular office hours, Monday through Friday, 7:00 a.m. to 3:00 p.m., Central Standard Time.

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JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATEMENT A

STATEMENT OF NET ASSETS AS OF JUNE 30, 2006

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Cash and cash equivalents	\$ 214,755,605	\$ 10,565,761	\$ 225,321,366	\$ 111,655
Receivables:				
Sales and use tax	34,088,944		34,088,944	
Other	2,520,832	69,227	2,590,059	
Due from component unit	138,226		138,226	(138,226)
Due from other governments	97,560,053	96,046	97,656,099	
Inventory		2,196,517	2,196,517	
Prepaid assets	4,938,799		4,938,799	
Deferred financing costs	2,155,578		2,155,578	
Capital assets (net of accumulated depreciation)	105,988,695	464,277	106,452,972	183,457
TOTAL ASSETS	462,146,732	13,391,828	475,538,560	156,886
LIABILITIES				
Accounts payable	34,140,892	90,017	34,230,909	
Retainages payable	91,605		91,605	
Accrued liabilities:				
Salaries, wages, payroll taxes and retirement contribution	26,972,112		26,972,112	
Claims and judgements	406,817		406,817	
Compensated absences	29,004,754	492,276	29,497,030	
Workers' compensation claims	1,715,903		1,715,903	
Due to primary government	(10,126,373)	10,126,373		
Due to other governmental units	9,828		9,828	
Unearned revenue		1,773,393	1,773,393	
Accrued interest payable	3,200,000		3,200,000	
Bonds payable:				
Due within one year	23,647,640		23,647,640	
Due in more than one year	143,407,043		143,407,043	
TOTAL LIABILITIES	252,470,221	12,482,059	264,952,280	
NET ASSETS				
Invested in capital assets—net of related debt	(10,221,368)	464,277	(9,757,091)	183,457
Restricted for:				
Capital projects	61,667,804		61,667,804	
Debt service	50,441,267		50,441,267	
Specific programs	35,571,088		35,571,088	
Unrestricted	72,217,720	445,492	72,663,212	(26,571)
TOTAL NET ASSETS	\$ 209,676,511	\$ 909,769	\$ 210,586,280	\$ 156,886

The notes to basic financial statements are an integral part of this statement.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2006

FUNCTIONS/PROGRAMS	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Instruction:			
Regular programs	\$ 135,267,679	\$ 397,050	\$ 5,576,477
Special programs	95,173,411	3,216,906	131,959,607
Vocational programs	12,747,772		13,273,278
All other programs	6,542,581		263,075
Support services:			
Student services	56,982,047		
Instructional staff support	6,975,762		
General administration	25,160,376		25,190,567
School administration	23,644,908		
Business services	3,329,760		
Operations maintenance services	25,095,845		
Pupil transportation services	14,854,271		636,286
Central activity services	2,776,225		
Interest on long-term debt	8,178,983		
Other expenses	4,013,135		
Total governmental activities	<u>420,742,755</u>	<u>3,613,956</u>	<u>176,899,290</u>
Business-type activities—School Lunch	<u>15,738,660</u>	<u>1,483,211</u>	<u>11,035,855</u>
Total business-type activities	<u>15,738,660</u>	<u>1,483,211</u>	<u>11,035,855</u>
Total primary government	<u>\$ 436,481,415</u>	<u>\$ 5,097,167</u>	<u>\$ 187,935,145</u>
Component Unit—Jefferson Community Charter School	<u>\$ 752,855</u>	<u>\$</u>	<u>\$ 766,208</u>
Total component units	<u>\$ 752,855</u>	<u>\$</u>	<u>\$ 766,208</u>

General Revenues

Taxes:

Property taxes, levied for general purposes
Sales and use taxes, levied for general purposes
Sales and use taxes, levied for debt service
Sales and use taxes, levied for public improvement
State revenue sharing

Grants and contributions not restricted to specific purposes:

Minimum foundation program
Interest and investment earnings
Special item—loss on disposal of asset

Transfers

Total general revenues

Excess of revenues over expenses

Net assets—July 1, 2005

Net assets—June 30, 2006

The notes to basic financial statements are an integral part of this statement.

STATEMENT B

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (129,294,152)	\$	\$ (129,294,152)	\$
40,003,102		40,003,102	
525,506		525,506	
(6,279,506)		(6,279,506)	
(56,982,047)		(56,982,047)	
(6,975,762)		(6,975,762)	
30,191		30,191	
(23,644,908)		(23,644,908)	
(3,329,760)		(3,329,760)	
(25,095,845)		(25,095,845)	
(14,217,985)		(14,217,985)	
(2,776,225)		(2,776,225)	
(8,178,983)		(8,178,983)	
(4,013,135)		(4,013,135)	
(240,229,509)		(240,229,509)	
	(3,219,594)	(3,219,594)	
	(3,219,594)	(3,219,594)	
\$ (240,229,509)	\$ (3,219,594)	\$ (243,449,103)	\$
			\$ 13,353
			13,353
\$ 49,476,120		\$ 49,476,120	
155,287,253		155,287,253	
28,538,123		28,538,123	
5,000,000		5,000,000	
2,228,852		2,228,852	
135,882,684		135,882,684	
6,825,123		6,825,123	
(90,553)	(9,936)	(100,489)	
(1,216,560)	\$ 1,216,560		
381,931,042	1,206,624	383,137,666	
141,701,533	(2,012,970)	139,688,563	13,353
67,974,978	2,922,739	70,897,717	143,533
\$ 209,676,511	\$ 909,769	\$ 210,586,280	\$ 156,886

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATEMENT C

Page 1 of 2

**GOVERNMENTAL FUNDS—BALANCE SHEET
AS OF JUNE 30, 2006**

	General	Elementary and Secondary Education Act of 1965 (Title 1)	FEMA Displaced Students and Restart Grants	Capital Projects— Dedicated Sales Tax	Other Governmental Funds	Total
ASSETS						
ASSETS—Cash and investments (Note 2)	\$ 69,082,468	\$ 569,857	\$	\$53,942,052	\$ 91,161,228	\$214,755,605
Receivables:						
Sales and use tax (Note 5)	34,088,944					34,088,944
Other accounts	2,078,922				441,910	2,520,832
Due from other funds (Note 8)	92,886,878	41,181	-	22,465,527	18,358,079	133,751,665
Due from component unit	138,226					138,226
Due from other governmental units	333,829	6,319,510	66,648,997		24,257,717	97,560,053
Prepaid items (principally insurance)	<u>4,938,799</u>		<u>-</u>		<u>-</u>	<u>4,938,799</u>
TOTAL ASSETS	<u>\$203,548,066</u>	<u>\$6,930,548</u>	<u>\$66,648,997</u>	<u>\$76,407,579</u>	<u>\$134,218,934</u>	<u>\$487,754,124</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATEMENT C

Page 2 of 2

**GOVERNMENTAL FUNDS—BALANCE SHEET
AS OF JUNE 30, 2006**

	General	Elementary and Secondary Education Act of 1965 (Title 1)	FEMA Displaced Students and Restart Grants	Capital Projects— Dedicated Sales Tax	Other Governmental Funds	Total
LIABILITIES AND FUND BALANCES						
LIABILITIES—Accounts payable	\$ 3,689,335	\$2,805,546	\$ 7,696,209	\$ 164,087	\$ 19,785,715	\$ 34,140,892
Retainages payable				30,825	60,780	91,605
Accrued liabilities:						
Salaries, wages, payroll taxes, and retirement contributions	26,972,112					26,972,112
Claims and judgments (Notes 6 and 10)	186,817					186,817
Workers' compensation claims (Note 10)	1,715,903					1,715,903
Due to other funds (Note 8)	26,136,718	4,123,464	58,951,307	14,544,863	19,868,940	123,625,292
Due to other governmental units		356			9,472	9,828
Total liabilities	<u>58,700,885</u>	<u>6,929,366</u>	<u>66,647,516</u>	<u>14,739,775</u>	<u>39,724,907</u>	<u>186,742,449</u>
FUND BALANCES:						
Fund balance (Note 11):						
Reserved	32,068,706	1,182	1,481	2,068,129	60,512,744	94,652,242
Unreserved:						
Designated for capital projects				59,599,675	33,981,283	93,580,958
Undesignated reported in: General Fund	<u>112,778,475</u>					<u>112,778,475</u>
Total fund balances	<u>144,847,181</u>	<u>1,182</u>	<u>1,481</u>	<u>61,667,804</u>	<u>94,494,027</u>	<u>301,011,675</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$203,548,066</u>	<u>\$6,930,548</u>	<u>\$66,648,997</u>	<u>\$76,407,579</u>	<u>\$134,218,934</u>	<u>\$487,754,124</u>

The notes to basic financial statements are an integral part of this statement.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**STATEMENT D****RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
AS OF JUNE 30, 2006**

Total Fund Balances at June 30, 2006—Governmental Funds		<u>\$ 301,011,675</u>
Cost of capital assets at June 30, 2006	\$ 338,600,333	
Less accumulated depreciation as of June 30, 2006:		
Buildings and improvements	(210,389,343)	
Furniture and equipment	<u>(22,222,295)</u>	<u>105,988,695</u>
Elimination of interfund assets and liabilities:		
Due from other funds	(122,455,632)	
Due to other funds	<u>122,455,632</u>	<u> </u>
Deferred financing costs		<u>2,155,578</u>
Long-term liabilities at June 30, 2006:		
Claims and judgments—long-term portion	(220,000)	
Compensated absences	(29,004,754)	
Bonds payable	(167,054,683)	
Accrued interest payable	<u>(3,200,000)</u>	<u>(199,479,437)</u>
Net assets—June 30, 2006		<u>\$ 209,676,511</u>

The notes to basic financial statements are an integral part of this statement.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
STATEMENT E
**GOVERNMENTAL FUNDS—STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2006**

	General	Elementary and Secondary Education Act of 1965 (Title 1)	FEMA Displaced Students and Restart Grants	Capital Projects— Dedicated Sales Tax	Other Governmental Funds	Total
REVENUES:						
Local sources:						
Property taxes	\$ 49,476,120	\$	\$	\$	\$	\$ 49,476,120
Sales and use taxes	155,287,253			28,538,123	5,000,000	188,825,376
Tuition and other	397,050		1,485		3,215,421	3,613,956
Interest income	3,029,957			2,364,624	1,430,542	6,825,123
Other	3,078,636			11,509	31,359,768	34,449,913
State sources	144,177,666				6,479,368	150,657,034
Federal sources	609,921	20,340,855	69,291,006		39,662,097	129,903,879
Total revenues	356,056,603	20,340,855	69,292,491	30,914,256	87,147,196	563,751,401
EXPENDITURES:						
Current:						
Instruction	199,188,609	14,012,004			25,813,501	239,014,114
Supporting services	113,725,908	4,568,803	10,339,703		27,996,632	156,631,046
Non-instruction	5,789	611,880			3,395,234	4,012,903
Capital outlay				2,005,036	4,267,298	6,272,334
Debt service:						
Principal retirement					15,474,634	15,474,634
Interest and fiscal charges					12,308,983	12,308,983
Total expenditures	312,920,306	19,192,687	10,339,703	2,005,036	89,256,282	433,714,014
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	43,136,297	1,148,168	58,952,788	28,909,220	(2,109,086)	130,037,387
OTHER FINANCING SOURCES (USES):						
Transfers in (Note 8)	61,274,194			2,000,000	52,068,373	115,342,567
Transfers out (Note 8)	(24,522,316)	(1,146,986)	(58,951,307)	(28,395,411)	(3,543,107)	(116,559,127)
Issuance of debt	17,000,000					17,000,000
Total other financing sources (uses)—net	53,751,878	(1,146,986)	(58,951,307)	(26,395,411)	48,525,266	15,783,440
NET CHANGE IN FUND BALANCES	96,888,175	1,182	1,481	2,513,809	46,416,180	145,820,827
FUND BALANCES—Beginning of year	47,959,006			59,153,995	48,077,847	155,190,848
FUND BALANCES—End of year	\$ 144,847,181	\$ 1,182	\$ 1,481	\$ 61,667,804	\$ 94,494,027	\$ 301,011,675

The notes to basic financial statements are an integral part of this statement.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**STATEMENT F****RECONCILIATION OF THE GOVERNMENTAL FUNDS—STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

Total net changes in fund balance—governmental funds		\$ 145,820,827
Capital assets:		
Capital outlays capitalized	\$ 4,687,147	
Depreciation expense for year ended June 30, 2006	(7,746,454)	
Loss on impairment	(3,337,568)	
Loss on disposal of assets	<u>(90,553)</u>	(6,487,428)
Long-term debt:		
Principal portion of debt service payments	15,474,634	
Increase in liabilities for compensated absences	(236,500)	
Amortization of deferred bond issuance costs	(310,000)	
Excess of interest accrued over interest paid	(600,000)	
Reduction of interest expense related to current maturities of deep-discount debt	5,040,000	
Debt proceeds	<u>(17,000,000)</u>	<u>2,368,134</u>
Change in net assets—governmental activities		<u>\$ 141,701,533</u>

The notes to basic financial statements are an integral part of this statement.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATEMENT G-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL—GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2006

	Original Budget	Revised Budget	Actual on Budgetary Basis	Variance- from Revised Budget Positive (Negative)
REVENUES:				
Local sources:				
Property taxes	\$ 49,329,646	\$ 42,403,765	\$ 49,476,120	\$ 7,072,355
Sales and use taxes	129,935,190	153,509,860	155,287,253	1,777,393
Tuition and other			397,050	397,050
Interest income	775,000	500,000	3,029,957	2,529,957
Other	4,614,297	3,733,482	3,078,636	(654,846)
State sources	143,446,832	141,598,032	144,177,666	2,579,634
Federal sources	2,050,000	1,850,000	609,921	(1,240,079)
Total revenues	<u>330,150,965</u>	<u>343,595,139</u>	<u>356,056,603</u>	<u>12,461,464</u>
EXPENDITURES:				
Instruction	217,275,075	209,992,333	198,441,444	11,550,889
Supporting services	109,385,066	117,906,228	113,781,369	4,124,859
Non-instruction	14,995	24,000	6,021	17,979
Total expenditures	<u>326,675,136</u>	<u>327,922,561</u>	<u>312,228,834</u>	<u>15,693,727</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>3,475,829</u>	<u>15,672,578</u>	<u>43,827,769</u>	<u>28,155,191</u>
OTHER FINANCING SOURCES (USES):				
Transfers in			61,274,192	61,274,192
Transfers out	(3,568,685)	9,568,685	(24,522,316)	(34,091,001)
Transfer from component unit			33,505	33,505
Transfers to component unit	(687,500)	(687,500)	(687,500)	
Issuance of debt			17,000,000	17,000,000
Total other financing uses—net	<u>(4,256,185)</u>	<u>8,881,185</u>	<u>53,097,881</u>	<u>44,216,696</u>
NET CHANGE IN FUND BALANCE	<u>\$ (780,356)</u>	<u>\$ 24,553,763</u>	<u>96,925,650</u>	<u>\$ 72,371,887</u>
ENCUMBRANCES OUTSTANDING AT YEAR END			705,275	
PRIOR YEAR ENCUMBRANCES EXPENDED IN CURRENT YEAR			(742,750)	
FUND BALANCES—Beginning of year (GAAP Basis)			<u>47,959,006</u>	
FUND BALANCES—End of year (GAAP Basis)			<u>\$ 144,847,181</u>	

The notes to basic financial statements are an integral part of this statement.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATEMENT G-2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL—ELEMENTARY AND
SECONDARY EDUCATION ACT OF 1965 (TITLE I)—SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2006**

	Original Budget	Revised Budget	Actual on Budgetary Basis	Variance from Revised Budget Positive (Negative)
REVENUES:				
Federal sources	\$ 23,444,362	\$ 25,989,967	\$ 20,340,855	\$ (5,649,112)
Total revenues	<u>23,444,362</u>	<u>25,989,967</u>	<u>20,340,855</u>	<u>(5,649,112)</u>
EXPENDITURES:				
Salaries	11,319,901	12,014,603	10,308,292	1,706,311
Benefits	3,873,526	2,965,465	4,104,687	(1,139,222)
Purchased professional and technical services	1,621,219	2,549,387	2,476,870	72,517
Purchased property services	132,672	132,672	72,496	60,176
Other purchased services	1,756,034	766,195	52,626	713,569
Supplies	3,455,450	5,326,984	1,863,084	3,463,900
Indirect cost	696,607	1,645,744		1,645,744
Property	<u>588,917</u>	<u>588,917</u>	<u>314,632</u>	<u>274,285</u>
Total expenditures	<u>23,444,326</u>	<u>25,989,967</u>	<u>19,192,687</u>	<u>6,797,280</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>36</u>		<u>1,148,168</u>	<u>\$ 1,148,168</u>
OTHER FINANCING USES				
Transfer in				
Transfer out			<u>(1,146,986)</u>	
Total other financing sources (uses)			<u>(1,146,986)</u>	
NET CHANGE IN FUND BALANCE	<u>36</u>		<u>1,182</u>	
FUND BALANCE—Beginning of year				
FUND BALANCE—End of year	<u>\$ 36</u>	<u>\$</u>	<u>\$ 1,182</u>	

The notes to basic financial statements are an integral part of this statement.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**STATEMENT H****STATEMENT OF NET ASSETS
PROPRIETARY FUND
AS OF JUNE 30, 2006**

	Business-Type Enterprise Fund School Lunch
ASSETS	
CURRENT ASSET:	
Cash and cash equivalents	\$ 10,565,761
Receivables (net of allowances for uncollectibles)	69,227
Due from other funds	1,227,813
Due from other governments	96,046
Inventory	<u>2,196,517</u>
Total current assets	<u>14,155,364</u>
Capital assets (net of accumulated depreciation)	<u>464,277</u>
TOTAL ASSETS	<u>14,619,641</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts, salaries, and other payables	90,017
Due to other funds	11,354,186
Deferred revenues	<u>1,773,393</u>
Total current liabilities	<u>13,217,596</u>
NON-CURRENT LIABILITIES—Compensated absences	<u>492,276</u>
TOTAL LIABILITIES	<u>13,709,872</u>
NET ASSETS	
Invested in capital assets	464,277
Unrestricted	<u>445,492</u>
TOTAL NET ASSETS	<u>\$ 909,769</u>

The notes to basic financial statements are an integral part of this statement.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**STATEMENT I****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPE—SCHOOL LUNCH ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2006**

OPERATING REVENUE—Food service sales	<u>\$ 1,483,211</u>
OPERATING EXPENSES:	
Salaries and related benefits	7,845,924
Food costs	4,869,788
Material and supplies	718,746
Contractual services	427,502
Depreciation	142,843
Miscellaneous	537,381
Printing	27,048
Repairs and maintenance	556,037
Travel	13,391
Utilities	<u>600,000</u>
Total	<u>15,738,660</u>
OPERATING LOSS	<u>(14,255,449)</u>
NONOPERATING REVENUES (EXPENSES):	
Federal grants in aid:	
Donated commodities	900,341
School lunch and breakfast program	10,135,514
Loss on disposal of capital assets	<u>(9,936)</u>
Total	<u>11,025,919</u>
LOSS BEFORE TRANSFERS	(3,229,530)
TRANSFERS FROM OTHER FUNDS	<u>1,216,560</u>
CHANGE IN NET ASSETS	(2,012,970)
NET ASSETS—Beginning of year	<u>2,922,739</u>
NET ASSETS—End of year	<u>\$ 909,769</u>

The notes to basic financial statements are an integral part of this statement.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**STATEMENT J****STATEMENT OF CASH FLOWS—PROPRIETARY FUND TYPE
SCHOOL LUNCH ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2006****CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received from sales	\$ 1,465,479
Cash payments for personal services	(7,845,924)
Cash payments for contractual services	(427,502)
Cash payments for material and supplies	(4,761,137)
Cash payments for repairs and maintenance	(556,037)
Cash payments for utilities	(600,000)
Cash payments for other expenses	<u>(577,820)</u>
Net cash used in operating activities	<u>(13,302,941)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Federal grants in aid	11,833,054
Repayment of advances from other funds	(1,010,343)
Transfers in from general fund	<u>8,796,695</u>
Net cash provided by noncapital financing activities	<u>19,619,406</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING
ACTIVITIES—Acquisition of capital assets**(101,375)**NET INCREASE IN CASH AND CASH EQUIVALENTS**

6,215,090

CASH AND CASH EQUIVALENTS—Beginning of year4,350,671**CASH AND CASH EQUIVALENTS—End of year**\$ 10,565,761**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED IN OPERATING ACTIVITIES:**

Operating loss	\$ (14,255,449)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	142,843
Donated commodities used	900,341
Change in assets and liabilities:	
Increase in accounts receivable	(17,732)
Increase in inventories	(1,061,081)
Decrease in accounts payable	(36,320)
Increase in deferred revenue	<u>1,024,457</u>

Net cash used in operating activities \$(13,302,941)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Donated commodities received	\$ 1,924,798
Donated commodities used	(900,341)
Loss on disposal of capital asset	<u>(9,936)</u>

Total noncash investing, capital, and financing activities—net \$ 1,014,521

The notes to basic financial statements are an integral part of this statement.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**STATEMENT K****STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2006**

	Agency Funds
ASSETS	
Cash and cash equivalents	<u>\$5,993,037</u>
TOTAL ASSETS	<u>\$5,993,037</u>
LIABILITIES	
Due to student groups	\$2,640,941
Due to schools	3,299,015
Due to others	3,949
Due to photographers	<u>49,132</u>
TOTAL LIABILITIES	<u>\$5,993,037</u>

The notes to basic financial statements are an integral part of this statement.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Jefferson Parish Public School System (the School System) is an independent special district created for the purpose of providing elementary and secondary education to the citizens of Jefferson Parish, Louisiana. The School System is governed by an elected board comprised of nine members.

