

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

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Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the mayor 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 5-3-06

501 MANHATTAN BOULEVARD
HARVEY, LOUISIANA 70058-4495

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM



Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2005

Prepared By
Business Services Department

501 MANHATTAN BOULEVARD
HARVEY, LOUISIANA 70058-4495

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2005

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INTRODUCTORY SECTION

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February 14, 2006

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, 2005 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 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, 2005. 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 2004/2005 total student count was 52,367. The Jefferson Parish School System operates 85 schools located on both sides of the Mississippi River. Approximately 25,503 public school students are transported daily by a fleet of 307 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 2005/2006 budget was adopted on June 8, 2005 and revised on February 1, 2006. Total expected budgeted expenditures for the General Fund are \$321,544,438. Projected revenues and other financing sources for the General Fund total \$302,290,244. The projected year-end fund balance for FY 2005/2006 is \$6,830,196.

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

The Graduating Class of 2005 was offered approximately \$19,145,831 in scholarships.

The SAT scores for the Jefferson Parish School System continue to be well above the national average.

Fifty Jefferson Parish School System teachers have earned National Board Certification.

John Ehret High School won the "We the People" competition in 2005.

Patrick F. Taylor Science & Technology Academy opens as a full-day program for students in grades 7-9.

Thirty-three schools have 100% of their teachers ranked as "Highly Qualified" under the federal No Child Left Behind mandate.

The Principals of the Year are as follows:

- Carolyn Van Normand – Higgins High School
- Cheryl Milam – Adams Middle School
- Gerard LeBlanc – Homedale Elementary School

The Teachers of the Year are as follows:

- Jeryl Fischtzur – Grace King High School
- Terri Trahan – Riverdale Middle School
- Arleen Malloy – Metairie Academy

Students of the Year are as follows:

- Shree Patel – Bonnabel High School
- Shonte Joseph – Ellender Middle School
- Raven Hackett – Live Oak Elementary School

Bureau of Governmental Research (BGR) Recipients

Karen Doyle – Principal, C.T. Janet Elementary School

Mary "Mikie" Ehret -- Deputy Superintendent

Louisiana Middle School Principal of the Year
Frank Rawle -- Ellender Middle School

Miliken Foundation Award
Lisa Rodriguez -- Estelle Elementary School

New Orleans City Business 2005 Women of the Year
Diane Roussel -- Superintendent
Raylyn Stevens -- Chief Financial Officer

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 span 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 and an annual payroll in excess of \$197 million making it the second largest public employer in the parish. It also spends annually over \$50 million on goods and services. These funds are spent primarily with local businesses.

Jefferson Parish is the second most populated parish in Louisiana with the population showing a slight increase in 2005. Per capita income also rose in Jefferson and continues to be second highest of all Louisiana's parishes and the state as a whole.

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 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.

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.

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

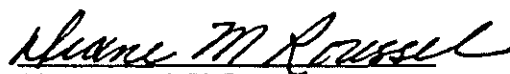
The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting, and the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Jefferson Parish Public School System for its comprehensive annual financial report for the fiscal year ended June 30, 2004. This was the 15th 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 Certificate 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.