The following is a summary of the School System's significant accounting policies which conform to accounting principles generally accepted in the United States of America as applicable to governmental units:

Reporting Entity—In conformity with the Governmental Accounting Standards Board's (GASB) definition of a reporting entity, the financial statements of the School System include the accounts of all School System operations. As required by accounting principles generally accepted in the United States of America, these financial statements present the School System as the primary government. The School System has one component unit, the Jefferson Community Charter School (Charter School), which is presented as a discretely presented component unit. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Jefferson Community Charter School is included in the reporting entity because it is fiscally dependent on the School System for the majority of its revenue. However, the Charter School is a legally separate entity and, as such, appoints its own Board. The purpose of the Charter School is to provide an alternative middle school for at-risk public school students in the sixth, seventh and eighth grade who have been expelled from the parish public school system to learn appropriate behavioral and academic skills enabling them to return as functioning, responsible participants in the public middle and high schools. The component unit also has a June 30 year end. Complete financial statements of the component unit can be obtained from the Charter School. The School System and its component unit represent the reporting entity. Additionally, the School System is a legally-separate governmental organization that has a separately elected governing body and does not meet the definition of a component unit.

Fund Accounting—The accounts of the School System are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, retained earnings, revenues and expenditures or expenses, as appropriate. The various funds are summarized by type in the financial statements. The following fund types and discretely presented component unit are used by the School System:

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

Governmental Fund Types (FFS)

General Fund—to account for all financial resources and expenditures except those required to be accounted for in another fund.

Special Revenue Funds—to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

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

Capital Projects Funds—to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Fund Type

Enterprise Fund—to account for operations that are financed and operated in a manner similar to private business enterprises, where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The only enterprise fund maintained by the School System is the School Lunch Fund which provides lunch, breakfast and milk to students at reduced prices.

Fiduciary Fund Type

Agency Funds—to account for assets held by the School System as an agent for others.

Component Unit

The component unit of the School System, the Jefferson Community Charter School, is accounted for as a governmental fund type.

Basis of Accounting/Measurement Focus—Government-Wide Financial Statements (GWFS)—The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the School System, except for the fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund balance sheet level.

The GWFS 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). As a general rule, the effect of interfund activity has been eliminated from these statements, although interfund services provided and used are not eliminated in the process of consolidation. 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*.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

Program Revenues—Program revenues included in the Statement of Activities derive directly from parties outside the School System's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School System's general revenues.

Allocation of Indirect Expenses—The School System reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings other than specific school sites is assigned to the "general administration" function due to the fact that school buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

The School System reports the following major governmental funds:

General Fund is the principal operating fund of the School System and receives most of the revenues derived by the School System from local (principally property and sales taxes) and State sources. General Fund expenditures represent the costs of general School System operations and include functional categories of instruction, supporting services and non-instruction. The General Fund is used to account for all financial resources and expenditures except those required to be accounted for in another fund.

ESEA (Title I) is used to account on a project basis for funds allocated to programs for educationally disadvantaged children (Title I, Part A), children of migrant agriculture workers (Title I, Part C), for the improvement of student achievement and quality of education (Title I, Part C), and to improve the education opportunities for children and establish a reading program (Title I, Part B). This fund is the largest single fund in the special revenue fund group and comprises approximately 35% of special revenue fund revenues and expenditures.

FEMA Displaced Students and Restart Grants is a special revenue fund used to account for the proceeds from various grants received from the Federal Emergency Management Agency (FEMA) and expenditures incurred in connection with these grants. Grants represent federal aid to help the School System cover certain costs to maintain operations after the effects of Hurricane Katrina in August 2005.

Dedicated Sales Tax Fund is a capital projects fund used to account for the proceeds of the various 1954 and 1980 sales tax bonds issued from 1986 through 2005 and that portion of the sales tax approved June 28, 1980 (1/4 cent) dedicated for capital improvements. Funds not required for capital projects are typically transferred to debt service funds to cover principal and interest payments on debt secured by sales tax revenues. Approximately 60-75% of capital project expenditures typically flow through this fund.

The School System reports the following major proprietary fund:

School Lunch Fund is a federally assisted meal program that provides nutritionally balanced low cost or free meals to children.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

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

The modified accrual basis of accounting is followed by the Governmental Fund Types. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on long-term debt, compensated absences, and claims and judgments which are recognized when due, are recorded when the fund liability is incurred, if measurable.

Revenues from local sources consist primarily of sales and use and property taxes. Year-end accrual of sales and use tax revenue is based upon June and prior months' sales and use taxes collected during July and August of the following year. Property tax revenues and revenues received from the State of Louisiana (the State) are recognized as revenue primarily as received except at year end when they are accrued for a period not exceeding 60 days. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Generally, investment earnings are recorded as earned since they are measurable and available.

Grant funds are considered to be earned when qualifying expenditures are made and all other grant requirements have been met and, accordingly, when such funds are received, they are recorded as deferred revenue until earned.

The Proprietary Fund Type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net assets. The Proprietary Fund Type operating statement presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The accrual basis of accounting is utilized by the Proprietary Fund Type and the Agency Funds. Under this basis of accounting, revenues are recognized when earned, and expenses are recognized when the related liability is incurred.

The School Lunch proprietary fund distinguishes between operating and nonoperating revenues and expenses. Operating revenues consist of charges to customers for food service sales. Operating expenses result from the cost of food service, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting the above definitions are reported as nonoperating revenues and expenses.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the School System has elected to apply all applicable GASB pronouncements as well as all Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

pronouncements. Under the provisions of GASB Statement No. 20, the School System has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

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

Budget and Budgetary Accounting—Under Louisiana Revised Statutes 17:88 and 39:1301-1314, the School System adopts an annual budget of expected revenues and probable expenditures for the General Fund and its Special Revenue Funds. The budgetary process includes public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. The budget is adopted and submitted to the State Department of Education no later than September 15 each year. Once a budget is approved by the State Department of Education, it can be amended at the function level at the discretion of management unless it becomes evident that receipts or disbursements will vary substantially from those budgeted. Then, the School Board shall prepare and adopt an amended budget.

Formal budgetary integration is employed as a management control device during the year for the General Fund and the Special Revenue Funds. Budgetary control is exercised at the revenue and expenditure function level. Formal budgetary integration is not employed for the Debt Service and Capital Projects funds since their expenditures are controlled by contractual arrangements. Budgeted amounts reflected in the accompanying financial statements for the General Fund were adopted by the School Board on June 8, 2005, and include amendments, none of a significant nature, made through June 7, 2006. Special Revenue Funds budgets were adopted by the School Board on June 8, 2005, and include amendments, none of a significant nature, made through June 2006.

The School System's budget includes encumbered amounts. Accordingly, the budgetary basis expenditure data reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances—Budget (Non-GAAP Budgetary Basis) and Actual—General and Special Revenue Fund Types (Statements G-1 and G-2) includes encumbrances and, thus, differs from the expenditure data reflected in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances—All Governmental Fund Types (Statement E) by the amount of the net change in encumbrances outstanding at year end. The General Fund represents the only budgeted fund with encumbrances outstanding at year-end. A reconciliation of the differences between actual data and amounts on a budgetary basis for the general fund is presented below:

	General Fund
Excess of revenues and other sources over expenditures and other uses (budgetary basis)	\$96,925,650
To reverse June 30, 2006 encumbrances recorded as expenditures on the budgetary basis	705,275
To add back prior year's encumbrances paid in 2005, but not recorded as expenditures in 2005	<u>(742,750)</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$96,888,175</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

Encumbrances—Commitments related to unperformed executory contracts for goods or services, such as outstanding purchase orders and uncompleted contracts, are recorded as encumbrances in order to reserve the applicable portion of the appropriation. Appropriations are valid for the year for which made, and any part of such appropriation which is not encumbered or expended lapses at the end of the year. Encumbrances outstanding at year-end are reported as reservations of fund balances since they represent authority for expenditure in the subsequent year. Encumbrances do not constitute GAAP expenditures or liabilities. As materials are subsequently received, liabilities are recorded, and the related encumbrances are eliminated.

Cash and Cash Equivalents—For purposes of the statement of cash flows, the School Lunch Enterprise Fund considers all short-term, highly liquid investments (including certificates of deposit) with an original maturity of three months or less when purchased to be cash equivalents.

Investments—Investments are stated at fair value.

Receivables and Payables—On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Inventory—The School Lunch Enterprise Fund inventory consists of purchased food and supplies and commodities received as donations through the federal school lunch program. Such inventory is priced at cost (except for commodities received as donations which are priced using the USDA price list for commodities) on a first-in, first-out basis. Until donated commodities are consumed, they are reported as deferred revenues.

Prepaid Items—Payments made to vendors for services that will benefit periods beyond June 30, 2006 and 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets—Capital assets which are purchased are recorded at cost or estimated historical cost. Actual historical cost data was not available for buildings and improvements acquired or constructed prior to 1975. In those cases where it was not feasible to determine the actual cost, the buildings and improvements were valued at estimated historical cost by using price indices. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School System maintains a threshold level of \$1,000 or more for capitalizing capital assets.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School System, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Land improvements	20-30 years
Buildings and building improvements	25-40 years
Furniture and fixtures	5-10 years
Vehicles	5-10 years
Equipment	5-17 years

Compensated Absences

- A. *Vacation and Sick Leave*—All full-time employees of the School System are permitted to accrue sick pay (sick leave). Since fiscal year 1994, vacation days (annual leave) accrued in one fiscal year are to be used by the end of the same fiscal year unless the Administrative Department head determines that the work assignment of the employee requesting the annual leave is such that the employee should not take annual leave during that particular fiscal year, and this carryover is approved by the Superintendent. Annual leave and sick leave may accrue to an unlimited number of days. Upon termination of employment, the employee is paid for all annual leave accrued prior to fiscal year 1994 at 1994 daily salary rates and post 1994 accrued annual leave approved by the Administrative Department head at current daily salary rates and accrued sick leave up to a maximum of 25 days at current daily salary rates.

Annual and sick leave liabilities are recorded as an expense when incurred in the School Lunch Enterprise Fund. In the governmental funds, no expenditure or liability is reported in connection with vacation and sick leave until such amounts are paid, or in the case of termination payments for unused leave, when such payments are due. The amount of accumulated vacation and accumulated vested sick leave at June 30, 2006 applicable to Governmental Fund Types was \$18,250,866, which is reported in the GWFS.

- B. *Sabbatical Leave*—Any employee with a teaching certificate is entitled, subject to approval, to one semester of sabbatical leave after three or more years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leaves may be granted for medical reasons or professional and cultural improvement and must be approved by the School System. Unused sabbatical leave may be carried forward to periods subsequent to that in which it is earned. Sabbatical leave does not vest.

Accumulated sabbatical leave for which payment is probable is accrued. No expenditure or liability is reported in the Governmental Fund Types in connection with sabbatical leave. The amount of accumulated sabbatical leave at June 30, 2006 for which payment is probable was \$10,753,888, which is reported in the GWFS.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

For the governmental funds, compensated absences are generally liquidated by the general fund.

2. CASH AND INVESTMENTS

Deposits—In accordance with Louisiana Statutes, the School System maintains deposits at those depository banks authorized by the School System. All such depositories are members of the Federal Reserve System.

Louisiana Statutes require that all School System deposits be protected by insurance or collateral. The market value of collateral pledged must equal 100% of the deposits not covered by insurance.

At June 30, 2006, the carrying amount of the School System's deposits was \$225,321,366, and the bank balance was \$213,461,143. Of the bank balance, \$213,461,143 was covered by Federal depository insurance or secured by bank owned securities specifically pledged to the School System and held in joint custody by an independent custodian bank or trust department. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At June 30, 2006, none of the School System's deposits were exposed to custodial credit risk representing uninsured deposits collateralized by a pledging bank's trust department but not in the School System's name.

Investments

Cash balances of the School System's funds are pooled and invested to the extent possible in authorized investments. Interest earned on invested cash is distributed to the various funds on the basis of the actual invested cash balances of the participating funds during the year.

The School System may invest idle funds as authorized by Louisiana Statutes, as follows:

- (a) Direct United States Treasury obligations, the principal and interest of which are fully guaranteed by the government of the United States.
- (b) United States government agency obligations, the principal and interest of which are fully guaranteed by the government of the United States, or United States government obligations, the principal and interest of which are guaranteed by any United States government agency.
- (c) Direct security repurchase agreements of any federal book entry only securities enumerated in paragraphs (a) and (b).
- (d) Time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the state of Louisiana.
- (e) Mutual or trust funds, which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940 and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

The School System has no investment policy that would further limit its investment choices beyond the restrictions imposed by the State. The School System recognizes all purchases of investments with a maturity of three months or less as cash equivalents. At June 30, 2006, the School System did not have any investments with maturities extending beyond three months, consequently the disclosures of credit, credit concentration and interest rate risks specified by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are not applicable.

3. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

	Balance June 30, 2005	Additions	Deletions	Impairments	Balance June 30, 2006
Governmental activities:					
Capital assets not being depreciated—Land	\$ 20,079,005	\$	\$	\$	\$ 20,079,005
Capital assets being depreciated:					
Buildings and improvements	292,292,719	465,564		4,867,891	287,890,392
Furniture and equipment	28,797,574	4,221,583	2,388,221		30,630,936
Total capital assets being depreciated	321,090,293	4,687,147	2,388,221	4,867,891	318,521,328
Less accumulated depreciation for:					
Buildings and improvements	206,928,055	4,991,611		1,530,323	210,389,343
Furniture and equipment	21,765,120	2,754,843	2,297,668		22,222,295
Total accumulated depreciation	228,693,175	7,746,454	2,297,668	1,530,323	232,611,638
Total capital assets being depreciated—net	92,397,118	(3,059,307)	90,553	3,337,568	85,909,690
Governmental activities capital assets—net	\$ 112,476,123	\$ (3,059,307)	\$ 90,553	\$ 3,337,568	\$ 105,988,695

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

2006	Balance June 30, 2005	Additions	Deletions	Balance June 30, 2006
Business-type activities:				
Capital assets being depreciated— Furniture and equipment	<u>\$ 5,965,298</u>	<u>\$ 101,375</u>	<u>\$ 166,432</u>	<u>\$ 5,900,241</u>
Less accumulated depreciation for—Furniture and equipment	<u>5,449,617</u>	<u>142,843</u>	<u>156,496</u>	<u>5,435,964</u>
Total accumulated depreciation	<u>5,449,617</u>	<u>142,843</u>	<u>156,496</u>	<u>5,435,964</u>
Total capital assets being depreciated—net	<u>515,681</u>	<u>(41,468)</u>	<u>9,936</u>	<u>464,277</u>
Business-type activities capital assets—net	<u>\$ 515,681</u>	<u>\$ (41,468)</u>	<u>\$ 9,936</u>	<u>\$ 464,277</u>

Depreciation expense was charged to governmental functions as follows:

	2006
Instruction:	
Regular	\$ 6,032,038
Special	1,087,121
Vocational	51,110
Support services—General administration	<u>576,185</u>
	<u>\$ 7,746,454</u>

4. PROPERTY TAX

Property tax is due and becomes an enforceable lien on property on the first day of the month following the filing of the tax rolls by the assessor with the Louisiana Tax Commission (usually December 1). The tax is delinquent thirty days after the due date. The property tax assessment for fiscal 2006 was formally levied in early 2006 based on property values determined by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 10% of its fair market value and other property at 15% of its market value. The tax is billed and collected by the Jefferson Parish Sheriff's Office which receives certain millage for its services. Most of the property taxes are received by the School System in the month of January; however, delinquent property taxes are received throughout the year and are recognized as revenue primarily when they are received except at year-end when they are accrued for a period not exceeding 60 days.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

Property tax is assessed for maintenance and operation and debt service for the School System as follows:

	No. of Mills
Maintenance and operation	11.00
Constitutionally authorized	2.91
Teachers' salaries and benefits increases	9.00

5. SALES AND USE TAX

For the year ended June 30, 2006, a 4.75% local sales and use tax was levied and collected within Jefferson Parish by the Jefferson Parish Sheriff's Office of which 2% was received by the School System and dedicated for the following purposes:

- 1/2% (approved May 3, 1966) for teachers' salaries and operating expenses
- 1/2% (approved October 5, 1954 and January 12, 1971) for debt service purposes, for making capital improvements and/or for operating expenses (This represents 50% of a 1% tax levied by the Parish and dedicated to the School System.)
- 1/4% (approved June 28, 1980) for making capital improvements, with authority to issue additional bonds for such purpose, and paying the related maintenance and operating expenses
- 1/4% (approved June 28, 1980) for increasing salaries and fringe benefits of school teachers and other employees
- 1/2% (approved January 1, 2003) for increasing salaries and benefits of school teachers and other employees, establishing guidance programs, payment of debt service, and instruction and maintenance expense

6. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the years ended June 30, 2006 (in thousands of dollars):

Governmental Activities	Compensated Absences	Claims and Judgments	Tax Bonds			LCDA Loan	FEMA Loan	Total
			Ad Valorem Tax Bonds	1954 Sales Tax Bonds	1980 Sales Tax Bonds			
Balance—July 1, 2005	\$ 28,768	\$407	\$ 8,400	\$ 92,692	\$ 68,507	\$970	\$	\$199,744
Issuance of debt Bonds retired			(2,670)	(10,705)	(2,079)	(20)	17,000	17,000 (15,474)
Unamortized yield adjustment due to refunding								
Discount accretion				(180)	(4,860)			(5,040)
Earned Payments	6,111 (5,874)							6,111 (5,874)
Balance—June 30, 2006	<u>\$ 29,005</u>	<u>\$407</u>	<u>\$ 5,730</u>	<u>\$ 81,807</u>	<u>\$ 61,568</u>	<u>\$950</u>	<u>\$17,000</u>	<u>\$196,467</u>
Due within one year	<u>\$ 3,012</u>	<u>\$125</u>	<u>\$ 2,795</u>	<u>\$ 12,044</u>	<u>\$ 8,788</u>	<u>\$ 21</u>	<u>\$</u>	<u>\$ 26,785</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

Bonded debt at June 30, 2006 is comprised of the following governmental activities serial bond issues:

Description	Interest Rates	Final Maturity Date	2006 Range of Annual Principal Payments		Amount Outstanding
			From	To	
<i>Ad valorem tax bonds:</i>					
\$22,000,000 issue of 3/1/99	4.0-4.125	3/01/08	\$ 2,795,000	\$ 2,935,000	<u>\$ 5,730,000</u>
Subtotal					<u>5,730,000</u>
<i>1954 1/2¢ sales tax bonds:</i>					
\$52,055,000 refunding issue of 12/1/01	5.00-5.25	2/01/08	9,190,000	9,675,000	18,865,000
Cumulative interest accretion on related bond discount					108,000
\$28,885,000 refunding issue of 3/2/05	3.70-5.25	2/1/2015	2,445,000	3,695,000	26,920,000
Unamortized portion of related bond premium					1,161,000
\$33,500,000 issue of 4/13/05	3.25-5.00	2/1/2025	1,190,000	2,730,000	33,500,000
Unamortized portion of related bond premium					<u>1,253,000</u>
Subtotal					<u>81,807,000</u>
<i>1980 1/4¢ sales tax bonds:</i>					
\$33,380,000 refunding issue of 4/21/98	4.75-5.10	3/01/10	4,676,738	5,558,609	20,467,483
Cumulative interest accretion on related bond discount					9,480,000
\$33,000,000 issue of 3/1/02	4.40-7.00	3/01/22	610,000	2,930,000	<u>31,620,000</u>
Subtotal					<u>61,567,483</u>
LCDA loan issued - 2005	Variable	11/01/29	21,200	220,100	<u>950,200</u>
FEMA loan issued - 2006	Variable	01/01/11		17,000,000	<u>17,000,000</u>
Total					<u>\$ 167,054,683</u>

Ad Valorem Tax Bonds—The ad valorem tax bonds are payable solely from, and secured by, a special tax imposed and collected annually in excess of all other taxes on all of the property subject to taxation within the territorial limits of School District No. 1 of the Parish of Jefferson, Louisiana. At June 30, 2006, there was \$16,532 available in the debt service funds for servicing of these bonds.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

1954 1/2¢ Sales Tax Bonds—The Series 2001 bonds and Series 2005 bonds are payable solely from, and secured by, an irrevocable pledge and dedication of the proceeds of the one-half percent (1/2%) sales and use tax authorized to be levied in the parish pursuant to elections held therein on October 5, 1954 and January 12, 1971. At June 30, 2006, \$14,027,261 was available in the debt service funds for servicing of these bonds.

1980 1/4¢ Sales Tax Bonds—The Series 2002, 1998 and 1986A bonds are payable solely from, and secured by, an irrevocable pledge and dedication of the proceeds of a special one-fourth percent (1/4%) sales and use tax authorized to be levied in the parish pursuant to an election held therein on June 28, 1980. At June 30, 2006, \$18,662,915 was available in the debt service funds for servicing of these bonds. The Series 1986 and 1998 bonds were issued as discounted bonds with all principal and interest due at maturity. The discount is being accreted and reported as interest expense over the terms of the bonds.

Louisiana Community Development Authority Loan—In fiscal year 2005, the School System executed a loan agreement with the Louisiana Governmental Environmental Facilities and Community Development Authority (the LCDA) not to exceed \$2,500,000, for the purpose of providing funding for the purchase of property to be used as the site for an alternative school. The loan agreements provide that the principal amount due thereon shall be only such amount as has been drawn down by the School System. Disclosure of future debt principal and interest payments have been estimated based on the outstanding balance of \$948,700 at a variable rate (4.92% as of June 30, 2006).

FEMA CDL Loan—In fiscal year 2006, the School System executed a loan agreement with the Federal Emergency Management Agency not to exceed \$57,010,000, for the purpose of providing funding for on-going operations in the aftermath of Hurricane Katrina. The loan agreements provide that the principal amount due thereon shall be only such amount as has been drawn down by the School System. Disclosure of future debt principal and interest payments have been estimated based on the outstanding balance of \$17,000,000 at a variable rate (2.65% as of June 30, 2006).

The annual debt service requirements to amortize all of the School System's outstanding bonds as of June 30, 2006 are as follows:

Years Ending June 30	Principal Portion	Interest Portion	Total
2007	\$ 23,647,640	\$ 5,254,936	\$ 28,902,576
2008	24,801,595	5,351,755	30,153,350
2009	13,070,265	4,722,268	17,792,533
2010	12,973,784	4,905,499	17,879,283
2011	23,282,100	3,310,508	26,592,608
2012-2016	32,298,200	12,528,768	44,826,968
2017-2021	23,335,900	6,550,453	29,886,353
2022-2026	13,423,600	1,381,663	14,805,263
2027-2029	221,599		221,599
Total	<u>\$167,054,683</u>	<u>\$44,005,850</u>	<u>\$211,060,533</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

There are a number of limitations and restrictions contained in the various bond indentures. As of June 30, 2006 and 2005, the School System was in compliance with all significant limitations and restrictions, including arbitrage regulations.

7. INDIVIDUAL FUND DISCLOSURES

Excess of Expenditures Over Appropriations

Formal budgetary appropriations are adopted for the General Fund and the Special Revenue Funds. Except for the Title I Special Revenue Fund budget, expenditures are budgeted at the function level, which is the level at which expenditures may not legally exceed appropriations. During fiscal year 2006, the General Fund expenditures were less than budgeted amounts for instruction, supporting services, and non-instruction by \$11,550,889, \$4,124,859, and \$6,907 respectively; total expenditures were less than those amounts budgeted, and total revenues for the General fund exceeded those amounts budgeted by \$12,461,464. Additionally, during fiscal year 2006, total expenditures for the Community Education Fund were less than budgeted amounts by \$36,909, and total revenues for the Community Education Fund were less than those budgeted by \$44,675. Sufficient fund balances were available from prior years' operations to absorb the net negative variations in revenues and expenditures in the Community Education Fund. The Adult Education Fund total expenditures were less than budgeted amounts by \$289,178, and total revenues for the Adult Education Fund were less than those amounts budgeted by \$260,947. Expenditures for the Title I program are budgeted by object code. Title I expenditures exceeded budgeted amounts only for benefits by \$1,139,222. Title I program revenues were less than those amounts budgeted by \$5,649,112 for the year ended June 30, 2006. For the year ended June 30, 2006, expenditures were \$6,797,280 less than those budgeted which more than offset the amount by which revenues were less than those budgeted. Substantially all other Special Revenue Funds are expenditure driven funds for which available revenues equal expenditures. While budgets are adopted for administrative purposes in each of these Special Revenue Funds, budget to actual comparisons are not meaningful due to the expenditure driven nature of the funds.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2006 is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from other funds:		
General Fund	Elementary and Secondary Education Act of 1965 (Title I)	\$ 4,123,464
	Capital Projects—Dedicated Sales Tax	1,026,688
	School Lunch Fund	11,346,071
	Nonmajor Governmental Funds	17,439,348
	FEMA Displaced Students and Restart Grant	58,951,307
Elementary and Secondary Education Act of 1965 (Title I)	General Fund	38,708
	Nonmajor Governmental Funds	2,473
Capital Projects—Dedicated Sales Tax	General Fund	22,465,527
School Lunch Fund	General Fund	692,029
	Nonmajor Governmental Funds	535,784
Nonmajor Governmental Funds	General Fund	2,940,454
	Capital Projects—Dedicated Sales Tax	13,518,175
	School Lunch Fund	8,115
	Nonmajor Governmental Funds	<u>1,891,335</u>
		<u>\$ 134,979,478</u>
Due to/from primary government and component unit:		
General Fund	Component Unit—Jefferson Community Charter School	\$ 138,226
Component Unit—Jefferson Community Charter School	General Fund	<u>963,958</u>
		<u>\$ 1,102,184</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

The above balances represent short-term receivables and payables incurred in the normal course of the School System's operations.

Interfund Transfers:

2006	Transfers in					Total
	General Fund	Elementary and Secondary Education Act of 1965 (Title I)	Capital Projects—Dedicated Sales Tax	School Lunch Fund	Other Governmental Funds	
Transfers out:						
General Fund	\$	\$	\$ 2,000,000	\$ 773,685	\$ 21,748,631	\$ 24,522,316
Elementary and Secondary Education Act of 1965 (Title I)	1,146,986					1,146,986
FEMA Displaced Students Restart Grant	58,951,307					58,951,307
Capital Project—Dedicated Sales Tax					28,395,411	28,395,411
Other Governmental Funds	<u>1,175,901</u>			<u>442,875</u>	<u>1,924,331</u>	<u>3,543,107</u>
Total	<u>\$ 61,274,194</u>	<u>\$</u>	<u>\$ 2,000,000</u>	<u>\$ 1,216,560</u>	<u>\$ 52,068,373</u>	<u>\$ 116,559,127</u>

The general fund transfers funds to Title I and the other governmental funds—special revenue funds to cover expenditures after a program has ended.

The general fund transfers ad valorem taxes to the other governmental funds—debt service for repayments of the associated debt.

The general fund transfers funds to the School Lunch fund as per Legislative Act R.S. 17d:192. The Child Nutrition department is to receive 12½% of the MFP formula for 1987–1988. Also, the State mandated raises in 1997 and 2004.

The general fund transfers sales taxes to the capital projects—dedicated sales tax fund and the other governmental funds—capital projects to fund capital projects expenditures. Excess funds not required for capital projects are transferred to debt service funds—bond sinking fund accounts.

The general fund transfers fund to the component unit to fund operations.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

9. RETIREMENT PLANS

Substantially all employees of the School System are required by State law to belong to retirement plans administered by the Teachers' Retirement System (TRS) or the School Employees' Retirement System (SERS), both of which are administered on a statewide basis. Each plan issues a separate financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing or calling the plan.

Teachers' Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, LA 70804-9123
(225) 925-6446

Louisiana School Employees' Retirement System
Post Office Box 44516
Baton Rouge, LA 70804-4516
(225) 924-6484

Disclosures relating to these plans follow:

A. TEACHERS' RETIREMENT SYSTEM (TRS)

1. *Plan Description*—All teachers, administrators, and school lunch employees of the School System are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are cost-sharing multiple-employer public employee retirement systems.

All teachers, administrators, and school lunch employees are eligible to participate in the TRS plans. Teachers and administrators belong to the Teachers' Regular Plan, and school lunch employees belong to the Teachers' Plan B plan. Benefits are established by State statute.

TRS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachers' Regular plan members. For the Teachers' Plan B plan members, normal retirement is at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service, and at age 60 with at least 10 years of creditable service. Retirement benefits are based upon the following formula percentages:

Years of Service	Minimum Age	Teachers' Regular	Teachers' Plan B
10	60	2.0% per year	1.0%–3.0% per year
20	Any age	2.0% per year	1.0%–3.0% per year
25	55	2.5% per year	1.0%–3.0% per year
30	Any age	2.5% per year	1.0%–3.0% per year
20	65	2.5% per year	1.0%–3.0% per year

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

The percentage formula is applied to the average of the highest three successive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits, whereby the disabled employee or surviving spouse is entitled to receive amounts determined as defined by the plan.

2. *Contributions Required and Made*—Covered employees and the School System are required by State statute to contribute fixed percentages of employees' gross earnings to the pension plans. Current contribution rates for the plans are as follows:

	Employee	Employer
Teachers' Regular	8.00 %	15.90 %
Teachers' Plan B	5.00	15.90

The School System's contributions to TRS for the years ended June 30, 2006, 2005, 2004, and 2003 were \$26,972,466, \$27,987,189, \$21,551,425 and \$20,995,192, respectively, equal to the required contributions for each year.

B. SCHOOL EMPLOYEES' RETIREMENT SYSTEM (SERS)

1. *Plan Description*—Employees who are not teachers, administrators, or school lunch employees are covered by defined benefit contributory pension plans administered and controlled on a statewide basis by a separate Board of Trustees. The Board of Trustees administers this plan which is a cost-sharing multiple-employer public employee retirement system.

All employees, other than teachers, administrators, and school lunch employees, are eligible to participate in the SERS. Benefits are established by State statute.

SERS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service, and at age 60 with at least 10 years of creditable service. The maximum retirement and disability benefit is an amount equal to 2 1/2% of the average compensation for the three highest consecutive years of credited service, multiplied by the number of years of service, plus a supplementary allowance of \$2.00 per month for each month of service. The plan also provides various death benefits, whereby the disabled employee or surviving spouse is entitled to receive amounts determined as defined by the plan.

2. *Contributions Required and Made*—Covered employees and the School System are required by State statute to contribute fixed percentages of employees' gross earnings to the pension plans. Current contribution rates for the plans are 7.5% for participating employees and 19.10% for the School System.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

The School System's contributions to SERS for the years ended June 30, 2006, 2005, 2004 and 2003 were \$1,755,401, \$1,568,061, \$723,415 and \$-0-, respectively, equal to the required contributions for each year.

Due to the passage of House Bill 2174, the difference between the minimum employer contribution and the actuarially required employer contribution will be determined at the end of each fiscal year. The difference shall accumulate in an Employer Credit Account and earn interest at the actuarial rate of return earned by the Louisiana School Employees' Retirement System (LSERS). In previous fiscal years, the minimum employer contribution for LSERS has been greater than the LSERS actuarially required employer contribution; therefore, an employer credit currently exists. Contributions to LSERS for year ended June 30, 2006 were \$24,744 based on an employer contribution rate of 19.1%

10. COMMITMENTS AND CONTINGENCIES

Claims and Judgments—The insurance companies which insured the School System for workers' compensation and bus driver accidents during the two years ended December 31, 1981 and for general liability and automobile/bus driver accidents during the two years ended April 30, 1992 subsequently went bankrupt. As a result, the School System became liable for the outstanding claims which were being paid by the insurance companies on behalf of the School System. Total outstanding claims and judgments, including the claims discussed above, approximated \$406,817 at June 30, 2006 and 2005, \$220,000 of which is considered long-term and \$186,817 of which is reported in the General Fund. The entire balance of \$406,817 is included in the GWFS and paid through the general fund.

Changes in the claims payable liability for the years ended June 30, 2006 and 2005 were as follows:

	2006	2005
Claims payable—beginning of year	\$406,817	\$407,817
Add (subtract) changes in estimates		
Deduct claims payments		(1,000)
Claims payable—end of year	<u>\$406,817</u>	<u>\$406,817</u>

Workers' Compensation Claims—Effective May 1, 1989, the School System adopted a self-insured workers' compensation plan administered by a service agent. Under the plan, the School System is self-insured for each individual claim during a calendar year up to \$250,000 with commercial insurance for claims in excess of that amount. The School System has determined, through an analysis of historical experience, the adequacy of the liability necessary to cover all losses and claims, both incurred and reported and incurred but not reported (IBNR), under its workers' compensation program. The liability is recorded in the General Fund at June 30, 2006.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

Changes in the workers' compensation claims payable liability for the years ended June 30, 2006 and 2005 were as follows:

	2006	2005
Workers' compensation claims payable—beginning of year	\$ 2,027,648	\$ 2,221,388
Add claims and changes in estimates	2,160,268	1,102,016
Deduct claims payments	<u>(2,472,013)</u>	<u>(1,295,756)</u>
Workers' compensation claims payable—end of year	<u>\$ 1,715,903</u>	<u>\$ 2,027,648</u>

Other Risk Management—The School System continues to carry commercial insurance for all other risks of loss, including general liability, automobile, and employee health insurance. There have been no significant changes in these insurance coverage amounts. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. Effective May 1, 2003, the School System became self-insured for general liability and property damage risks occurring after that date with umbrella coverage taking effect once a specified deductible is exceeded.

Changes in the liability for general liability and property damage self-insurance for the years ended June 30, 2006 and 2005, were as follows:

	2006	2005
General liability and property insurance payable—beginning of year	\$1,244,441	\$ 536,336
Add (subtract) changes in estimates	1,239,541	1,157,307
Deduct claims payments	<u>(445,450)</u>	<u>(449,202)</u>
General liability and property insurance payable—end of year	<u>\$2,038,532</u>	<u>\$1,244,441</u>

Federal and State Programs—Minimum foundation funding received from the State Department of Education is based primarily upon information concerning student enrollment at the School System's schools which is compiled by the School System and supplied to the State Department of Education. Federal funding for the School Lunch Program is based primarily upon the number and types of meals served and on user charges as reported to the United States Department of Agriculture. Federal and State funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made in compliance with program guidelines to the grantor agencies.

Contingent Liabilities—Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally by federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School System expects such amounts, if any, to be immaterial.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

11. RESERVATIONS AND DESIGNATIONS OF FUND BALANCES

Reservations of fund balances are established to indicate that portion of the fund balance which is not appropriable for expenditure or is legally segregated for a specific future use. Designations of fund balances represent tentative plans for financial resource utilization in a future period.

The nature and purpose of the reserves and designations are as follows:

Reserved for Encumbrances—This reserve was established for outstanding purchase orders and other commitments for unperformed contracts for goods and services which the School System intends to honor.

Reserved for Prepaid Items—This reserve was established as an offset against the asset, prepaid items, because it does not constitute an available spendable resource of the General Fund.

Reserved for Debt Service—This reserve represents the amounts reserved for payment of principal and interest maturing in future years.

Reserved for Specific Programs—The proceeds of the nine mills property tax enacted in 2004 and dedicated for enhancements in teacher pay and benefits together with unexpended balances from non-major specific revenue funds have been reserved for expenditures in future years.

Designated for Capital Additions and Improvements—The proceeds of various bond issues, a portion of the undedicated sales tax revenue designated by the Board, and the interest earned on the investment thereof are designated for capital projects in the Sales Tax Fund of the Capital Projects Fund to the extent that such amount has not been reserved for encumbrances.

The reserved and unreserved components of fund balances at June 30, 2006, consist of the following:

	General Fund	Special Revenue	Debt Service	Capital Projects	Total
Reserved for:					
Encumbrances	\$ 705,275	\$	\$	\$ 2,996,113	\$ 3,701,388
Prepaid items	4,938,799				4,938,799
Debt service			50,441,267		50,441,267
Specific programs	26,424,632	9,146,156			35,570,788
Total	32,068,706	9,146,156	50,441,267	2,996,113	94,652,242
Unreserved—designated for—					
Capital additions and improvements				93,580,958	93,580,958
Total				93,580,958	93,580,958
Unreserved—undesignated	112,778,475				112,778,475
Total fund balance	\$ 144,847,181	\$ 9,146,156	\$ 50,441,267	\$ 96,577,071	\$ 301,011,675

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

On the budgetary basis, the reserved and unreserved components of the General Fund balance at June 30, 2006, consist of the following:

Reserved for:	
Encumbrances	\$ 705,275
Prepaid items	4,938,799
Enhancements in teachers' pay and benefits	<u>26,424,632</u>
Total	32,068,706
Unreserved—undesignated fund balance	<u>112,073,200</u>
Total fund balance on budgetary basis	<u>\$ 144,141,906</u>

Subsequent to the end of the fiscal year, the Board approved certain additional designations of the current undesignated fund balance. To reserve for expected future losses of Minimum Foundation Program revenue, the Board approved a designation of approximately \$58 million dollars of the General Fund fund balance to offset the future loss of revenue. Additionally, the board approved a designation of approximately \$12.4 million to provide for 5 years of salary raises which have been approved.

12. POSTEMPLOYMENT HEALTH CARE BENEFITS

In accordance with State statutes, the School System provides certain continuing health care benefits for its retired employees. Substantially all of the School System's employees become eligible for these benefits if they reach normal retirement age while working for the School System. Currently, 4,293 retirees are eligible to participate in these benefits. These benefits for retirees are provided through an insurance company whose monthly premiums are paid jointly by the retirees and by the School System. During fiscal year 2006, the School System contributed 75% of the total premium for health care insurance provided to the retirees. The School System recognizes the cost of providing these benefits (the School System's portion of premiums) as an expenditure on a pay-as-you-go basis when the monthly premiums are due. The School System's net cost of providing all health care benefits to the approximately 4,818 active and 3,195 retired participating employees amounted to \$42,192,215 for 2006. For 2006, the School System's cost of premiums paid for retirees totaled \$15,084,807.

13. COMPONENT UNIT DISCLOSURES

Cash

In accordance with Louisiana statutes, the School System maintains deposits at those depository banks authorized by the School System. All such depositories are members of the Federal Reserve System.

Louisiana statutes require that all School System deposits be protected by insurance or collateral. The market value of collateral pledged must equal 100% of the deposits not covered by insurance.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

Bank balances of \$111,831 at June 30, 2006 were insured or collateralized by securities held by the School System or its agent in the School System's name. The carrying amount of the deposits were \$111,655.

Capital Assets

A summary of changes in capital assets follows:

	Balance June 30, 2005	Additions	Deletions	Balance June 30, 2006
Land and improvements	\$ 31,620	\$	\$	\$ 31,620
Equipment	<u>146,396</u>	<u>5,441</u>	<u></u>	<u>151,837</u>
Total	<u>\$ 178,016</u>	<u>\$ 5,441</u>	<u>\$</u>	<u>\$ 183,457</u>

Other Revenues

Other revenues of \$78,708 for 2006 included on the Statement of Activities (Statement B) primarily represent donations from the community.

14. HURRICANE IMPACT

On August 29, 2005, Hurricane Katrina struck the Louisiana and Mississippi Gulf Coast causing considerable damage to the Greater New Orleans area and the temporary relocation of most of the population of Jefferson Parish. Certain schools and administrative buildings were severely damaged by the hurricane. In addition many assets sustained some physical damage. The School System determined a preliminary estimate of impaired capital assets of approximately \$3.3 million was required to properly state the cost of capital assets in accordance with GASB 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, and is included within the Statement of Activities. The School System has received \$25 million to satisfy the first levels of property insurance. The proceeds are recorded within the Capital Projects fund as other local revenue. Of these amounts approximately \$1.3 million has been expended and \$.9 million has been encumbered for capital related expenditures.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

As of June 30, 2006 the School System has approximately \$66.6 million of receivables recorded for funds to be received through awards granted by the United States Department of Education through the Emergency Impact Aid for Displaced Students and from the Restart Grant. The amounts appropriated were dedicated to fund the instruction of displaced students and to reimburse expenditures needed to restart schools following the storm. Of the \$66.6 million, \$7.7 million was received by the School System on behalf of schools outside of the School System and is recorded as accounts payable at June 30, 2006. The remaining \$58.9 million is recorded as due to other funds within the FEMA Displaced Students and Restart Grants financial statements. The grants provided for the School system to receive \$6,000 for every displaced regular education student and \$7,500 for every special education student served post Katrina. The funds are specifically earmarked for paying the compensation of personnel such as teachers and teacher aides in schools enrolling displaced students. The funds from these two grants were used solely to pay General Fund salaries for teachers and teacher assistants. All revenues were recorded within the FEMA Displaced Students and Restart Grants Fund and transferred to the General Fund as needed. All receivable balances at June 30, 2006 relating to these grants have been collected subsequent to period end.