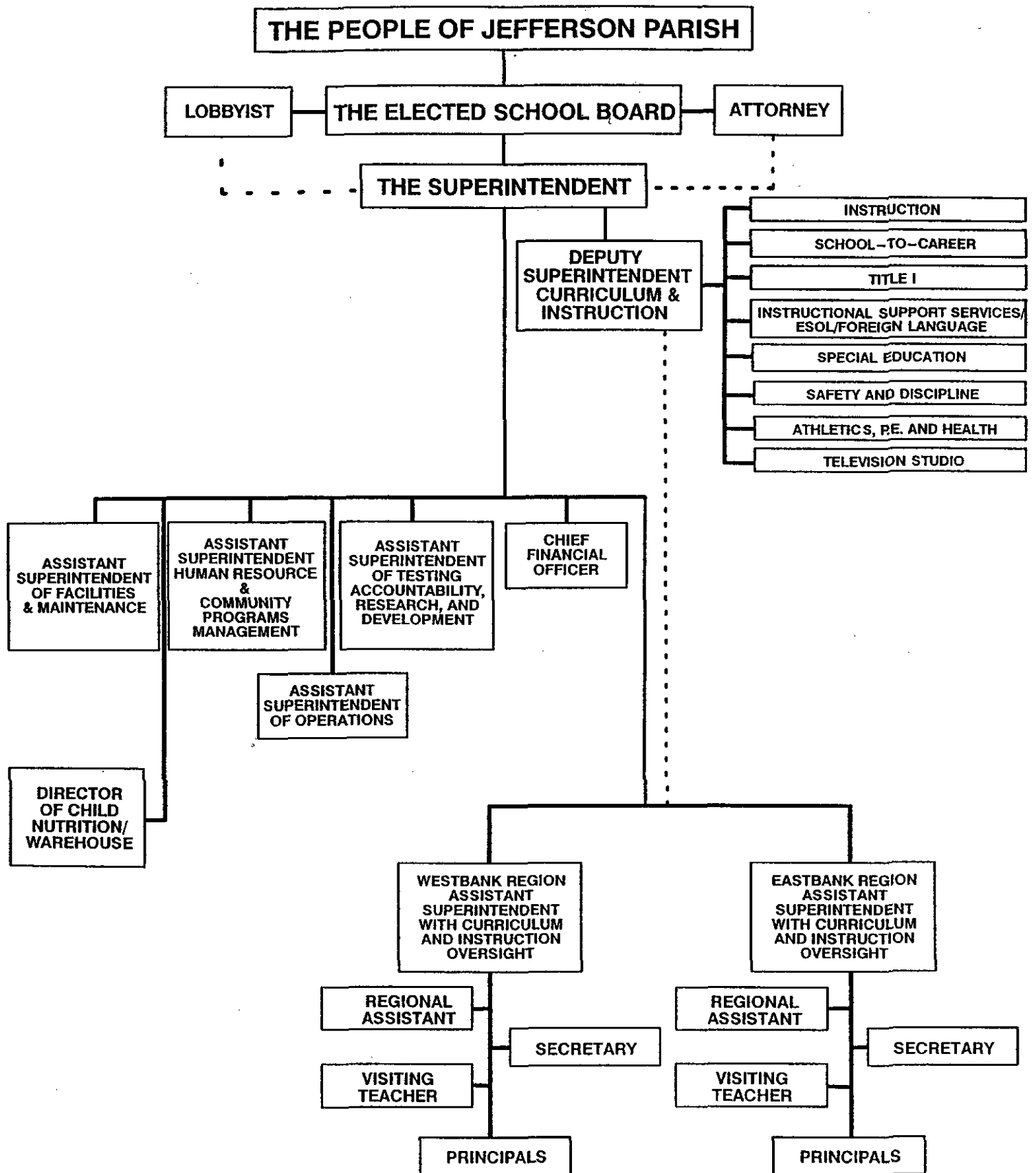


Diane Roussel, Ph.D
Superintendent



Raylyn Stevens
Chief Financial Officer

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SCHOOL BOARD

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

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



RAY ST. PIERRE
President, District 3



DR. DIANE M. ROUSSEL
Superintendent



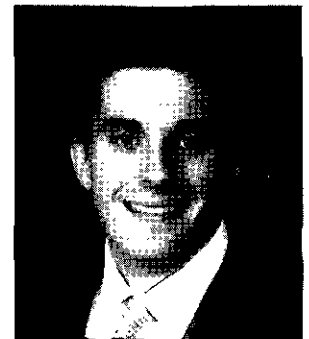
MARTIN B. MARINO
Vice-President, District 6



MARK C. MORGAN
District 1



ETTA S. LICCIARDI, PH. D.
District 2



JOHN CAMERON HENRY, JR.
District 4



KAREN M. BARNES
District 5



LIBBY L. MORAN
District 7



JUDY M. COLGAN
District 8



GENE KATSANIS
District 9

**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, 2004

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

James H. Harkness
President

Barbara W. Keller
Executive Director

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, 2004

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.



Nancy L. Ziehl

President

Jeffrey R. Ennis

Executive Director

FINANCIAL SECTION

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701 Poydras Street
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New Orleans, LA 70139
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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 as of June 30, 2005 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 basic 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, 2005, 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 10 is 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 opinions on the Jefferson Parish Public 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 February 3, 2006 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

Rebowe & Company

February 3, 2006

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 year ended June 30, 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

- On a whole, the overall financial position of the Jefferson Parish Public School System improved for the fiscal year 2004/2005. The fund balances for the total Governmental Funds increased by \$30.8 million. The General Fund Balance increased by \$10 million over the fiscal year 2003/2004.
- The assets of the School System exceeded its liabilities at the close of 2005 by \$70.9 million. The deficiency of \$22.3 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 20 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.

- The School System refinanced \$28.9 million of ½% sales tax school bonds. Additionally, the School System issued \$33.5 million of new ½% sales tax school bonds with a maturity date of February 1, 2025. The proceeds of the long-term debt will be used for capital projects. See note 6 on page 36.
- The School System's total net assets increased by \$29.3 million in 2005 due to the excess of revenues over expenditures. Revenue growth outpaced the increases in salary and benefit expenditures and grant revenues increased by \$7.4 million. Net assets of the governmental activities increased by \$28.5 and net assets of the business-type activities increased by \$802,000.
- Unrestricted net assets decreased by \$42.2 million due to a change in the calculation. For fiscal year 2003/2004, only the non-major capital projects fund was considered a restricted fund for purposes of this calculation. For fiscal year 2004/2005, the dedicated sales tax for all capital projects funds was included in the calculation.
- Capital expenditures for buildings and improvements increased by \$15.2 million due the completion of several major renovations. In 2002 the School System issued \$33 million in debt for the purpose of capital projects. A large portion of the projected funded by this bond issue was completed in fiscal year 2004/2005.