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JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

GENERAL FUND

SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2006

	Actual on Budgetary Basis	Revised Budget	Variance— Favorable (Unfavorable)
Local sources:			
Property taxes:			
Constitutional	\$ 6,292,843	\$ 5,893,930	\$ 398,913
Special maintenance	23,789,575	22,281,229	1,508,346
Teacher salaries	19,393,702	14,228,606	5,165,096
Sheriff's contribution to teachers' retirement	2,406,918	2,178,482	228,436
Sales and use taxes	155,287,253	153,509,860	1,777,393
Tuition and other	397,050		397,050
Investment income	3,029,957	500,000	2,529,957
Rent and royalties	125,836	115,000	10,836
Hospitalization	495,160	250,000	245,160
Other	50,722	1,190,000	(1,139,278)
Total	<u>211,269,016</u>	<u>200,147,107</u>	<u>11,121,909</u>
State sources:			
Equalization	135,882,684	135,882,684	
Revenue sharing	2,228,852	2,240,000	(11,148)
Grants in aid	4,000,573	847,111	3,153,462
Professional improvement program	1,429,271	1,553,237	(123,966)
Transportation	636,286	1,075,000	(438,714)
Total	<u>144,177,666</u>	<u>141,598,032</u>	<u>2,579,634</u>
Federal sources:			
Recovery of indirect costs		1,300,000	(1,300,000)
Restricted grants in aid:			
Other	609,921	550,000	59,921
Total	<u>609,921</u>	<u>1,850,000</u>	<u>(1,240,079)</u>
TOTAL REVENUES	<u>\$356,056,603</u>	<u>\$343,595,139</u>	<u>\$ 12,461,464</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

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GENERAL FUND SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2006

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
INSTRUCTION:			
Regular Programs:			
Salaries and benefits	\$ 118,936,496	\$ 124,867,870	\$ 5,931,374
Materials and supplies	5,812,415	5,452,455	(359,960)
Equipment	462,208	162,000	(300,208)
Other	989,341	1,121,000	131,659
Total	126,200,460	131,603,325	5,402,865
Special Programs:			
Salaries and benefits	60,486,668	66,323,736	5,837,068
Materials and supplies	121,980	123,630	1,650
Equipment	3,871	12,000	8,129
Other	66,642	70,350	3,708
Total	60,679,161	66,529,716	5,850,555
Vocational Programs:			
Salaries and benefits	5,679,845	5,997,958	318,113
Materials and supplies	2,309	3,000	691
Other		1,400	1,400
Total	5,682,154	6,002,358	320,204
Other Instructional Programs:			
Salaries and benefits	5,696,272	5,686,131	(10,141)
Materials and supplies	16,222	24,500	8,278
Other	875	5,500	4,625
Total	5,713,369	5,716,131	2,762
Adult Continuing Education Program—Salaries and benefits	166,300	140,803	(25,497)
Total	166,300	140,803	(25,497)
Total Instruction	198,441,444	209,992,333	11,550,889
SUPPORTING SERVICES:			
For Students:			
Salaries and benefits	13,831,958	13,184,832	(647,126)
Materials and supplies	1,610	500	(1,110)
Equipment		6,100	6,100
Other	235,624	40,800	(194,824)
Total	14,069,192	13,232,232	(836,960)
For Instructional Staff:			
Salaries and benefits	6,618,502	6,387,121	(231,381)
Materials and supplies	320,208	327,709	7,501
Equipment	7,880	7,944	64
Other	72,068	64,000	(8,068)
Total	7,018,658	6,786,774	(231,884)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

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GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS) FOR THE YEAR ENDED JUNE 30, 2006

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
SUPPORTING SERVICES - continued			
General Administration:			
Salaries and benefits	\$ 2,742,191	\$ 2,496,844	\$ (245,347)
Materials and supplies	51,321	53,663	2,342
Other	21,522,911	18,409,888	(3,113,023)
Total	24,316,423	20,960,395	(3,356,028)
School Administration:			
Salaries and benefits	22,116,041	22,260,649	144,608
Materials and supplies	46,480	45,655	(825)
Other	1,471,482	1,630,518	159,036
Total	23,634,003	23,936,822	302,819
Business Services:			
Salaries and benefits	2,011,995	1,930,738	(81,257)
Materials and supplies	17,471	82,463	64,992
Equipment	142,810	147,785	4,975
Other	1,109,314	1,082,460	(26,854)
Total	3,281,590	3,243,446	(38,144)
Operations Maintenance Services:			
Salaries and benefits	9,940,876	10,654,472	713,596
Materials and supplies	965,556	983,197	17,641
Equipment	20,192	15,000	(5,192)
Utilities	7,485,551	7,300,000	(185,551)
Insurance	2,230,620	3,900,000	1,669,380
Other	3,174,004	8,176,556	5,002,552
Total	23,816,799	31,029,225	7,212,426
Pupil Transportation Services:			
Salaries and benefits	14,321,752	15,359,670	1,037,918
Materials and supplies	24,092	30,837	6,745
Equipment	87	5,400	5,313
Other	505,746	422,000	(83,746)
Total	14,851,677	15,817,907	966,230
Central Activity Services:			
Salaries and benefits	2,437,730	2,507,289	69,559
Materials and supplies	99,483	96,033	(3,450)
Equipment	68,296	76,655	8,359
Other	187,518	219,450	31,932
Total	2,793,027	2,899,427	106,400
Total Supporting Services	113,781,369	117,906,228	4,124,859

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

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GENERAL FUND**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2006**

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
NON-INSTRUCTION—Food services:			
Other	<u>\$ 6,021</u>	<u>\$ 24,000</u>	<u>\$ 17,979</u>
Total	<u> 6,021</u>	<u> 24,000</u>	<u> 17,979</u>
Total Non-Instruction	<u> 6,021</u>	<u> 24,000</u>	<u> 17,979</u>
 TOTAL INSTRUCTION, SUPPORTING SERVICES AND NON-INSTRUCTION	 <u>\$312,228,834</u>	 <u>\$327,922,561</u>	 <u>\$ 15,693,727</u>

NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

Special Revenue Funds are used to account for funds received from other governmental agencies that are legally restricted to expenditure for specified purposes. These funds also account for receipt and expenditure of resources transferred from the General Fund when these funds are inadequate to finance the specified activities. The Title I Fund as described on page 27 has been identified as a major fund. Activities included within the non-major special revenue funds are as follows:

ESEA (Title III)

Used to account on a project basis for funds allocated to programs for development and implementation of comprehensive reform plans to improve the teachings and learning of all children (Project Goals 2000) and to support the development and implementation of systematic technology plans (Technology Literary Challenge).

ESEA (Title VII)

Used to account on a project basis for funds allocated to programs for carrying out bilingual education (Project S.T.A.R.).

IDEA Part B

Used to account on a project basis for funds allocated to programs for children with disabilities under P.L. 101-476.

Vocational Education

Used to account on a project basis for funds allocated to programs for purposes of vocational education, guidance, and counseling.

Temporary Assistance for Needy Families

Used to assist needy families with children so that children can be cared for in their own homes, also to reduce dependency by promoting job preparation, work and marriage.

ESEA Title II

Used to account on a project basis for funds allocated to programs for improving the skills of teachers and instruction in mathematics, science, foreign languages and computer science.

FEMA Public Assistance Grant

Used to repair and replace facilities, equipment and supplies damaged during Hurricane Katrina.

Drug Free Schools and Communities

Used to account on a project basis for funds granted by P.L. 99-570 to help implement drug and alcohol abuse prevention and education programs.

Title XIX - School Nurse

Used to account on a project basis for funds allocated to providing schools with nurses.

After School Learning Center

Used to create community learning centers that provide academic enrichment opportunities for children, particularly students who attend high-poverty and low-performing schools.

Tuition Preschool

Used to account for a pre-kindergarten program whose goal is to provide high quality early education and care services for four-year-old children.

Adult Education

Used to account for continuing education programs designed to assist adults in obtaining their high school diploma equivalency.

Community Education

Used to account for a wide variety of informal leisure learning classes and activities for Jefferson Parish residents.

Other Federal Programs

Used to account for miscellaneous federal grant programs.

State Programs

Used to account for miscellaneous State grant programs.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The School System maintains the following Debt Service Funds:

Ad Valorem Tax Bond Sinking Fund is used to accumulate the proceeds of ad valorem taxes which are specifically dedicated for debt service.

1954 1/2¢ and 1980 1/4¢ Sales Tax Bond Sinking Funds are used to accumulate that portion of the 1954 and 1980 sales and use tax required to meet the debt service requirements. Monthly deposits out of the proceeds of the sales and use tax are required to be made into these funds in an amount which will equal 1/6 of the interest falling due on the next interest payment date and 1/12 of the principal falling due on the next principal payment date.

1954 1/2¢ and 1980 1/4¢ Sales Tax Bond Reserve Funds are used to accumulate that portion of the 1954 and 1980 sales and use tax which is set aside for the purpose of paying principal and interest on bonds payable. Monthly deposits of sales and use tax proceeds are required to be made into these funds until the required reserve has been established.

LCDA Loan—Obtained to provide funding for the purchase of property to be used as the site for an alternative school.

FEMA CDL Loan Fund—Obtained to provide cash flow funding for operations following Hurricane Katrina.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition or construction of major capital facilities. The School System maintains two capital project funds, the sales tax fund classified as a major fund and the non-major fund described as follows:

Capital Fund is used to account for that portion of the undedicated sales tax revenue which is designated by the School Board annually for capital additions and improvements and the proceeds of the 1999 Ad Valorem tax bonds for making capital improvements.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET AS OF JUNE 30, 2006

	Total Non-Major Special Revenue	Total Non-Major Debt Service	Capital Projects— Capital Fund	Total
ASSETS				
Cash and investments	\$ 18,511,395	\$ 37,094,229	\$ 35,555,604	\$ 91,161,228
Accounts receivable	436,659	5,251		441,910
Due from other funds	2,827,204	13,518,375	2,012,500	18,358,079
Due from other governmental units	<u>24,257,717</u>	<u> </u>	<u> </u>	<u>24,257,717</u>
TOTAL ASSETS	<u>\$46,032,975</u>	<u>\$50,617,855</u>	<u>\$ 37,568,104</u>	<u>\$ 134,218,934</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ 19,610,327	\$ 175,388	\$	\$ 19,785,715
Retainages payable			60,780	60,780
Due to other funds	17,269,683	1,200	2,598,057	19,868,940
Due to other governmental units	<u>9,472</u>	<u> </u>	<u> </u>	<u>9,472</u>
Total liabilities	<u>36,889,482</u>	<u>176,588</u>	<u>2,658,837</u>	<u>39,724,907</u>
FUND BALANCE:				
Reserved	9,143,493	50,441,267	927,984	60,512,744
Unreserved:				
Designated			33,981,283	33,981,283
Undesignated	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>9,143,493</u>	<u>50,441,267</u>	<u>34,909,267</u>	<u>94,494,027</u>
TOTAL	<u>\$46,032,975</u>	<u>\$50,617,855</u>	<u>\$ 37,568,104</u>	<u>\$ 134,218,934</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS—SPECIAL REVENUE COMBINING BALANCE SHEET AS OF JUNE 30, 2006

	Elementary and Secondary Education Act of 1965 (Title III)	Elementary and Secondary Education Act of 1965 (Title VII)	Individuals with Disabilities Education Act of 1990— Part B	Vocational Education	Temporary Assistance for Needy Families
ASSETS					
Cash and investments	\$	\$	\$ 3,594,265	\$ 43,546	\$1,058,751
Accounts receivable			2,060		
Due from other funds	165,714		1,513	34,453	41,606
Due from other governmental units	<u>404,917</u>	<u>18,177</u>	<u>4,310,153</u>	<u>655,287</u>	<u>732,918</u>
TOTAL	<u>\$ 570,631</u>	<u>\$ 18,177</u>	<u>\$ 7,907,991</u>	<u>\$ 733,286</u>	<u>\$1,833,275</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	\$ 370,263	\$ 66	\$ 90,436	\$ 358,945	\$ 331,598
Due to other funds	200,294	18,111	7,810,471	374,341	1,580,022
Due to other governmental units	<u> </u>	<u> </u>	<u>1,356</u>	<u> </u>	<u>6,010</u>
Total liabilities	<u>570,557</u>	<u>18,177</u>	<u>7,902,263</u>	<u>733,286</u>	<u>1,917,630</u>
FUND BALANCE:					
Reserved	74		5,728		(84,355)
Unreserved:					
Designated					
Undesignated	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>74</u>	<u> </u>	<u>5,728</u>	<u> </u>	<u>(84,355)</u>
TOTAL	<u>\$ 570,631</u>	<u>\$ 18,177</u>	<u>\$ 7,907,991</u>	<u>\$ 733,286</u>	<u>\$1,833,275</u>

Education for Economic Security Act Title II	FEMA Public Assistance Grant	Drug Free Schools and Communities	Title XIX School Nurse	After School Learning Center
\$ 33,916	\$	\$	\$ 419,184	\$
3,848	1,894,233	76,977	6,197	
<u>1,415,161</u>	<u>13,756,989</u>	<u>117,571</u>	<u> </u>	<u>195,679</u>
<u>\$ 1,452,925</u>	<u>\$ 15,651,222</u>	<u>\$194,548</u>	<u>\$ 425,381</u>	<u>\$ 195,679</u>
\$ 414,365	\$ 15,167,754	\$ 87,654	\$ 3,646	\$ 156,206
1,020,296	483,468	106,894	205,348	39,473
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>1,434,661</u>	<u>15,651,222</u>	<u>194,548</u>	<u>208,994</u>	<u>195,679</u>
18,264			216,387	
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>18,264</u>	<u> </u>	<u> </u>	<u>216,387</u>	<u> </u>
<u>\$ 1,452,925</u>	<u>\$ 15,651,222</u>	<u>\$194,548</u>	<u>\$ 425,381</u>	<u>\$ 195,679</u>

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS—SPECIAL REVENUE

COMBINING BALANCE SHEET

AS OF JUNE 30, 2006

	Tuition Preschool	Adult Education	Community Education	Other Federal Programs	State Programs	Total
ASSETS						
Cash and investments	\$ 169,182	\$ 562,888	\$2,926,100	\$	\$ 9,703,563	\$18,511,395
Accounts receivable	6,000	105			428,494	436,659
Due from other funds	6,416			22,857	573,390	2,827,204
Due from other governmental units		<u>138,942</u>		<u>106,855</u>	<u>2,405,068</u>	<u>24,257,717</u>
TOTAL	<u>\$ 181,598</u>	<u>\$ 701,935</u>	<u>\$2,926,100</u>	<u>\$ 129,712</u>	<u>\$13,110,515</u>	<u>\$46,032,975</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES:						
Accounts payable and other liabilities	\$	\$	\$1,151,032	\$ 91,394	\$ 1,386,968	\$19,610,327
Due to other funds	58,430	444,142	274,161	38,318	4,615,914	17,269,683
Due to other governmental units					<u>2,106</u>	<u>9,472</u>
Total liabilities	<u>58,430</u>	<u>444,142</u>	<u>1,425,193</u>	<u>129,712</u>	<u>6,004,988</u>	<u>36,889,482</u>
FUND BALANCE:						
Reserved	123,168	257,793	1,500,907		7,105,527	9,143,493
Unreserved:						
Designated						
Undesignated						
Total fund balance	<u>123,168</u>	<u>257,793</u>	<u>1,500,907</u>		<u>7,105,527</u>	<u>9,143,493</u>
TOTAL	<u>\$ 181,598</u>	<u>\$ 701,935</u>	<u>\$2,926,100</u>	<u>\$ 129,712</u>	<u>\$13,110,515</u>	<u>\$46,032,975</u>

(Concluded)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS—DEBT SERVICE

COMBINING BALANCE SHEET

AS OF JUNE 30, 2006

	Ad Valorem Tax Bond Sinking	1954 1/2¢ Sales Tax Bond Sinking	1954 1/2¢ Sales Tax Bond Reserve	1980 1/4¢ Sales Tax Bond Sinking	1980 1/4¢ Sales Tax Bond Reserve	LCDA Loan	FEMA CDL Loan	Total
ASSETS								
Cash and investments	\$ 16,532	\$ 406,499	\$ 5,736,310	\$ 11,123	\$ 13,013,618	\$ 944,322	\$ 16,965,825	\$ 37,094,229
Accounts receivable		5,251						5,251
Due from other funds		7,880,001	200	5,638,174				13,518,375
TOTAL	\$ 16,532	\$ 8,291,751	\$ 5,736,510	\$ 5,649,297	\$ 13,013,618	\$ 944,322	\$ 16,965,825	\$ 50,617,855
LIABILITIES AND FUND BALANCE								
LIABILITIES:								
Accounts payable	\$	\$	\$	\$	\$	\$ 4,419	\$ 170,969	\$ 175,388
Due to other funds		1,000				200		1,200
Total liabilities		1,000				4,619	170,969	176,588
FUND BALANCE:								
Reserved	16,532	8,290,751	5,736,510	5,649,297	13,013,618	939,703	16,794,856	50,441,267
Total fund balance	16,532	8,290,751	5,736,510	5,649,297	13,013,618	939,703	16,794,856	50,441,267
TOTAL	\$ 16,532	\$ 8,291,751	\$ 5,736,510	\$ 5,649,297	\$ 13,013,618	\$ 944,322	\$ 16,965,825	\$ 50,617,855

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2006

	Total Non-Major Special Revenue	Total Non-Major Debt Service	Capital Projects - Capital Fund	Total
REVENUES:				
Local sources:				
Sales and use taxes	\$ 3,215,421	\$	\$ 5,000,000	\$ 5,000,000
Tuition and other	3,215,421			3,215,421
Interest income		1,017,941	412,601	1,430,542
Other	6,357,268		25,002,500	31,359,768
State sources	6,479,368			6,479,368
Federal sources	39,662,097			39,662,097
Total revenues	55,714,154	1,017,941	30,415,101	87,147,196
EXPENDITURES:				
Current:				
Instruction:				
Salaries and benefits	18,877,965			18,877,965
Supplies	4,519,151			4,519,151
Other	2,416,385			2,416,385
Total instruction	25,813,501			25,813,501
Supporting services:				
Salaries and benefits	7,997,592			7,997,592
Supplies	988,865			988,865
Other	19,010,175			19,010,175
Total supporting services	27,996,632			27,996,632
Non-instruction:				
Community services:				
Salaries and benefits	2,245,810			2,245,810
Supplies	41,885			41,885
Other	1,107,539			1,107,539
Total non-instruction	3,395,234			3,395,234
Capital Outlay:				
Construction costs			3,428,003	3,428,003
Architect fees			243,115	243,115
Administrative and other			596,180	596,180
Total capital outlay			4,267,298	4,267,298

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2006

	Total Non-Major Special Revenue	Total Non-Major Debt Service	Capital Projects - Capital Fund	Total
Debt Service:				
Principal retirement		15,474,634		15,474,634
Interest and fiscal charges		12,308,983		12,308,983
Total debt service		27,783,617		27,783,617
Total expenditures	57,205,367	27,783,617	4,267,298	89,256,282
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,491,213)	(26,765,676)	26,147,803	(2,109,086)
OTHER FINANCING SOURCES (USES):				
Transfers in	2,015,043	48,053,330	2,000,000	52,068,373
Transfers out	(1,648,873)		(1,894,234)	(3,543,107)
Total other financing sources (uses)—net	366,170	48,053,330	105,766	48,525,266
NET CHANGE IN FUND BALANCE	(1,125,043)	21,287,654	26,253,569	46,416,180
FUND BALANCES—Beginning of year	10,268,536	29,153,613	8,655,698	48,077,847
FUND BALANCES—End of year	\$ 9,143,493	\$ 50,441,267	\$ 34,909,267	\$ 94,494,027

(Concluded)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS—SPECIAL REVENUE COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2006

	Elementary and Secondary Education Act of 1965 (Title III)	Elementary and Secondary Education Act of 1965 (Title VII)	Individuals with Disabilities Education Act of 1990- Part B	Vocational Education	Temporary Assistance for Needy Families
REVENUES:					
Local sources:					
Tuition and other	\$	\$	\$	\$	\$
Other					100
State sources					
Federal sources	<u>563,201</u>	<u>124,317</u>	<u>12,486,581</u>	<u>958,383</u>	<u>5,691,320</u>
Total revenues	<u>563,201</u>	<u>124,317</u>	<u>12,486,581</u>	<u>958,383</u>	<u>5,691,420</u>
EXPENDITURES (All current):					
Instruction:					
Salaries and benefits	194,419		6,165,289		5,952,605
Supplies	66,269	3,614	1,583,575	95,539	243,874
Other	<u>14,022</u>	<u>1,330</u>	<u>983,368</u>	<u>631,253</u>	<u>62,376</u>
Total instruction	<u>274,710</u>	<u>4,944</u>	<u>8,732,232</u>	<u>726,792</u>	<u>6,258,855</u>
Supporting services:					
Salaries and benefits	249,633	111,337	3,003,474	253,046	308,637
Supplies		1,389			
Other	<u>759</u>		<u>43,361</u>		<u>218</u>
Total supporting services	<u>250,392</u>	<u>112,726</u>	<u>3,046,835</u>	<u>253,046</u>	<u>308,855</u>
Non-instruction:					
Community services:					
Salaries and benefits	26,982				263,216
Supplies					
Other					<u>82</u>
Total non-instruction	<u>26,982</u>				<u>263,298</u>
Total expenditures	<u>552,084</u>	<u>117,670</u>	<u>11,779,067</u>	<u>979,838</u>	<u>6,831,008</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,117</u>	<u>6,647</u>	<u>707,514</u>	<u>(21,455)</u>	<u>(1,139,588)</u>

Education for Economic Security Act Title II	FEMA Public Assistance Grant	Drug Free Schools and Communities	Title XIX School Nurse	After School Learning Center
\$	\$	\$	\$	\$
	3,271,542			
782,332				
<u>4,448,765</u>	<u>13,532,566</u>	<u>407,110</u>	<u>156,961</u>	<u>498,898</u>
<u>5,231,097</u>	<u>16,804,108</u>	<u>407,110</u>	<u>156,961</u>	<u>498,898</u>
3,657,302		1,219		5,769
57,426	779,634	20,202		44,909
<u>116,539</u>	<u>78,043</u>	<u>11,202</u>		<u>116,155</u>
<u>3,831,267</u>	<u>857,677</u>	<u>32,623</u>		<u>166,833</u>
538,732	206,237	353,493	205,348	299,809
417,403	81,522		3,678	
<u>174,186</u>	<u>17,051,241</u>	<u>12,723</u>	<u>30,712</u>	
<u>1,130,321</u>	<u>17,339,000</u>	<u>366,216</u>	<u>239,738</u>	<u>299,809</u>
	11,850			
	1,369			
	<u>45,578</u>			
	<u>58,797</u>			
<u>4,961,588</u>	<u>18,255,474</u>	<u>398,839</u>	<u>239,738</u>	<u>466,642</u>
<u>269,509</u>	<u>(1,451,366)</u>	<u>8,271</u>	<u>(82,777)</u>	<u>32,256</u>

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS—SPECIAL REVENUE COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2006

	Tuition Preschool	Adult Education	Community Education	Other Federal Programs	State Programs	Total
REVENUES:						
Local sources:						
Tuition and other	\$ 352,286	\$ 12,709	\$ 2,503,925	\$	\$ 346,501	\$ 3,215,421
Other			121,703	8,122	2,955,801	6,357,268
State sources		343,210			5,353,826	6,479,368
Federal sources		299,299	49,386	445,310		39,662,097
Total revenues	<u>352,286</u>	<u>655,218</u>	<u>2,675,014</u>	<u>453,432</u>	<u>8,656,128</u>	<u>55,714,154</u>
EXPENDITURES (All current):						
Instruction:						
Salaries and benefits	244,935	257,641		48,027	2,350,759	18,877,965
Supplies		55,737	672,020	109,581	786,771	4,519,151
Other		42,344		60,828	298,925	2,416,385
Total instruction	<u>244,935</u>	<u>355,722</u>	<u>672,020</u>	<u>218,436</u>	<u>3,436,455</u>	<u>25,813,501</u>
Supporting services:						
Salaries and benefits		270,060	215,733	209,741	1,772,312	7,997,592
Supplies			2,749	170	481,954	988,865
Other		1,205	60,547	6,945	1,628,278	19,010,175
Total supporting services		<u>271,265</u>	<u>279,029</u>	<u>216,856</u>	<u>3,882,544</u>	<u>27,996,632</u>
Non-instruction:						
Community services:						
Salaries and benefits	113,767		1,632,048		197,947	2,245,810
Supplies			598		39,918	41,885
Other			95,920		965,959	1,107,539
Total non-instruction	<u>113,767</u>		<u>1,728,566</u>		<u>1,203,824</u>	<u>3,395,234</u>
Total expenditures	<u>358,702</u>	<u>626,987</u>	<u>2,679,615</u>	<u>435,292</u>	<u>8,522,823</u>	<u>57,205,367</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,416)</u>	<u>28,231</u>	<u>(4,601)</u>	<u>18,140</u>	<u>133,305</u>	<u>(1,491,213)</u>

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JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS—SPECIAL REVENUE COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2006

	Elementary and Secondary Education Act of 1965 (Title III)	Elementary and Secondary Education Act of 1965 (Title VII)	Individuals with Disabilities Education Act of 1990- Part B	Vocational Education	Temporary Assistance for Needy Families
OTHER FINANCING SOURCES (USES):					
Transfers in				21,455	
Transfers out	<u>(11,043)</u>	<u>(6,647)</u>	<u>(712,119)</u>		<u>(54,393)</u>
Total other financing sources (uses)—net	<u>(11,043)</u>	<u>(6,647)</u>	<u>(712,119)</u>	<u>21,455</u>	<u>(54,393)</u>
NET CHANGE IN FUND BALANCES	74		(4,605)		(1,193,981)
FUND BALANCES— Beginning of year			<u>10,333</u>		<u>1,109,626</u>
FUND BALANCES— End of year	<u>\$ 74</u>	<u>\$</u>	<u>\$ 5,728</u>	<u>\$</u>	<u>\$ (84,355)</u>

Education for Economic Security Act Title II	FEMA Public Assistance Grants	Drug Free Schools and Communities	Title XIX School Nurse	After School Learning Center
<u>(268,246)</u>	1,894,233 <u>(442,867)</u>	<u>(8,271)</u>	<u> </u>	<u>(32,256)</u>
<u>(268,246)</u>	<u>1,451,366</u>	<u>(8,271)</u>	<u> </u>	<u>(32,256)</u>
1,263			(82,777)	
<u>17,001</u>	<u> </u>	<u> </u>	<u>299,164</u>	<u> </u>
<u>\$ 18,264</u>	<u>\$ </u>	<u>\$ </u>	<u>\$216,387</u>	<u>\$ </u>

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS—SPECIAL REVENUE COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2006

	Tuition Preschool	Adult Education	Community Education	Other Federal Programs	State Programs	Total
OTHER FINANCING SOURCES (USES):						
Transfers in	6,416			32	92,907	2,015,043
Transfers out				(19,179)	(93,852)	(1,648,873)
Total other financing sources (uses)—net	<u>6,416</u>			<u>(19,147)</u>	<u>(945)</u>	<u>366,170</u>
NET CHANGE IN FUND BALANCES		28,231	(4,601)	(1,007)	132,360	(1,125,043)
FUND BALANCES—						
Beginning of year	<u>123,168</u>	<u>229,562</u>	<u>1,505,508</u>	<u>1,007</u>	<u>6,973,167</u>	<u>10,268,536</u>
FUND BALANCES—						
End of year	<u>\$123,168</u>	<u>\$ 257,793</u>	<u>\$1,500,907</u>	<u>\$</u>	<u>\$7,105,527</u>	<u>\$ 9,143,493</u>

(Concluded)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS—DEBT SERVICE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2006

	Ad Valorem Tax Bond Sinking	1954 1/2¢ Sales Tax Bond Sinking	1954 1/2¢ Sales Tax Bond Reserve	1980 1/4¢ Sales Tax Bond Sinking	1980 1/4¢ Sales Tax Bond Reserve	LCDA Loan	FEMA CDL Loan	Total
REVENUES:								
Local sources:								
Sales and use taxes	\$ 17,905	\$ 106,551	\$ 246,074	\$ 45,597	\$ 559,736	\$ 42,078	\$	\$ 1,017,941
Interest income								
Other								
Total revenues	<u>17,905</u>	<u>106,551</u>	<u>246,074</u>	<u>45,597</u>	<u>559,736</u>	<u>42,078</u>		<u>1,017,941</u>
EXPENDITURES:								
Supporting services:								
Salaries and benefits								
Supplies								
Other								
Total supporting services								
Debt Service:								
Principal retirement	2,670,000	10,705,000		2,079,534		20,100		15,474,634
Interest and fiscal charges	<u>339,969</u>	<u>3,431,534</u>		<u>8,292,092</u>	<u>20</u>	<u>40,224</u>	<u>205,144</u>	<u>12,308,983</u>
Total debt service	<u>3,009,969</u>	<u>14,136,534</u>		<u>10,371,626</u>	<u>20</u>	<u>60,324</u>	<u>205,144</u>	<u>27,783,617</u>
Total expenditures	<u>3,009,969</u>	<u>14,136,534</u>		<u>10,371,626</u>	<u>20</u>	<u>60,324</u>	<u>205,144</u>	<u>27,783,617</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,992,064)</u>	<u>(14,029,983)</u>	<u>246,074</u>	<u>(10,326,029)</u>	<u>559,716</u>	<u>(18,246)</u>	<u>(205,144)</u>	<u>(26,765,676)</u>
OTHER FINANCING SOURCES (USES):								
Transfers in	2,470,334	16,917,698		11,665,298			17,000,000	48,053,330
Transfers out								
Total other financing sources (uses)—net	<u>2,470,334</u>	<u>16,917,698</u>		<u>11,665,298</u>			<u>17,000,000</u>	<u>48,053,330</u>
NET CHANGE IN FUND BALANCES	<u>(521,730)</u>	<u>2,887,715</u>	<u>246,074</u>	<u>1,339,269</u>	<u>559,716</u>	<u>(18,246)</u>	<u>16,794,856</u>	<u>21,287,654</u>
FUND BALANCE— Beginning of year	<u>538,262</u>	<u>5,403,036</u>	<u>5,490,436</u>	<u>4,310,028</u>	<u>12,453,902</u>	<u>957,949</u>		<u>29,153,613</u>
FUND BALANCE— End of year	<u>\$ 16,532</u>	<u>\$ 8,290,751</u>	<u>\$ 5,736,510</u>	<u>\$ 5,649,297</u>	<u>\$ 13,013,618</u>	<u>\$ 939,703</u>	<u>\$ 16,794,856</u>	<u>\$ 50,441,267</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL—ADULT EDUCATION FUND FOR THE YEAR ENDED JUNE 30, 2006

	Original Budget	Revised Budget	Actual on Budgetary Basis	Variance from Revised Budget Positive (Negative)
REVENUES:				
Federal sources	\$ 535,435	\$ 585,959	\$ 299,299	\$ (286,660)
State sources	344,424	330,206	343,210	13,004
Tuition and other	<u>370,170</u>	<u> </u>	<u>12,709</u>	<u>12,709</u>
Total revenues	<u>1,250,029</u>	<u>916,165</u>	<u>655,218</u>	<u>(260,947)</u>
EXPENDITURES:				
Instruction	637,629	735,417	355,722	379,695
Supporting	<u>427,080</u>	<u>180,748</u>	<u>271,265</u>	<u>(90,517)</u>
Total expenditures	<u>1,064,709</u>	<u>916,165</u>	<u>626,987</u>	<u>289,178</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>185,320</u>	<u> </u>	<u>28,231</u>	<u>28,231</u>
FUND BALANCE—Beginning of year	<u> </u>	<u> </u>	<u>229,562</u>	<u>229,562</u>
FUND BALANCE—End of year	<u>\$ 185,320</u>	<u>\$ </u>	<u>\$ 257,793</u>	<u>\$ 257,793</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL—COMMUNITY

EDUCATION FUND

FOR THE YEAR ENDED JUNE 30, 2006

	Original Budget	Revised Budget	Actual on Budgetary Basis	Variance from Revised Budget Positive (Negative)
REVENUES:				
Tuition and other	<u>\$3,168,633</u>	<u>\$2,719,689</u>	<u>\$2,675,014</u>	<u>\$ (44,675)</u>
Total revenues	<u>3,168,633</u>	<u>2,719,689</u>	<u>2,675,014</u>	<u>(44,675)</u>
EXPENDITURES:				
Instruction	660,000	660,420	672,020	(11,600)
Supporting	278,508	193,435	279,029	(85,594)
Non-instruction	<u>1,906,418</u>	<u>1,862,669</u>	<u>1,728,566</u>	<u>134,103</u>
Total expenditures	<u>2,844,926</u>	<u>2,716,524</u>	<u>2,679,615</u>	<u>36,909</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>323,707</u>	<u>3,165</u>	<u>(4,601)</u>	<u>(7,766)</u>
FUND BALANCE—Beginning of year	<u>62,738</u>	<u>62,738</u>	<u>1,505,508</u>	<u>1,442,770</u>
FUND BALANCE—End of year	<u>\$ 386,445</u>	<u>\$ 65,903</u>	<u>\$1,500,907</u>	<u>\$1,435,004</u>

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AGENCY FUNDS

Agency Funds are established to account for all monies held by the School System in an agency capacity. Disbursements are made only in accordance with the purpose for which assets are received. Activities included within these funds are as follows:

School and Student Activity Funds

Used to account for revenues and expenditures for individual school purchases and student body activities, including minor fund raising, field trips and special events.

School Picture Fund

Used to account for security deposits received from school photographers.

School System Event Fund

Used to account for the receipts and disbursements of employee athletic events.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES—ALL AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2006

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
SCHOOL AND STUDENT ACTIVITY FUNDS				
ASSETS—Cash and investments	<u>\$ 4,142,753</u>	<u>\$ 15,922,107</u>	<u>\$ 14,120,955</u>	<u>\$ 5,943,905</u>
LIABILITIES:				
Due to student groups	\$ 1,852,848	\$ 8,116,605	\$ 7,328,512	\$ 2,640,941
Due to schools	2,288,513	7,785,337	6,774,835	3,299,015
Due to others	<u>1,392</u>	<u>20,165</u>	<u>17,608</u>	<u>3,949</u>
TOTAL	<u>\$ 4,142,753</u>	<u>\$ 15,922,107</u>	<u>\$ 14,120,955</u>	<u>\$ 5,943,905</u>
SCHOOL PICTURE FUND				
ASSETS—Cash and investments	<u>\$ 42,200</u>	<u>\$ 8,132</u>	<u>\$ 1,200</u>	<u>\$ 49,132</u>
LIABILITIES—Due to photographers	<u>\$ 42,200</u>	<u>\$ 8,132</u>	<u>\$ 1,200</u>	<u>\$ 49,132</u>
SCHOOL SYSTEM EVENT FUND				
ASSETS—Cash and investments	<u>\$ 6,944</u>	<u>\$</u>	<u>\$ 6,944</u>	<u>\$</u>
LIABILITIES—Due to participants	<u>\$ 6,944</u>	<u>\$</u>	<u>\$ 6,944</u>	<u>\$</u>
TOTALS—ALL AGENCY FUNDS				
ASSETS—Cash and investments	<u>\$ 4,191,897</u>	<u>\$ 15,930,239</u>	<u>\$ 14,129,099</u>	<u>\$ 5,993,037</u>
LIABILITIES:				
Due to student groups	\$ 1,852,848	\$ 8,116,605	\$ 7,328,512	\$ 2,640,941
Due to schools	2,288,513	7,785,337	6,774,835	3,299,015
Due to others	1,392	20,165	17,608	3,949
Due to photographers	42,200	8,132	1,200	49,132
Due to participants	<u>6,944</u>	<u></u>	<u>6,944</u>	<u></u>
TOTAL	<u>\$ 4,191,897</u>	<u>\$ 15,930,239</u>	<u>\$ 14,129,099</u>	<u>\$ 5,993,037</u>

OTHER SUPPLEMENTAL INFORMATION

The schedules within this subsection are presented as supplementary information to expand upon the data presented in the other subsections of the Financial Section.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE OF COMPENSATION PAID TO SCHOOL BOARD MEMBERS FOR THE YEAR ENDED JUNE 30, 2006

Board Member	Number of Days Served	Compensation
Karen Barnes	365	\$ 9,600
Gene Katsanis	365	10,789
Martin B. Marino	365	10,300
Libby Moran	365	9,600
Ray St. Pierre	365	11,273
Judy Colgan	365	9,600
Ellen Shirer Kovach	91	2,400
Mark Morgan	365	9,600
Etta Licciardi	365	9,600
John Cameron Henry	274	<u>7,200</u>
TOTAL		<u>\$89,962</u>

STATISTICAL SECTION

Statistical Section (Unaudited)

This part of the Jefferson Parish Public School Systems' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the School System's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the School System's performance and well-being have changed over time	79 - 83
Revenue Capacity	
These schedules contain information to help the reader assess the School System's most significant local revenue source, the property tax	84 - 88
Debt Capacity	
These schedules present information to help the reader assess the affordability of the School System's ability to issue additional debt in the future	89 - 93
Demographics and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School System's financial statements take place	94 - 95
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the School System's financial report relates to the services the School System provides and the activities it performs	96 - 104

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report (CAFR) for the relevant. The district implemented GASB 34 in the fiscal year ended June 30, 2002; schedules presenting government-wide information include information beginning in that year.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 1

NET ASSETS BY COMPONENT LAST TEN FISCAL YEARS *(accrual basis of accounting)*

	2006	2005	2004	2003	2002
Governmental Activities					
Invested in capital assets - net of related debt	\$ (10,221,368)	\$ (22,795,180)	\$ (44,641,715)	\$ (58,663,282)	\$ (73,433,040)
Restricted	147,680,159	120,450,760	70,843,859	32,812,609	38,345,453
Unrestricted	<u>72,217,720</u>	<u>(29,680,602)</u>	<u>13,247,725</u>	<u>30,078,045</u>	<u>(8,271,351)</u>
Total governmental activities net assets	209,676,511	67,974,978	39,449,869	4,227,372	(43,358,938)
Business Type Activities					
Invested in capital assets - net of related debt	464,277	515,681	418,123	352,055	251,518
Restricted					
Unrestricted	<u>445,492</u>	<u>2,407,058</u>	<u>1,702,978</u>	<u>676,254</u>	<u>190,801</u>
Total business type activities net assets	909,769	2,922,739	2,121,101	1,028,309	442,319
Primary Government					
Invested in capital assets - net of related debt	(9,757,091)	(22,279,499)	(44,223,592)	(58,311,227)	(73,181,522)
Restricted	147,680,159	120,450,760	70,843,859	32,812,609	38,345,453
Unrestricted	<u>72,663,212</u>	<u>(27,273,544)</u>	<u>14,950,703</u>	<u>30,754,299</u>	<u>(8,080,550)</u>
Total Primary Government activities	\$210,586,280	\$ 70,897,717	\$ 41,570,970	\$ 5,255,681	\$ (42,916,619)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 2

CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(accrual basis of accounting)

	2006	2005	2004	2003	2002
Expenses					
Governmental activities:					
Instruction:					
Regular programs	\$ 135,267,679	\$ 133,719,096	\$ 129,257,222	\$ 108,376,681	\$ 125,461,159
Special programs	95,173,411	105,806,109	92,807,479	78,803,128	94,943,142
Vocational programs	12,747,772	11,712,865	11,350,759	11,164,128	6,018,090
All other programs	6,542,581	6,702,742	4,188,659	4,398,886	4,552,075
Support services:					
Student services	56,982,047	30,993,517	27,323,178	23,601,741	23,601,641
Instructional staff support	6,975,762	6,399,284	5,798,273	5,226,844	5,228,678
General administration	25,160,376	22,006,686	20,360,294	18,501,140	17,061,524
School administration	23,644,908	23,290,537	22,051,531	20,420,825	20,022,188
Business services	3,329,760	3,120,348	2,624,869	2,421,493	2,628,003
Operations maintenance services	25,095,845	25,228,363	23,857,473	21,913,049	20,923,100
Pupil transportation services	14,854,271	15,526,724	14,424,779	14,000,876	14,602,510
Central activity services	2,776,225	3,031,972	2,833,476	2,868,284	2,909,779
Interest on long-term debt	8,178,983	8,205,027	9,026,543	9,653,912	9,977,023
Other expenses	4,013,135	4,750,557	4,820,290	5,424,737	4,435,348
Total governmental activities	420,742,755	400,493,827	370,724,825	326,775,724	352,364,260
Business-type activities—School Lunch	15,738,660	18,924,850	17,875,997	17,760,412	17,035,650
Total primary government	\$ 436,481,415	\$ 419,418,677	\$ 388,600,822	\$ 344,536,136	\$ 369,399,910
Program Revenues					
Governmental activities:					
Charges for services:					
Regular programs	\$ 397,050	\$ 387,137	\$ 390,410	\$ 882,966	\$ 538,394
Special programs	3,216,906	3,754,010	5,448,622	6,601,302	5,545,374
Operating grants and contributions	176,899,290	68,496,399	62,074,998	55,709,593	48,536,457
Total governmental activities program revenues	180,513,246	72,637,546	67,914,030	63,193,861	54,620,225
Business-type activities - School Lunch					
Charges for services	1,483,211	2,389,096	2,694,653	2,905,828	2,944,946
Operating grants and contributions	11,035,855	16,563,707	15,501,202	14,871,889	13,918,886
Total business-type activities program revenues	12,519,066	18,952,803	18,195,855	17,777,717	16,863,832
Total primary government program revenues	\$ 193,032,312	\$ 91,590,349	\$ 86,109,885	\$ 80,971,578	\$ 71,484,057
Net (Expense)/Revenue					
Governmental activities	\$(240,229,509)	\$(327,856,281)	\$(302,810,795)	\$(263,581,863)	\$(297,744,035)
Business-type activities - School Lunch	(3,219,594)	27,953	319,858	17,305	(171,818)
Total primary government net expense	\$(243,449,103)	\$(327,828,328)	\$(302,490,937)	\$(263,564,558)	\$(297,915,853)

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 2

CHANGES IN NET ASSETS
 LAST FIVE FISCAL YEARS
(accrual basis of accounting)

	2006	2005	2004	2003	2002
General Revenues and Other Changes in Net Asset					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	\$ 49,476,120	\$ 54,025,978	\$ 46,616,733	\$ 27,149,912	\$ 23,376,158
Sales and use taxes, levied for general purposes	155,287,253	128,511,531	123,469,313	120,713,141	121,229,455
Sales and use taxes, levied for debt service	28,538,123	23,536,268	22,068,902	18,990,835	8,726,000
Sales and use taxes, levied for public improvement	5,000,000	4,000,000	5,000,000	6,393,688	16,349,781
State revenue sharing	2,228,852	2,223,632	2,113,205	2,133,847	1,977,538
Grants and contributions not restricted to specific purposes:					
Minimum foundation program	135,882,684	141,907,769	138,164,733	134,409,500	128,628,700
Interest and investment earnings	6,825,123	3,057,139	1,471,740	1,945,935	1,825,898
Special item - loss on disposal of asset	(90,553)	(107,242)	(98,400)		
Transfers	<u>(1,216,560)</u>	<u>(773,685)</u>	<u>(772,934)</u>	<u>(568,685)</u>	<u>(1,118,685)</u>
Total general revenues	381,931,042	356,381,390	338,033,292	311,168,173	300,994,845
Business type Activities - School Lunch:					
Special item - loss on disposal of asset	(9,936)				
Business type Activities - School Lunch - Transfers	<u>1,216,560</u>	<u>773,685</u>	<u>772,934</u>	<u>568,685</u>	<u>568,685</u>
Total general revenues	<u>1,206,624</u>	<u>773,685</u>	<u>772,934</u>	<u>568,685</u>	<u>568,685</u>
Total primary government	<u>\$ 383,137,666</u>	<u>\$ 357,155,075</u>	<u>\$ 338,806,226</u>	<u>\$ 311,736,858</u>	<u>\$ 301,563,530</u>
Change in Net Assets					
Governmental Activities	\$ 141,701,533	\$ 28,525,109	\$ 35,222,497	\$ 47,586,310	\$ 3,250,810
Business type Activities	<u>(2,012,970)</u>	<u>801,638</u>	<u>1,092,792</u>	<u>585,990</u>	<u>398,045</u>
Total primary government	<u>\$ 139,688,563</u>	<u>\$ 29,326,747</u>	<u>\$ 36,315,289</u>	<u>\$ 48,172,300</u>	<u>\$ 3,648,855</u>

(Concluded)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 3

FUND BALANCES, GOVERNMENTAL FUNDS

LAST FIVE FISCAL YEARS

(modified accrual basis of accounting)

	2006	2005	2004	2003	2002
General Fund					
Reserved	\$ 32,068,706	\$ 25,620,230	\$ 25,535,525	\$ 4,168,010	\$ 4,326,118
Unreserved	<u>112,778,475</u>	<u>22,338,776</u>	<u>12,436,026</u>	<u>10,780,267</u>	<u>3,289,318</u>
Total General Fund	144,847,181	47,959,006	37,971,551	14,948,277	7,615,436
All Other Governmental Funds					
Reserved	62,583,536	41,284,804	51,697,309	40,522,355	43,378,603
Unreserved, reported in:					
Special Revenue Fund			(7,754)	5,525,779	4,065,550
Capital Projects Fund	93,580,958	65,947,038	34,698,293	49,359,843	53,905,679
Debt Service Fund					
Total All Governmental Funds	<u>\$ 301,011,675</u>	<u>\$ 155,190,848</u>	<u>\$ 124,359,399</u>	<u>\$ 110,356,254</u>	<u>\$ 108,965,268</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 4

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST FIVE FISCAL YEARS

(modified accrual basis of accounting)

	2006	2005	2004	2003	2002
REVENUES:					
Local sources:					
Property taxes	\$ 49,476,120	\$ 54,025,978	\$ 46,616,733	\$ 27,149,912	\$ 23,376,158
Sales and use taxes	188,825,376	156,047,799	150,538,215	146,097,664	146,305,236
Tuition and other	3,613,956	4,141,147	5,839,032	7,484,268	6,083,768
Interest income	6,825,123	3,057,139	1,471,740	1,945,935	1,825,898
Other	34,449,913	6,125,767	4,486,641	3,366,150	2,703,553
State sources	150,657,034	154,682,354	155,126,600	146,918,941	140,404,521
Federal sources	129,903,879	51,819,679	42,739,695	41,967,849	36,034,621
Total revenues	563,751,401	429,899,863	406,818,656	374,930,719	356,733,755
EXPENDITURES:					
Instruction	239,014,114	254,594,405	225,439,655	216,795,492	212,829,709
Supporting services	156,631,046	129,170,601	116,314,650	110,652,773	106,733,056
Non-instruction	4,012,903	4,750,557	4,201,540	4,874,737	4,435,348
Capital outlay	6,272,334	11,708,173	18,776,670	12,486,115	7,643,537
Debt service:					
Principal retirement	15,474,634	15,435,388	14,931,769	14,468,019	14,287,479
Interest and fiscal charges	12,308,983	12,288,995	12,759,543	13,143,912	12,687,023
Advance refunding escrow		5,718,509			
Refunding bond issuance		533,286			
Total expenditures	433,714,014	434,199,914	392,423,827	372,421,048	358,616,152
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	130,037,387	(4,300,051)	14,394,829	2,509,671	(1,882,397)
OTHER FINANCING SOURCES (USES):					
Transfers in	115,342,567	33,446,595	15,325,596	4,894,214	23,237,568
Transfers out	(116,559,127)	(34,220,280)	(16,098,530)	(5,462,899)	(23,806,253)
Transfers to component unit			(618,750)	(550,000)	(550,000)
Payment to refunded bond escrow agent		(28,881,001)			(51,830,000)
Debt proceeds	17,000,000	64,786,186	1,000,000		85,055,000
Total other financing sources (uses)—net	15,783,440	35,131,500	(391,684)	(1,118,685)	32,106,315
NET CHANGE IN FUND BALANCES	145,820,827	30,831,449	14,003,145	1,390,986	30,223,918
Debt service as a percentage of non-capital expenditures	6.5 %	8.0 %	7.4 %	7.7 %	7.7 %

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 5

ASSESSED TAXABLE VALUE BY TYPE OF PROPERTY LAST TEN FISCAL YEARS (1)

Fiscal Year	Real Estate		Personal Property		Public Service Corporations		Homestead Exempt	Total		Total Direct Tax Rate
	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual		Assessed	Estimated Actual	
1997	\$ 1,564,855,075	\$ 15,648,550,750	\$ 438,154,011	\$ 2,921,026,740	\$ 154,277,510	\$ 1,028,516,733	\$ 700,028,120	\$ 1,457,258,476	19,598,094,223	2.81
1998	1,595,029,436	15,950,294,360	472,388,103	3,149,254,020	149,245,410	994,969,400	704,683,990	1,511,978,959	20,094,517,780	3.03
1999	1,631,708,266	16,317,082,660	493,452,914	3,289,686,093	145,438,910	969,592,733	709,415,760	1,561,184,330	20,576,361,486	2.94
2000	1,684,119,181	16,841,191,810	519,893,233	3,465,954,887	147,724,350	984,829,000	717,916,540	1,633,820,224	21,291,975,697	2.96
2001	1,921,142,597	19,211,425,970	541,881,164	3,612,541,093	150,637,040	1,004,246,933	749,726,810	1,863,933,991	23,828,213,996	2.94
2002	1,981,373,517	19,813,735,170	538,255,199	3,588,367,993	157,501,910	1,050,012,733	751,619,260	1,925,511,366	24,452,115,896	3.04
2003	2,037,485,267	20,374,852,670	561,606,346	3,744,042,307	154,998,240	1,033,321,600	757,470,200	1,996,619,653	25,152,216,577	3.14
2004	2,100,548,350	21,005,483,500	590,918,697	3,939,457,980	156,895,420	1,045,969,467	761,202,740	2,087,159,727	25,990,910,947	3.83
2005	2,442,875,574	24,428,755,740	612,248,156	4,081,654,373	155,024,900	1,033,499,333	783,759,710	2,426,388,920	29,543,909,446	3.80
2006	2,252,924,984	22,529,249,840	620,083,578	4,133,890,520	157,445,970	1,049,639,800	743,121,180	2,287,333,352	27,712,780,160	3.90

NOTE:

(1) The assessed and taxable value for the School System is determined during the School System's fiscal year and is supplied by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 10% of its fair market value and other property at 15% of its market value. Taxable valuation for tax levy purposes is net of adjustments identified subsequent to certification.

Source: Jefferson Parish, Louisiana, Grand recapitulation of the assessment roll.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM						TABLE 6		
DIRECT AND OVERLAPPING PROPERTY TAX RATES								
LAST TEN FISCAL YEARS								
Jefferson Parish Public School System						Overlapping Rates		
Teacher Salaries and Benefit Increases								
Maintenance and Operation								
Fiscal Year					Debt Service	Total Service	Jefferson Parish	Parish Other
1997	0.62		0.00		0.27	0.89	1.26	0.66
1998	0.73		0.00		0.30	1.03	1.31	0.69
1999	0.957		0.00		0.003	0.96	1.30	0.68
2000	0.967		0.00		0.003	0.97	1.31	0.68
2001	0.889		0.00		0.001	0.89	1.35	0.70
2002	0.890		0.00		0.000	0.89	1.44	0.71
2003	1.010		0.00		0.000	1.01	1.42	0.71
2004	1.020		0.66		0.000	1.68	1.43	0.72
2005	1.050		0.68		0.000	1.73	1.33	0.74
2006	1.070		0.66		0.000	1.73	1.43	0.74
Source: Jefferson Parish, Louisiana December 31, 2005 CAFR.								

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 7

PRINCIPAL TAXPAYERS

Name of Taxpayer	2006			1997		
	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Entergy Services Inc.	\$ 53,612,240	1	1.79 %	\$ 57,734,000	1	2.60 %
BellSouth	39,453,350	2	1.26	45,824,000	2	2.07
Hibernia National Bank	23,048,035	3	0.67	12,402,000	4	0.56
Atmos Energy	15,768,740	4	0.46			
Causeway Associates	15,643,250	5	0.52			
American Vehicles Ins. Co.	12,032,734	6	0.39			
Lamarque Ford Inc.	11,564,635	7	0.35			
Whitney National Bank	10,529,100	8	0.25	8,874,000	7	0.40
Wal Mart Stores East Inc.	10,395,835	9	0.21			
Southwest Airlines Co.	10,128,140	10	0.18	6,664,000	10	0.30
First National Bank of Commerce				16,136,000	3	0.73
Louisiana Gas Service				12,170,000	5	0.55
Avondale Shipyards, Inc				11,763,000	6	0.53
Lakeside Shopping Center				7,352,000	8	0.33
Louisiana CGSA, Inc.				7,322,000	9	0.33
	<u>\$ 202,176,059</u>		<u>6.08 %</u>	<u>\$ 186,241,000</u>		<u>8.40 %</u>

Source: Jefferson Parish Assessor's Office.

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 19,089,340	\$ 17,849,204	93.50 %	\$ 502,384	\$18,351,588	96.14 %
1998	20,795,797	19,522,926	93.88	280,008	\$19,802,934	95.23
1999	21,463,437	19,935,225	92.88	218,804	\$20,154,029	93.90
2000	22,413,109	21,097,349	94.13	361,988	\$21,459,337	95.74
2001	22,579,160	21,300,482	94.34	231,491	\$21,531,973	94.86
2002	23,554,730	22,317,035	94.75	181,826	\$22,498,861	95.52
2003	27,561,570	25,803,168	93.62	376,514	\$26,179,682	94.99
2004	47,208,280	44,102,315	93.42	497,272	\$44,599,587	94.47
2005	55,588,613	51,618,591	92.86	383,884	\$52,002,475	94.00
2006	52,591,696	46,829,372	89.04	361,666	\$47,191,038	89.73

Source: Jefferson Parish Sheriff's Office, Property Tax Reconciliation Report.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 9

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Real Estate	Personal Property	Public Service Corporations	Less Homestead Exempt	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
1997	\$ 1,564,855,075	\$ 438,154,011	\$ 154,277,510	\$ 700,028,120	\$ 1,437,258,476	2.81	\$ 19,598,094,223	7.44%
1998	1,595,029,436	472,388,103	149,245,410	704,683,990	1,511,978,959	3.03	20,094,517,780	7.52%
1999	1,631,708,266	493,452,914	145,438,910	709,415,760	1,561,184,330	2.94	20,576,361,486	7.59%
2000	1,684,119,181	519,893,233	147,724,350	717,916,540	1,633,820,224	2.96	21,291,975,697	7.67%
2001	1,921,142,597	541,881,164	150,637,040	749,726,810	1,863,933,991	2.94	23,828,213,996	7.82%
2002	1,981,373,517	538,255,199	157,501,910	751,619,260	1,925,511,366	3.04	24,452,115,896	7.87%
2003	2,037,485,267	561,606,346	154,998,240	757,470,200	1,996,619,653	3.14	25,152,216,577	7.94%
2004	2,100,548,350	590,918,697	156,895,420	761,202,740	2,087,159,727	3.83	25,990,910,947	8.03%
2005	2,442,875,574	612,248,156	155,024,900	783,759,710	2,426,388,920	3.80	29,543,909,446	8.21%
2006	2,252,924,984	620,083,578	157,445,970	743,121,180	2,287,333,352	3.90	27,712,780,160	8.25%

Source: Jefferson Parish, Louisiana, Grand recapitulation of the assessment roll.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 10

RATIOS OF OUTSTANDING DEBT BY TYPE LAST FIVE FISCAL YEARS (Dollars In Thousands, Except Per Capita)

Fiscal Year	Compensated Absences	Claims and Judgements	Ad Valorem Tax Bonds	Sales Tax Bonds	LCDA Loan	FEMA Loan	Total Primary Government	Percentage of Personal Income	Per Capita
2002	\$49,246	\$	\$15,685	\$178,517	\$	\$	\$243,862	1.82%	\$ 538
2003	24,584	408	13,370	162,894			201,256	1.46%	441
2004	25,702	408	10,945	147,015	990		185,060	1.33%	405
2005	28,768	407	8,400	161,199	970		199,744	1.35%	437
2006	29,005	407	5,730	143,375	950	17,000	196,467	1.33%	428

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 11

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year	Ad Valorem Tax Bond	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Actual Value	Net Bonded Debt Per Capita
1997	\$ 6,795,000	\$ 770,402	\$ 6,024,598	0.03 %	\$ 13.22
1998	2,840,000	2,287,773	552,227	0.00	1.22
1999	22,050,000	138,807	21,911,193	0.11	48.35
2000	19,995,000	225,536	19,769,464	0.09	43.50
2001	17,890,000	317,009	17,572,991	0.07	38.58
2002	15,685,000	333,247	15,351,753	0.06	33.88
2003	13,370,000	417,621	12,952,379	0.05	28.41
2004	10,945,000	476,035	10,468,965	0.04	22.92
2005	8,400,000	538,262	7,861,738	0.03	17.20
2006	5,730,000	16,532	5,713,468	0.02	12.47

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 12

LEGAL DEBT MARGIN INFORMATION
LAST TWO FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed Value	\$ 3,030,454,532
Debt limit percentage (10%)	303,045,453
Debt Applicable to Limit:	
General Obligation Bonds	\$ 5,730,000
Less amount set aside for repayment of general obligation debt	(16,532)
Total Net Debt Applicable to limit	\$ 5,713,468
Legal Debt Margin	297,331,985

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Debt limit	\$ 303,045,453	\$321,014,863	\$ 284,836,247	\$275,408,985	\$ 267,713,063	\$ 261,336,080	\$ 235,173,676	\$ 227,060,009	\$ 221,666,295	\$ 215,728,660
Total Net debt applicable to limit	5,713,468	7,861,738	10,468,965	12,952,379	15,351,753	17,572,991	19,769,464	21,911,193	552,727	6,024,598
Legal Debt Margin	\$ 297,331,985	\$313,153,125	\$ 274,367,282	\$262,456,606	\$ 252,361,310	\$ 243,763,089	\$ 215,404,212	\$ 205,148,816	\$ 221,114,068	\$ 209,704,062
Total net debt percentage applicable to the limit as a percentage of debt limit	1.89%	2.45%	3.68%	4.70%	5.73%	6.72%	8.41%	9.65%	0.25%	2.79%

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**TABLE 13****COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)
JUNE 30, 2006**

	Net Bonded Debt	Percentage Applicable to the System	System Share of Debt
Parish of Jefferson: (1)			
Consol. Playground Dist. #2, Sub. #1	\$ 8,700,000	100%	\$ 8,700,000
Fire Protection District No. 7	4,350,000	100	4,350,000
Parishwide Drainage	6,705,000	100	6,705,000
WJ Park	<u>9,725,000</u>	100	<u>9,725,000</u>
Total Overlapping Parish Debt	<u>29,480,000</u>		<u>29,480,000</u>
Jefferson Parish Public School System direct debt	149,104,484	100	149,104,484
Total direct and overlapping debt	<u>\$ 149,104,484</u>		<u>\$ 149,104,484</u>

(1) Data for taxing entities other than Jefferson Parish Public School System were supplied by the respective taxing authority

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**TABLE 14****RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN
LAST TWO FISCAL YEARS**

	2005	2006
General bonded debt outstanding:		
General Obligation bonds	\$ 170,569,000	\$ 167,055,000
Economic Development Bonds		
	<u>\$ 170,569,000</u>	<u>\$ 167,055,000</u>
Percentage of estimated actual property value	0.24%	0.19%
Per capita	7,023	6,616
Less amounts set aside to repay general debt	29,153,613	50,441,267
Total net debt applicable to debt limit	\$ 141,415,387	\$ 116,613,733
Legal Debt Limit	<u>321,014,863</u>	<u>303,045,453</u>
Legal Debt Margin	<u>\$ 179,599,476</u>	<u>\$ 186,431,720</u>
Legal Debt Margin as a percentage of the debt limit	56%	62%

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 15

DEMOGRAPHIC STATISTICS LAST 10 FISCAL YEARS

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
1997	455,741	\$ 10,758,678	\$ 23,607	53,763	4.6
1998	453,160	11,371,597	25,094	52,720	3.8
1999	453,165	11,896,034	26,251	52,274	3.3
2000	454,447	12,315,514	27,100	50,670	2.9
2001	455,466	12,379,566	27,180	49,841	3.9
2002	453,116	13,418,124	29,613	50,145	4.6
2003	455,927	13,805,470	30,280	50,509	4.6
2004	456,779	13,933,130	30,503	50,507	4.9
2005	457,059	14,697,189	32,156	50,323	4.1
2006	458,029	14,728,381	32,156 (1)	41,499	5.4

(1) Information was not available at time of preparation, previous year information utilized for comparison.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**TABLE 16****PRINCIPAL EMPLOYERS**

Name of Employer	2008
	Approximate No. of Employees
Jefferson Parish School Board	7,000
Ochsner Clinic Foundation	6,225
Northrop Grumman Ship Systems Avondale Operations	6,071
Tenet Physician Group	5,100
Jefferson Parish	3,671
East Jefferson General Hospital	3,300
West Jefferson Medical Center	191
Wal-Mart Stores	1,750
Jefferson Parish Sheriff's Office	1,655
Advantage Nursing Services Inc.	1,400

Source: JEDCO, EDS Department, February 2005.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 17

SCHOOL BUILDING INFORMATION
LAST FIVE FISCAL YEARS

	2006	2005	2004	2003	2002
Airline Park (year built)	1955				
Square Feet	45,447	45,447	45,447	45,447	45,447
Capacity (students)	870	870	870	870	870
Enrollment	313	360	351	348	358
Ames	1926				
Square Feet	31,023	31,023	31,023	31,023	31,023
Capacity (students)	600	600	600	600	600
Enrollment	333	364	381	362	362
Bissonet Plaza	1959				
Square Feet	46,216	46,216	46,216	46,216	46,216
Capacity (students)	1140	1140	1140	1140	1140
Enrollment	517	659	683	680	642
Bridge City	1950				
Square Feet	40,418	40,418	40,418	40,418	40,418
Capacity (students)	900	900	900	900	900
Enrollment	344	431	484	520	542
Bridgedale	1964				
Square Feet	32,739	32,739	32,739	32,739	32,739
Capacity (students)	780	780	780	780	780
Enrollment	307	388	363	368	379
Clancy	1956				
Square Feet	40,345	40,345	40,345	40,345	40,345
Capacity (students)	930	930	930	930	930
Enrollment	309	441	408	408	421
George Cox	1960				
Square Feet	39,856	39,856	39,856	39,856	39,856
Capacity (students)	930	930	930	930	930
Enrollment	490	472	564	587	624
Deckbar	1927				
Square Feet	25,207	25,207	25,207	25,207	25,207
Capacity (students)	480	480	480	480	480
Enrollment	59	68	82	62	94
Dolhonde	1926				
Square Feet	39,389	39,389	39,389	39,389	39,389
Capacity (students)	660	660	660	660	660
Enrollment	535	541	500	494	462
East Jefferson	1953				
Square Feet	167,912	167,912	167,912	167,912	167,912
Capacity (students)	2,220	2,220	2,220	2,220	2,220
Enrollment	916	1,095	1,043	1,119	1,005
Riviere	1960				
Square Feet	45,993	45,993	45,993	45,993	45,993
Capacity (students)	660	660	660	660	660
Enrollment	264	343	340	316	325
Ellis	1951				
Square Feet	50,809	50,809	50,809	50,809	50,809
Capacity (students)	930	930	930	930	930
Enrollment	434	528	482	464	425
Fisher	1940				
Square Feet	41,254	41,254	41,254	41,254	41,254
Capacity (students)	900	900	900	900	900
Enrollment	525	548	525	507	483

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 17

SCHOOL BUILDING INFORMATION
LAST FIVE FISCAL YEARS

	2006	2005	2004	2003	2002
Grand Isle	1940				
Square Feet	48,371	48,371	48,371	48,371	48,371
Capacity (students)	600	600	600	600	600
Enrollment	148	216	208	239	225
Green Park	1957				
Square Feet	46,604	46,604	46,604	46,604	46,604
Capacity (students)	990	990	990	990	990
Enrollment	424	442	464	478	474
Gretna #2	1923				
Square Feet	14,819	14,819	14,819	14,819	14,819
Capacity (students)	360	360	360	360	360
Enrollment	151	181	225	215	200
Gretna Middle	1994				
Square Feet	110,000	110,000	110,000	110,000	110,000
Capacity (students)	1,260	1,260	1,260	1,260	1,260
Enrollment	791	946	865	924	868
Gretna Park	1965				
Square Feet	47,769	47,769	47,769	47,769	47,769
Capacity (students)	1,170	1,170	1,170	1,170	1,170
Enrollment	515	664	737	748	697
Harahan	1926				
Square Feet	41,831	41,831	41,831	41,831	41,831
Capacity (students)	900	900	900	900	900
Enrollment	478	523	483	457	428
Harris Middle	1960				
Square Feet	107,635	107,635	107,635	107,635	107,635
Capacity (students)	1,620	1,620	1,620	1,620	1,620
Enrollment	627	661	749	748	741
Hart	1950				
Square Feet	22,995	22,995	22,995	22,995	22,995
Capacity (students)	600	600	600	600	600
Enrollment	227	359	414	390	430
Harvey K	1928				
Square Feet	14,718	14,718	14,718	14,718	14,718
Capacity (students)	210	210	210	210	210
Enrollment	120	138	133	126	139
Hazel Park	1957				
Square Feet	39,389	39,389	39,389	39,389	39,389
Capacity (students)	1,140	1,140	1,140	1,140	1,140
Enrollment	289	364	384	341	406
Homedale	1983				
Square Feet	24,943	24,943	24,943	24,943	24,943
Capacity (students)	510	510	510	510	510
Enrollment	231	278	336	293	254

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 17

SCHOOL BUILDING INFORMATION
LAST FIVE FISCAL YEARS

	2006	2005	2004	2003	2002
Jefferson Elem	1970				
Square Feet	47,457	47,457	47,457	47,457	47,457
Capacity (students)	630	630	630	630	630
Enrollment	453	432	418	456	470
Riverdale Middle	1961				
Square Feet	108,740	108,740	108,740	108,740	108,740
Capacity (students)	1,250	1,250	1,250	1,250	1,250
Enrollment	635	552	571	576	531
Bunche	1960				
Square Feet	39,992	39,992	39,992	39,992	39,992
Capacity (students)	510	510	510	510	510
Enrollment	261	491	521	491	476
Live Oak	1960				
Square Feet	32,258	32,258	32,258	32,258	32,258
Capacity (students)	660	660	660	660	660
Enrollment	311	324	358	372	369
Marrero Middle	1940				
Square Feet	107,018	107,018	107,018	107,018	107,018
Capacity (students)	1,230	1,230	1,230	1,230	1,230
Enrollment	568	955	995	970	901
McDonogh 26	1967				
Square Feet	45,906	45,906	45,906	45,906	45,906
Capacity (students)	720	720	720	720	720
Enrollment	317	271	358	336	363
Metairie Grammar	1924				
Square Feet	27,186	27,186	27,186	27,186	27,186
Capacity (students)	510	510	510	510	510
Enrollment	399	339	267	289	305
Haynes	1924				
Square Feet	83,972	83,972	83,972	83,972	83,972
Capacity (students)	1,290	1,290	1,290	1,290	1,290
Enrollment	233	470	520	557	506
Pitre	1960				
Square Feet	57,580	57,580	57,580	57,580	57,580
Capacity (students)	1,170	1,170	1,170	1,170	1,170
Enrollment	417	538	611	612	645
Riverdale High	1961				
Square Feet	161,084	161,084	161,084	161,084	161,084
Capacity (students)	3,720	3,720	3,720	3,720	3,720
Enrollment	937	1,080	1,005	1,053	972
Waggaman	1912				
Square Feet	13,476	13,476	13,476	13,476	13,476
Capacity (students)	330	330	330	330	330
Enrollment	48	80	64	61	63

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 17

SCHOOL BUILDING INFORMATION
LAST FIVE FISCAL YEARS

	2006	2005	2004	2003	2002
Wall	1939				
Square Feet	51,889	51,889	51,889	51,889	51,889
Capacity (students)	1,110	1,110	1,110	1,110	1,110
Enrollment	501	571	553	603	556
Maggiore	1956				
Square Feet	49,863	49,863	49,863	49,863	49,863
Capacity (students)	1,110	1,110	1,110	1,110	1,110
Enrollment	344	560	538	486	448
West Jefferson	1953				
Square Feet	182,099	182,099	182,099	182,099	182,099
Capacity (students)	2,160	2,160	2,160	2,160	2,160
Enrollment	1,443	1,971	1,519	1,550	1,439
Westwego	1940				
Square Feet	36,314	36,314	36,314	36,314	36,314
Capacity (students)	720	720	720	720	720
Enrollment	288	294	353	375	336
Terrytown	1963				
Square Feet	37,891	37,891	37,891	37,891	37,891
Capacity (students)	990	990	990	990	990
Enrollment	360	545	605	615	542
Greenlawn	1963				
Square Feet	43,743	43,743	43,743	43,743	43,743
Capacity (students)	990	990	990	990	990
Enrollment	237	394	411	406	393
Adams	1967				
Square Feet	71,108	71,108	71,108	71,108	71,108
Capacity (students)	1,230	1,230	1,230	1,230	1,230
Enrollment	552	822	811	806	689
Strehle	1967				
Square Feet	62,808	62,808	62,808	62,808	62,808
Capacity (students)	990	990	990	990	990
Enrollment	385	415	475	461	433
Hearst	1966				
Square Feet	54,700	54,700	54,700	54,700	54,700
Capacity (students)	1,080	1,080	1,080	1,080	1,080
Enrollment	509	670	645	608	606
Keller	1966				
Square Feet	46,349	46,349	46,349	46,349	46,349
Capacity (students)	1,080	1,080	1,080	1,080	1,080
Enrollment	341	455	450	468	414
Matas	1966				
Square Feet	74,886	74,886	74,886	74,886	74,886
Capacity (students)	1,260	1,260	1,260	1,260	1,260
Enrollment	366	395	409	439	460

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 17

SCHOOL BUILDING INFORMATION
LAST FIVE FISCAL YEARS

	2006	2005	2004	2003	2002
Ehret	1972				
Square Feet	275,136	275,136	275,136	275,136	275,136
Capacity (students)	3510	3510	3510	3510	3510
Enrollment	2,096	2704	2906	2883	2611
Higgins	1968				
Square Feet	156,324	156,324	156,324	156,324	156,324
Capacity (students)	2,640	2,640	2,640	2,640	2,640
Enrollment	1,484	1,966	1,684	1,693	1,584
Grace King	1968				
Square Feet	156,324	156,324	156,324	156,324	156,324
Capacity (students)	2,070	2,070	2,070	2,070	2,070
Enrollment	1,296	1,593	1,554	1,499	1,411
Ford	1970				
Square Feet	80,683	80,683	80,683	80,683	80,683
Capacity (students)	1,380	1,380	1,380	1,380	1,380
Enrollment	650	695	627	659	620
Ellender	1973				
Square Feet	99,561	99,561	99,561	99,561	99,561
Capacity (students)	1,470	1,470	1,470	1,470	1,470
Enrollment	734	1,013	1,075	963	911
Ruppel	1967				
Square Feet	34,762	34,762	34,762	34,762	34,762
Capacity (students)	1,260	1,260	1,260	1,260	1,260
Enrollment	376	520	560	564	581
Rillieux	1970				
Square Feet	48,448	48,448	48,448	48,448	48,448
Capacity (students)	1,020	1,020	1,020	1,020	1,020
Enrollment	309	336	395	366	338
Liviudais	1968				
Square Feet	83,177	83,177	83,177	83,177	83,177
Capacity (students)	1,350	1,350	1,350	1,350	1,350
Enrollment	700	911	948	916	783
Helen Cox	1967				
Square Feet	88,188	88,188	88,188	88,188	88,188
Capacity (students)	1,380	1,380	1,380	1,380	1,380
Enrollment	803	1,034	744	660	621
John Martyn	1939				
Square Feet	49,897	49,897	49,897	49,897	49,897
Capacity (students)	600	600	600	600	600
Enrollment	No enrollment	No enrollment	No enrollment	No enrollment	No enrollment
Solis	1984				
Square Feet	55,000	55,000	55,000	55,000	55,000
Capacity (students)	1,050	1,050	1,050	1,050	1,050
Enrollment	719	895	863	874	836

**SCHOOL BUILDING INFORMATION
LAST FIVE FISCAL YEARS**

	2006	2005	2004	2003	2002
Woodmere	1984				
Square Feet	55,000	55,000	55,000	55,000	55,000
Capacity (students)	1,260	1,260	1,260	1,260	1,260
Enrollment	609	799	781	749	771
Janet	1983				
Square Feet	55,000	55,000	55,000	55,000	55,000
Capacity (students)	960	960	960	960	960
Enrollment	574	748	725	746	710
Butler	1967				
Square Feet	62,555	62,555	62,555	62,555	62,555
Capacity (students)	960	960	960	960	960
Enrollment	465	532	606	562	566
Cherbonnier	1986				
Square Feet	55,000	55,000	55,000	55,000	55,000
Capacity (students)	990	990	990	990	990
Enrollment	393	432	539	581	517
Boudreaux	1987				
Square Feet	55,000	55,000	55,000	55,000	55,000
Capacity (students)	960	960	960	960	960
Enrollment	476	756	755	747	740
Roosevelt	1976				
Square Feet	96,750	96,750	96,750	96,750	96,750
Capacity (students)	1,200	1,200	1,200	1,200	1,200
Enrollment	467	687	694	787	742
Alexander	1970				
Square Feet	61,464	61,464	61,464	61,464	61,464
Capacity (students)	900	900	900	900	900
Enrollment	494	612	682	633	609
Chateau	1985				
Square Feet	55,000	55,000	55,000	55,000	55,000
Capacity (students)	1,020	1,020	1,020	1,020	1,020
Enrollment	524	696	661	687	682
Pittman	1977				
Square Feet	62,298	62,298	62,298	62,298	62,298
Capacity (students)	1,050	1,050	1,050	1,050	1,050
Enrollment	592	694	670	678	682
Truman	1987				
Square Feet	125,000	125,000	125,000	125,000	125,000
Capacity (students)	1,800	1,800	1,800	1,800	1,800
Enrollment	846	940	929	978	940
Audubon	1979				
Square Feet	50,000	50,000	50,000	50,000	50,000
Capacity (students)	1,050	1,050	1,050	1,050	1,050
Enrollment	365	472	472	503	519

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 17

SCHOOL BUILDING INFORMATION
LAST FIVE FISCAL YEARS

	2006	2005	2004	2003	2002
Birney	1968				
Square Feet	43,786	43,786	43,786	43,786	43,786
Capacity (students)	900	900	900	900	900
Enrollment	420	575	589	557	601
Jean Lafitte	1985				
Square Feet	57,260	57,260	57,260	57,260	57,260
Capacity (students)	1,050	1,050	1,050	1,050	1,050
Enrollment	550	637	589	553	541
Jefferson Comm				2000	1991
Square Feet				23,958	16,636
Capacity (students)					250
Enrollment	89	45	59	57	100
Meisler	1976				
Square Feet	103,849	103,849	103,849	103,849	103,849
Capacity (students)	1,650	1,650	1,650	1,650	1,650
Enrollment	783	1,123	1,191	1,141	1,080
Bonnabel	1972				
Square Feet	314,188	314,188	314,188	314,188	314,188
Capacity (students)	3,570	3,570	3,570	3,570	3,570
Enrollment	1,158	1,626	1,705	1,766	1,642
Worley	1986				
Square Feet	110,000	110,000	110,000	110,000	110,000
Capacity (students)	1,320	1,320	1,320	1,320	1,320
Enrollment	635	678	663	742	701
Estelle	1969				
Square Feet	49,631	49,631	49,631	49,631	49,631
Capacity (students)	1,530	1,530	1,530	1,530	1,530
Enrollment	988	1,003	936	939	963
Schneckenburger	1977				
Square Feet	42,895	42,895	42,895	42,895	42,895
Capacity (students)	780	780	780	780	780
Enrollment	340	509	462	424	429
Woodland West	1976				
Square Feet	57,852	57,852	57,852	57,852	57,852
Capacity (students)	1,140	1,140	1,140	1,140	1,140
Enrollment	700	860	846	849	845
Middleton	1950				
Square Feet	38,077	38,077	38,077	38,077	38,077
Capacity (students)	330	330	330	330	330
Enrollment	385	401	425	369	189
Douglass	1940				
Square Feet	29,188	29,188	29,188	29,188	29,188
Capacity (students)	420	420	420	420	420
Enrollment	163	252	300	336	338

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 17

SCHOOL BUILDING INFORMATION
LAST FIVE FISCAL YEARS

	2006	2005	2004	2003	2002
St Ville	1962				
Square Feet	30,470	30,470	30,470	30,470	30,470
Capacity (students)	810	810	810	810	810
Enrollment	193	344	366	388	386
Lincoln	1961				
Square Feet	59,530	59,530	59,530	59,530	59,530
Capacity (students)	1,200	1,200	1,200	1,200	1,200
Enrollment	184	353	458	483	484
Cullier	1984				
Square Feet	40,000	40,000	40,000	40,000	40,000
Capacity (students)	300	300	300	300	300
Enrollment	No enrollment	No enrollment	No enrollment	No enrollment	No enrollment
Washington	1939				
Square Feet	38,936	38,936	38,936	38,936	38,936
Capacity (students)	390	390	390	390	390
Enrollment	202	247	256	250	212
Woods	1967				
Square Feet	26,921	26,921	26,921	26,921	26,921
Capacity (students)	540	540	540	540	540
Enrollment	197	245	260	267	304
Media Center	1975				
Square Feet	6,000	6,000	6,000	6,000	6,000
Administration Bldg.	1932				
Square Feet	145,000	145,000	145,000	145,000	145,000
Regional - EB	1984				
Square Feet	45,413	45,413	45,413	45,413	45,413
Regional -WB	1945				
Square Feet	25,000	25,000	25,000	25,000	25,000

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**TABLE 18****OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Expenses (1)	Daily Membership	Cost Per Pupil	Teaching Staff	Pupil/ Teacher Ratio
1997	\$ 308,424,857	52,024	\$ 5,929	3,444	15.11
1998	343,641,631	52,032	6,604	3,471	14.99
1999	352,042,977	49,472	7,116	3,432	14.41
2000	347,476,641	48,974	7,095	3,397	14.42
2001	346,256,445	49,845	6,947	3,397	14.67
2002	358,616,152	50,078	7,161	3,400	14.73
2003	372,421,048	49,931	7,459	3,375	14.79
2004	392,423,827	50,526	7,767	3,372	14.98
2005	434,199,194	50,334	8,626	3,516	14.32
2006	433,714,014	41,499	10,451	3,084	13.46

(1) Includes General, Special Revenue, Debt Service, and Capital Projects

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STATE REPORTING SECTION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Members of the School Board of
Jefferson Parish, 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 Jefferson Parish Public School System and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Jefferson Parish Public School System and to determine whether the specified schedules are free of obvious errors and omissions are provided by the Board of Elementary and Secondary Education (BESE) Bulletin. The School System is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this 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 are as follows:

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

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

Education Levels of Public School Staff (Schedule K-2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule K-4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2004.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule K-4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2004 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's education level was properly classified on the schedule.

Number and Type of Public Schools (Schedule K-3)

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

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

6. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2004 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined that the individual's experience was properly classified on the schedule.

Public Staff Data (Schedule K-5)

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

Class Size Characteristics (Schedule K-6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule K-3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2004 roll books for those classes and determined that the class was properly classified on the schedule.

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

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

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

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

Integrated Louisiana Educational Assessment Program (iLEAP) (Schedule K-9)

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

No exceptions were found as a result of applying the above procedures.

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

Rebore & Company

January 4, 2007

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JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Schedule 1

**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES
AS OF JUNE 30, 2006**General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$135,783,385	
Other instructional staff activities		
Employee benefits	55,291,721	
Purchased professional and technical services	1,019,959	
Instructional materials and supplies	6,087,169	
Less instructional equipment	(478,986)	
Total teacher and student interaction activities		\$197,703,248

Other instructional activities

Pupil support activities	14,056,913	
Less equipment for pupil support activities		
Net pupil support activities		14,056,913

Instructional Staff Services	7,125,028	
Less equipment for instructional staff services	(7,880)	
Net instructional staff services		7,117,148

Total general fund instructional expenditures \$218,877,309

Total general fund equipment expenditures \$ 486,866

Certain Local Revenue Sources

Local taxation revenue:

Constitutional ad valorem taxes	\$ 6,292,843
Renewable ad valorem tax	43,183,277
Debt service ad valorem tax	
Up to 1% of collections by the Sheriff on taxes other than school taxes	2,406,918
Sales and use taxes	155,287,253
Total local taxation revenue	<u>\$207,170,291</u>

Local earnings on investment in real property:

Earnings from 16th section property	\$ 39,683
Earnings from other real property	
Total local earnings on investment in real property	<u>\$ 39,683</u>

State revenue in lieu of taxes:

Revenue sharing—constitutional tax	\$ 458,210
Revenue sharing—other taxes	1,770,642
Revenue sharing—excess portion	
Other revenue in lieu of taxes	
Total state revenue in lieu of taxes	<u>\$ 2,228,852</u>

Nonpublic textbook revenue \$ 639,735

Nonpublic transportation revenue \$ 636,286

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Schedule 2

**EDUCATION LEVELS OF PUBLIC SCHOOL STAFF
AS OF OCTOBER 1, 2005**

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree			11	30				
Bachelor's Degree	2,094	68	16	43				
Master's Degree	782	25	10	27	91	61		
Master's Degree +30	196	6			55	37		
Specialist in Education	9							
Ph. D. or Ed. D.	13	1			4	2		
Total	3,094	100	37	100	150	100		

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**Schedule 3****NUMBER AND TYPE OF PUBLIC SCHOOLS
FOR THE YEARS ENDED JUNE 30, 2006**

Type	2006
	Number
Elementary	57
Middle/Jr. High	17
Secondary	8
Combination	3
Total	85

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**Schedule 4****EXPERIENCE OF PUBLIC PRINCIPALS AND FULL-TIME CLASSROOM TEACHERS
AS OF OCTOBER 1, 2005**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	7	9	8	10	28	62
Principals	0	0	1	8	9	4	66	88
Classroom Teachers	201	211	723	294	368	340	971	3,108
Total	201	211	731	311	385	354	1,065	3,258

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**Schedule 5****PUBLIC SCHOOL STAFF DATA
FOR THE YEARS ENDED JUNE 30, 2006**

2006	All Classroom Teachers	Classroom Teachers Excluding ROTC And Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$ 43,824	\$43,646
Average Classroom Teacher's Salary Excluding Extra Compensation	\$43,235	\$43,163
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	3,131	3,108

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.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
Schedule 6
**CLASS SIZE CHARACTERISTICS, 2005 - 2006
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	51	2,426	36	1,717	10	491	2	99
Elementary Activity Classes	57	250	20	86	16	68	7	31
Middle/Jr. High	50	1,188	28	658	21	502	1	17
Middle/Jr. High Activity Classes	78	544	10	71	6	44	5	36
High	50	883	23	401	25	449	3	46
High Activity Classes	65	111	12	20	10	17	13	23
Combination	100	80	-	-	-	-	-	-
Combination Activity Classes	100	12	-	-	-	-	-	-

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.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Schedule 7

LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP) FOR THE 21ST CENTURY

District Achievement Level Results	English Language Arts						Mathematics					
	2006			2005			2004			2006		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	101	3	94	3	87	2	80	2	73	2	43	1
Mastery	411	12	655	17	608	14	407	12	486	13	478	11
Basic	1,443	43	1,570	42	1,737	40	1,291	38	1,572	42	1,607	37
Approaching Basic	722	21	838	22	1,042	24	790	23	835	22	1,085	25
Unsatisfactory	705	21	598	16	868	20	808	25	787	21	1,129	26
Total	3,382	100	3,755	100	4,342	100	3,376	100	3,753	100	4,342	100

District Achievement Level Results	Science						Social Studies					
	2006			2005			2004			2006		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	40	1	36	1	36	1	27	1	20	1	36	1
Mastery	254	8	410	12	473	13	199	6	394	11	327	9
Basic	988	31	1,217	34	1,202	33	1,204	38	1,522	43	1,528	42
Approaching Basic	1,091	35	1,182	34	1,056	29	833	27	799	23	1,018	28
Unsatisfactory	764	25	669	19	875	24	861	28	761	22	728	20
Total	3,137	100	3,514	100	3,642	100	3,124	100	3,496	100	3,637	100

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Schedule 8

THE GRADUATION EXIT EXAM FOR THE 21ST CENTURY

District Achievement Level Results	English Language Arts						Mathematics					
	2006			2005			2004			2003		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 10												
Advanced	22	1	16	1	1	27	1	118	5	142	5	140
Mastery	231	9	320	11	15	418	15	244	10	320	11	335
Basic	1,115	47	1,252	44	40	1,114	40	926	38	1,039	36	1,062
Approaching Basic	597	24	743	26	22	613	22	493	20	453	16	447
Unsatisfactory	473	19	526	18	22	613	22	644	27	906	32	810
Satisfactory	NA	NA	N/A	N/A	N/A	N/A	N/A	NA	NA	N/A	N/A	N/A
Total	2,438	100	2,857	100	2,785	100	2,425	100	2,860	100	2,794	100

District Achievement Level Results	Science						Social Studies					
	2006			2005			2004			2003		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 11												
Advanced	37	2	50	2	2	51	2	8	-	10	1	26
Mastery	184	8	280	11	12	308	12	112	5	156	6	205
Basic	751	34	911	38	37	949	37	1,077	48	1,183	49	1,258
Approaching Basic	695	31	676	28	26	667	26	549	25	560	23	616
Unsatisfactory	567	25	499	21	23	591	23	483	22	502	21	463
Satisfactory	NA	NA	N/A	N/A	N/A	N/A	N/A	NA	NA	N/A	N/A	N/A
Total	2,234	100	2,416	100	2,566	100	2,229	100	2,411	100	2,568	100

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Schedule 9

Integrated Louisiana Educational Assessment Program (iLEAP)

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2006*		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	53	2%	72	2%	34	1%	27	1%
Mastery	411	13%	377	12%	179	6%	271	9%
Basic	1287	41%	1212	39%	1131	36%	1355	44%
Approaching Basic	693	22%	747	24%	1167	38%	838	27%
Unsatisfactory	670	22%	715	23%	601	19%	617	20%
Total	3114	100%	3123	100%	3112	100%	3108	100%

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2006*		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	72	2%	103	3%	39	1%	62	2%
Mastery	380	12%	252	8%	273	8%	201	6%
Basic	1275	40%	1440	45%	1103	34%	1407	44%
Approaching Basic	824	26%	645	20%	1159	36%	822	26%
Unsatisfactory	675	21%	785	24%	647	20%	722	22%
Total	3226	100%	3225	100%	3221	100%	3214	100%

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2006*		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	53	2%	59	2%	30	1%	59	2%
Mastery	350	11%	181	6%	230	7%	187	6%
Basic	1277	39%	1220	38%	1053	33%	1237	38%
Approaching Basic	846	26%	684	21%	1169	36%	936	29%
Unsatisfactory	715	22%	1094	34%	751	23%	800	25%
Total	3241	100%	3238	100%	3233	100%	3219	100%

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2006*		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	119	4%	67	2%	43	1%	24	1%
Mastery	339	12%	154	5%	283	9%	169	5%
Basic	1025	35%	1233	40%	1010	33%	1209	39%
Approaching Basic	905	31%	777	25%	1021	33%	892	29%
Unsatisfactory	545	19%	880	28%	745	24%	794	26%
Total	2933	100%	3111	100%	3102	100%	3088	100%

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Schedule 9

Integrated Louisiana Educational Assessment Program (/LEAP)

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2006*		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 9								
Advanced	19	1%	85	3%	N/A	N/A	N/A	N/A
Mastery	228	8%	182	6%	N/A	N/A	N/A	N/A
Basic	1221	40%	1202	40%	N/A	N/A	N/A	N/A
Approaching Basic	963	32%	632	21%	N/A	N/A	N/A	N/A
Unsatisfactory	608	20%	916	30%	N/A	N/A	N/A	N/A
Total	3039	100%	3017	100%	N/A	N/A	N/A	N/A

(Concluded)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

INDEPENDENT AUDITORS' REPORTS AND INFORMATION
REQUIRED BY THE SINGLE AUDIT ACT AND
GOVERNMENT AUDITING STANDARDS

FOR THE YEAR ENDED JUNE 30, 2006

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JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED UPON THE AUDIT PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Members of the School Board of
Jefferson Parish, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Jefferson Parish Public School System (the "School System") as of and for the year ended June 30, 2006, which collectively comprise the School System's basic financial statements and have issued our report thereon dated January 4, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School System'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 an opinion 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 reportable 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 caused by error or fraud 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 operations that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School System's financial statements are free of material misstatement, we performed tests of its compliance with certain

provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters that we have reported to the management of the School System in a separate letter dated January 4, 2007.

This report is intended for the information and use of the School System's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Deloitte & Touche LLP

Rebouche & Company

January 4, 2007

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

CONSULTANTS

A PROFESSIONAL CORPORATION

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

Members of the School Board of
Jefferson Parish, Louisiana

Compliance

We have audited the compliance of Jefferson Parish Public School System's (the "School System") 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 School System's major federal programs are identified in the summary of audit results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of the School System's management. Our responsibility is to express an opinion on the School System'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School System's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School System's compliance with those requirements.

In our opinion, the School System 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. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 06-1.

Internal Control Over Compliance

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

Our consideration of the School System's internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 grant agreements 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.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the School System as of and for the year ended June 30, 2006; and have issued our report thereon dated January 4, 2007. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 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.

This report is intended solely for the information and use of the Jefferson Parish Public School System's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Rehove & Company

January 4, 2007

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Year Ended June 30, 2006

Schedule of Expenditures of Federal Awards					
Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/ Expenditures	
U.S. Department of Education					
Direct Programs:					
Elementary and Secondary Education Act ("ESEA"), Title IV, Part A					
84.184E	Q184E030482	\$ 385,707	\$ 40,103	\$ 40,103	
			40,103	40,103	
ESEA of 1965, Title IX, Part C (P.L. 103-382)					
84.060	B060A050968	65,530	59,024	59,024	
			59,024	59,024	
Total Direct Programs					
			99,127	99,127	
U.S. Department of Education					
Passed-Through State Department of Education:					
ESEA of 1965, Title I, Part A					
84.010A	28-06-T1-26	25,989,967	15,526,978	15,526,978	
84.010A	28-05-T1-26	20,749,131	3,124,835	3,124,835	
84.010A	28-05-TB-26	338,182	12,570	12,570	
84.010A	04-TA-26	46,200	21,607	21,607	
84.010A	28-05-TA	242,137	85,953	85,953	
			18,771,943	18,771,943	
ESEA of 1965, Title I, Part B					
84.213C	06-FI-26	532,108	345,563	345,563	
84.213C	05-FI-26	535,602	99,485	99,485	
			445,048	445,048	
Reading First 03-04					
84.357A	04-RF-26	1,255,186	356,212	356,212	
84.357A	06-RF-26	1,242,259	551,194	551,194	
			907,406	907,406	

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
Year Ended June 30, 2006

Federal Grantor/Pass-Through Grantor/Program Title	Schedule of Expenditures of Federal Awards					Disbursements/ Expenditures
	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized		
U.S. Department of Education - Continued						
Passed-Through State Department of Education - Continued:						
ESEA of 1965, Title I, Part C						
Migrant Education Recruiter 04-05	84.011A	05-MI-26	\$ 157,099	\$ 20,479	\$ 20,479	
Migrant Education 05-06	84.011A	06-MI-26	186,486	76,621	76,621	
				97,100	97,100	
ESEA of 1965, Title I, Part E						
Advanced Placement Fee	84.332A	28-06-2626	12,108	12,108	12,108	
Comprehensive School Reform						
Program 05-06 Cohort #3	84.332A	05-T6-26 C	241,559	65,405	65,405	
Comprehensive School Reform						
Program 04-05 Cohort #3	84.332A	04-T6-26-C	349,075	41,845	41,845	
				119,358	119,358	
Carl D. Perkins Vocational & Technology Education						
Act of 1998, Title I						
Basic Grant	84.048	28-06-02-26	850,023	850,023	850,023	
Basic Grant 04-05 c/o	84.048	28-04-02-26-C	131,929	108,360	108,360	
				958,383	958,383	
Smaller Learning Communities						
Teacher Advancement Program (TAP)	84.215	V215L052008	750,000	57,874	57,874	
	84.215	28-05-AP-26	66,288	41,324	41,324	
				99,198	99,198	
ESEA of 1965, Title II, Part A (P.L. 107-110)						
Teacher & Principal Training & Recruiting Fund	84.367	(1)	4,751,049	417,121	417,121	
Teacher & Principal Training & Recruiting Fund	84.367	(1)	5,936,944	3,445,285	3,445,285	
				3,862,406	3,862,406	
ESEA of 1965, Title II, Part B						
Math & Science Partnership	84.366B	28-04-MP-26	160,251	32,254	32,254	
Math & Science Partnership	84.366B	28-05-MP-26	86,116	64,131	64,131	
				96,385	96,385	

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
Year Ended June 30, 2006

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Schedule of Expenditures of Federal Awards			Disbursements/ Expenditures
		Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	
U.S. Department of Education - Continued					
Passed-Through State Department of Education - Continued:					
ESEA of 1965, Title II, Part D					
Enhancing Education Through Technology 03-04	84.318X	28-05-49-26	\$ 38,418	\$ 29,229	\$ 29,229
Enhancing Education Through Technology 05-6	84.318X	28-06-49-26	441,194	177,880	177,880
Enhancing Education Through Technology 04-05	84.318X	28-05-49-26	556,418	269,878	269,878
School Technology Competitive Grant 04-05	84.318X	28-05-46-26	150,000	12,987	12,987
				489,974	489,974
ESEA, Title III, Part A					
English Language Acquisition Grant 04-05	84.365	05-60-26	661,514	57,847	57,847
English Language Acquisition Grant 05-06	85.365	06-60-26	1,025,239	505,354	505,354
				563,201	563,201
ESEA, Title IV, Part A					
Safe and Drug Free Schools 04-05	84.186A	05-70-26	483,757	60,515	60,515
Safe and Drug Free Schools 05-06	84.186A	06-70-26	600,147	306,492	306,492
				367,007	367,007
Elementary and Secondary Education Act of 1965 - Title VI					
Innovative Education Program Strategies 04-05	84.298A	28-05-80-26	337,793	86,095	86,095
Innovative Education Program Strategies 05-06	84.298A	28-06-80-26	381,539	199,561	199,561
				285,656	285,656
ESEA of 1965, Title VII, Subtitle B					
Education for Homeless Children & Youth 04-05	84.196A	05-HI-26	135,000	41,047	41,047
Education for Homeless Children & Youth 05-06	84.196A	06-HI-26	120,000	83,270	83,270
				124,317	124,317

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
Year Ended June 30, 2006

Federal Grantor/Pass-Through Grantor/Program Title	Schedule of Expenditures of Federal Awards				
	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/Expenditures
U.S. Department of Education - Continued					
Individual With Disabilities Education Act of 1990 - Part B (P.L. 101-476)					
IDEA District and School Improvement	84.027A	28-05-SP-26	\$ 128,714	\$ 29,015	\$ 29,015
IDEA District and School Improvement	84.027A	28-06-SD-26	135,000	37,208	37,208
IDEA-B Flow Through 04-05	84.027A	28-05-B1-26	12,644,072	2,398,568	2,398,568
IDEA-B Flow Through 05-06	84.027A	28-06-B1-26	12,953,318	9,750,681	9,750,681
				12,215,472	12,215,472
IDEA-B Preschool 04-05	84.173A	05-P1-26	299,004	25,518	25,518
IDEA-B Preschool 05-06	84.173A	06-P1-26	292,975	245,591	245,591
				271,109	271,109
LA - 21st Century	84.287	28-02-SP-26	580,104	498,898	498,898
				498,898	498,898
Adult Education Act of 1966					
Adult Education Correctional Program	84.002	0444-26	5,726	422	422
Adult Education Program 04-05	84.002	0544-26	545,435	33,958	33,958
Adult Education Program 05-06	84.002	0644-26	585,959	259,770	259,770
				294,150	294,150
Disaster Assistance					
Displaced Students - Non-Public	84.938	(1)	51,803,372	51,803,372	51,803,372
Displaced Students - Public	84.938	(1)	10,335,398	10,333,913	10,333,913
Restart	84.938	(1)	13,298,505	7,153,721	7,153,721
				69,291,006	69,291,006
Total Passed-Through					
State Department of Education				109,758,017	109,758,017
TOTAL U.S. DEPARTMENT OF EDUCATION				\$ 109,857,144	\$ 109,857,144

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
Year Ended June 30, 2006

Schedule of Expenditures of Federal Awards					Disbursements/ Expenditures	
Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized			
Federal Grantor/Pass-Through Grantor/Program Title						
<u>U.S. Department of Health and Human Services</u>						
Passed-Through State Department of Health and Hospitals:						
Title XIX - Early and Periodic Screening, Diagnosis, Treatment School Nurse Program						
93.778	-	\$ 156,961	\$ 156,961		\$ 156,961	\$ 156,961
Passed-Through a State Department of Health and Human Services:						
Temporary Assistance for Needy Families (TANF) (P.L.104-193)						
93.558	(1)	28-05-EP-26	5,149		5,149	5,149
93.558	(1)	03-35-26	5,691,320		5,691,320	5,691,320
		Universal Daycare	5,696,469		5,696,469	5,696,469
Passed-Through State Department of Social Services:						
		Child Care Assistance	49,386		49,386	49,386
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
			\$ 5,902,816		\$ 5,902,816	\$ 5,902,816
<u>U.S. Department of Agriculture</u>						
Passed-Through State Department of Education:						
10.574	-	\$ 8,000	\$ 1,432		\$ 1,432	1,432
10.550	-	-	1,924,798	(2)	900,341	(3)
10.553	-	-	2,081,144	(4)	2,081,144	(4)
10.555	-	-	7,976,269	(4)	7,976,269	(4)
10.559	-	-	78,100	(4)	78,100	(4)
TOTAL U.S. DEPARTMENT OF AGRICULTURE						
			\$ 12,061,743		\$ 11,037,286	

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
Year Ended June 30, 2006

Schedule of Expenditures of Federal Awards					Disbursements/ Expenditures
Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized		
U.S. Department of Homeland Security					
Passed Through State Department of Homeland Security:					
				\$	221,322
97.036	(1)	- \$		\$	221,322
97.036	(1)	-		13,311,234	13,311,234
97.030	(1)	-		17,000,000	17,000,000
TOTAL DEPARTMENT OF HOMELAND SECURITY					
				\$	30,532,556
Other Programs					

- (1) Represents a major program.
- (2) This amount represents the value of Commodities received by the School System during the year ended June 30, 2006.
- (3) This amount represents the value of Commodities used by the School System during the year ended June 30, 2006.
- (4) These amounts represent the cash subsidy received by the School System during the year ended June 30, 2006.

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

**JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
FOOTNOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2006**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basic of Presentation

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School System has met the qualifications for the respective grants. Several programs are funded jointly by State of Louisiana appropriations and federal funds. Cost incurred in programs partially funded by federal grants are applicable against federal grant funds to the extent of revenue available when they properly apply to the grant. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts are presented in, or used in the preparation of, the basic financial statements.

Accrued and Deferred Reimbursement

Various reimbursement procedures are used for federal awards received by the School System. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year-end represented an excess of reimbursable expenditures over cash reimbursements received. Generally, accrued balances caused by differences in the timing of cash reimbursements and expenditures will be reversed in the remaining grant period.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the Jefferson Parish Public School System.
2. No reportable conditions in internal control relating to the audit of the financial statements of the Jefferson Parish Public School System are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Jefferson Parish Public School System is reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the *Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditors' report on compliance for the major federal award programs for Jefferson Parish Public School System expresses an unqualified opinion.
6. The auditors' report disclosed a finding that is required to be reported in accordance with Section 510(a) of OMB Circular A-133. This finding is described in the Schedule of Findings and Questioned Costs as item 06-1.
7. A management letter was issued for the year ended June 30, 2006.
8. The programs tested as major programs were:

	<u>CFDA No.</u>
Title II ESEA of 1965	84.367
Disaster Assistance – Displaced Students	84.938
Temporary Assistance for Needy Families	93.558
Community Disaster Loan	97.030
Hurricane Recovery	97.036
9. The threshold for distinguishing between type A and type B programs was \$3,000,000.
10. Jefferson Parish Public School System was determined to be a low-risk auditee.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2006

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None.

**C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL
AWARD PROGRAMS**

U.S. Department of Health and Human Services, Temporary Assistance for Needy Families, CFDA No. 93.558

Finding 06-1

The Temporary Assistance for Needy Families (LA 4) Preschool grant requires that all children participating must be eligible for free or reduced priced meals. Two out of twenty-five children selected for testing were not eligible for free or reduced meals. The effect of these is not considered material as the funding is based on teacher salaries which would not have been impacted by the exclusion of these two children.

Recommendation

The School System should refine procedures in place to ensure that all children in this program are eligible for free or reduced meals.

Response

See Management's Corrective Action Plan.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None

**SECTION II - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL
AWARD PROGRAMS**

U.S. Department of Education, Reading First Program, CFDA No. 84.357

Finding 05-1

The Reading First grant allows for 3.5% of the funds provided under the grant be used for planning and administration. The School System is not monitoring this requirement. As a result, it could not be verified if the program is in compliance.

Recommendation

Although the grant does not require that the School System show planning and administration expenses separately in the budget or on the reimbursement requests, the School System should keep documentation to verify that the program is in compliance with this requirement.

Current Year Status

Resolved.

SECTION III - MANAGEMENT LETTER

Budgeting - Special Revenue Funds	Repeated in the current year recommendations
Under Collateralized Cash	Resolved
Information Security Policies, Procedures and Configurations	Repeated in the current year recommendations
General Computer Controls - Segregation of Duties	Repeated in the current year recommendations
Program and Infrastructure Change Control	Repeated in the current year recommendations
Environmental Controls/Physical Security	Repeated in the current year recommendations

**JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
CORRECTIVE ACTION PLAN
Year Ended June 30, 2006**

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None.

**SECTION II - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL
AWARD PROGRAMS**

06-1 Temporary Assistance for Needy Families, CFDA No. 93.558

Finding:

The Temporary Assistance for Needy Families (LA 4) Preschool grant requires that all children participating must be eligible for free or reduced priced meals. Two out of twenty five children selected for testing were not eligible for free or reduced meals. The effect of these is not considered material as the funding is based on teacher's salaries which would not have been impacted by the exclusion of these two children.

Corrective Action:

The School System will immediately institute an additional procedure to verify eligibility within the department. (Contact: Ms. Mary Graham Smith, Grant Administration, 504-349-7909)

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January 4, 2007

Jefferson Parish School Board
4600 River Road
Marrero, LA 70072

Dear Members of the Board:

In planning and performing our audit of the basic financial statements of the Jefferson Parish Public School System (School System) for the year ended June 30, 2006 (on which we have issued our report dated January 4, 2007), we developed the following recommendations concerning certain matters related to the School System's internal control and certain observations and recommendations on other accounting, administrative and operating matters. Our comments are presented in Exhibit I and are listed in the table of contents thereto. See also "Status of Prior Year's Recommendations" on page 98.

This report is intended solely for the information and use of the School Board, management, the State of Louisiana Legislative Auditor, and officials of applicable Federal and State agencies and is not intended to be and should not be used by anyone other than these specified parties.

Yours truly,

Deloitte & Touche LLP

Rebowe & Company

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

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ACCOUNTING, ADMINISTRATIVE, AND OPERATING MATTERS**Budgeting**

Observation—Special Revenue Funds—We noted that for two Special Revenue Funds (Title I and Adult Education), there was an unfavorable variance of greater than five percent between actual revenues as compared to budgeted revenues. Revenues for the Title I Fund were less than budget by \$5,649,112 or 22%, and revenues for the Adult Education Fund were less than budget by \$260,947 or 28%. The budgets are prepared by the School System based on grant award amounts. These grants often overlap fiscal years or have carryovers that are not reflected in the budgets. Communication in writing of these budget variances to the Board was not performed as required by State Law.

Background—The Louisiana Revised Statutes 39:1310 *Budgetary Authority and Control*, requires that when there has been a change in operations upon which the original adopted budget was developed, the governing authority shall adopt a budget amendment in an open meeting to reflect such change. The adopted budget and any duly authorized adopted amendments shall form the framework from which to monitor revenues and control expenditures. Therefore, there must be an amended budget when projected revenue and other sources for the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more. Likewise, when projected expenditures and other uses for the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more, the budget must be amended accordingly.

Louisiana Revised Statute 39:1311(B) exempts special revenue funds which are expenditure-driven from the requirement to adopt amended budgets if projected revenues or expenses deviate more than 5% from the adopted budget; however, such funds are not exempt from the requirement to communicate in writing these deviations to the Board.

Recommendation—The School System's management should institute procedures to closely monitor the financial performance of each fund and ensure that budget overruns are properly communicated to the Board.

Management's Response—We will prepare a revised budget or a memo to be distributed to the Board Members in the event projected revenues or expenses deviate more than 5% of the adopted budget. (Mrs. Raylyn Stevens, CFO (504) 349-7627)

Information Security Policies, Procedures, and Configurations

Observation—Formal information security policies or procedures have not been documented. Mainframe passwords are written down by support personnel and policies are not automatically managed by the mainframe to provide for periodic expiration, password complexity and re-use restrictions.

Background—Unwritten security policies and procedures increase the likelihood that security parameters and administrative procedures will be inconsistently applied creating an infrastructure more susceptible to inappropriate access. In addition, if passwords are not unique to a specific user, it eliminates the accountability for the actions taken by those user accounts.

Recommendation—Management should formally document comprehensive information security policies and procedures that address all technologies (e.g. mainframe, Novell), data access points (e.g. application, mainframe, remote), administrative processes (e.g. user setup) and security configurations (e.g. password policies, access lists). Policies and procedures should then be reviewed periodically to ensure their applicability as the environment and risks change. In addition, passwords should never be written down for support purposes; rather they should be changed if users forget them.

Management Response—The School System is in the process of updating the Information Technology structure and comments will be addressed with the implementation of this new system. This should be completed within the current fiscal year. (Mrs. Raylyn Stevens, CFO (504) 349-7627)

General Computer Controls—Segregation of Duties

Observation—Routine information technology ("IT") responsibilities, which include security administration, production support, application development and database support, are not appropriately segregated within the information technology department.

Background—Not appropriately segregating IT responsibilities increases the susceptibility of the School System to unauthorized changes to programs, data, or security configurations. Such changes could directly impact management's ability to rely on the computer system's processing and reporting of financial data.

Recommendation—Management should review current responsibilities and consider either segregating critical areas or implementing adequate detective controls that could work to mitigate the risks of unauthorized changes to programs or data.

Management Response—While the School System feels that proper segregation is vital to maintaining the integrity of the control systems, the size of the Information Technology Department does not allow for optimal segregation of these duties. However, while optimal segregation may be limited by the current staffing level of the Department, the School System will reevaluate the current division of responsibilities and segregation of duties to determine if the control structure can be enhanced by redistributing personnel responsibilities. This should be completed within the current fiscal year. (Mrs. Raylyn Stevens, CFO (504) 349-7627)

Program and Infrastructure Change Control

Observation—Formal change management policies or procedures have not been developed within the information technology department. As a result, test plans, test results and business approvals, which are necessary to verify changes to programs and supporting infrastructure are functioning as intended, are not formally documented. In addition, changes are not consistently evaluated within independent environments prior to making changes to the production systems.

Background—Program and infrastructure changes that are not subjected to proper testing, review and approvals prior to production deployment increases the risk that improper or unintended changes will be introduced into the School System's environment, which could adversely impact normal business activities or underlying financial data.

Recommendation—Management should review and document its policies and procedures for program and infrastructure change control to verify their adequacy in providing that all changes are properly authorized and function consistently with management's intentions. Procedures should include control points such as the development and execution of test plans, collection of necessary approvals and appropriate deployment of changes into the School System's production environment in a manner that would not disrupt daily business operations.

Management Response—The School System is in the process of updating the Information Technology structure and comments will be addressed with the implementation of this new system. This should be completed within the current fiscal year. (Mrs. Raylyn Stevens, CFO (504) 349-7627)

Environmental Controls/Physical Security

Observation—Environmental and physical security controls over certain computer systems could be enhanced. Only some locations where the School System's infrastructure components reside include common environmental controls such as 24 hour temperature control, fire suppression systems, humidity controls, water detection systems with a raised floor infrastructure and common physical security controls such as locked doors, key-card access, and visitor logs. It was noted all areas include a subset of the above-mentioned environmental and physical controls, but none are completely adequate.

Background—Limiting physical access to the server rooms decreases the risk of server downtime caused by accidental (or otherwise) contact with the servers or communication media. Also, implementing proper environmental controls helps to ensure the proper functionality of hardware, which may be affected by heat and moisture.

Recommendation—Management should continue its efforts to ensure all servers involved in the processing of key financial data are properly subjected to physical and environmental controls.

Management Response—The School System is in the process of updating the Information Technology structure and comments will be addressed with the implementation of this new system. This should be completed within the current fiscal year. (Mrs. Raylyn Stevens, CFO (504) 349-7627)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATUS OF PRIOR YEAR'S RECOMMENDATIONS YEAR ENDED JUNE 30, 2006

Budgeting	Partially repeated in the current year's recommendations.
Under Collateralized Cash	Improvements noted. There are no current year recommendations.
Information Security Policies, Procedures, and Configurations	Comment repeated in the current year.
General Computer Controls—Segregation of Duties	Comment repeated in the current year.
Program and Infrastructure Change Control	Comment repeated in the current year.
Environmental Controls/Physical Security	Comment repeated in the current year.