- The School System's Property Tax revenue collections increased by \$7.4 million or 15.9%. This increase can be attributed to the "roll forward" of the millage rates in 2005. The Jefferson Parish Public School Board voted to "roll forward" the 2004 millage rates of 22.91 mills, thereby capturing the increase in reassessed property values.
- Gross Sales and use tax revenue collections increased over prior year's collections by \$5.5 million or 3.6%. 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 increased \$3.7 million or 2.7%. 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 \$41.8 or 10.6%. Salaries for certificated staff increased due to the dedication of a 9 mills property tax approved in 2004. 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 \$155.2 million. The fund balance of the combined governmental funds increased by \$30.8 million from the prior year's ending fund balance. Of the \$155.2 million fund balance, \$88.3 million is considered unreserved at June 30, 2005. Approximately \$66.9 million is designated for specific uses, \$21.8 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 11-13 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 19 and 20 of this report to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 14-20 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 21-23 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 24 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 25 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 \$70.9 million at the close of the most recent fiscal year.

Table 1
Net Assets
(In Thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 200,929	\$ 170,524	\$ 7,331	\$ 8,702	\$ 208,260	\$ 179,226
Capital assets	<u>112,476</u>	<u>101,582</u>	<u>516</u>	<u>418</u>	<u>112,992</u>	<u>102,000</u>
Total assets	313,405	272,106	7,847	9,120	321,252	281,226
Long-term debt outstanding	170,569	158,950			170,569	158,950
Other liabilities	<u>74,861</u>	<u>73,706</u>	<u>4,924</u>	<u>6,999</u>	<u>79,785</u>	<u>80,705</u>
Total liabilities	245,430	232,656	4,924	6,999	250,354	239,655
Net assets						
Invested in capital assets, net of related debt	(22,795)	(44,642)	516	418	(22,279)	(44,224)
Restricted	120,451	70,844			120,451	70,844
Unrestricted	<u>(29,681)</u>	<u>13,248</u>	<u>2,407</u>	<u>1,703</u>	<u>(27,274)</u>	<u>14,951</u>
Total net assets	<u>\$ 67,975</u>	<u>\$ 39,450</u>	<u>\$ 2,923</u>	<u>\$ 2,121</u>	<u>\$ 70,898</u>	<u>\$ 41,571</u>

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 \$29.2 million of net assets at June 30, 2005 to provide for the servicing of annual interest and principal payments on bonds.

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

Table 2
Changes in Net Assets
(In Thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2005	2004	2005	2004	2005	2004
Revenues:						
<i>Program revenues:</i>						
Charges for Services	\$ 4,141	\$ 5,839	\$ 2,389	\$ 2,695	\$ 6,530	\$ 8,534
Operating Grants and contributions	68,496	62,075	16,564	15,501	85,060	77,576
<i>General revenues:</i>						
Property taxes	54,026	46,617			54,026	46,617
Sales and use taxes, general	128,512	123,469			128,512	123,469
Sales and use taxes, debt service	23,536	22,069			23,536	22,069
Sales and use taxes, public improvement	4,000	5,000			4,000	5,000
State revenue sharing	2,224	2,113			2,224	2,113
Minimum foundation program (MFP)	141,908	138,165			141,908	138,165
Interest and investment earnings	3,057	1,472			3,057	1,472
Special item - loss on disposal of asset	(107)	(98)			(107)	(98)
Total revenues	429,793	406,721	18,953	18,196	448,746	424,917
Expenses:						
<i>General government</i>						
<i>Instruction:</i>						
Regular programs	133,719	129,257			133,719	129,257
Special programs	105,806	92,808			105,806	92,808
Vocational programs	11,713	11,351			11,713	11,351
All other programs	6,703	4,189			6,703	4,189
<i>Support services:</i>						
Student services	30,993	27,323			30,993	27,323
Instructional staff support	6,399	5,798			6,399	5,798
General administration	22,007	20,360			22,007	20,360
School administration	23,291	22,052			23,291	22,052
Business services	3,120	2,625			3,120	2,625
Operations maintenance services	25,228	23,857			25,228	23,857
Pupil transportation services	15,527	14,425			15,527	14,425
Central activity services	3,032	2,833			3,032	2,833
<i>Principal Retirement</i>						
Interest on long-term debt	8,205	9,027			8,205	9,027
Other expenses	4,751	4,820			4,751	4,820
School Lunch			18,925	17,876	18,925	17,876
Total expenses	400,494	370,725	18,925	17,876	419,419	388,601
Increase in net assets before transfers	29,299	35,996	28	320	29,327	36,316
Transfers	(774)	(773)	774	773		
Increase (decrease) in net assets	28,525	35,223	802	1,093	29,327	36,316
Net assets - July 1	39,450	4,227	2,121	1,028	41,571	5,255
Net assets - June 30	\$ 67,975	\$ 39,450	\$ 2,923	\$ 2,121	\$ 70,898	\$ 41,571

Revenues exceeded expenses on the government-wide basis by \$29,326,747 in the year ended June 30, 2005.

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

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2004</u>	<u>Percentage Change</u>
Sales tax	\$ 156,047,799	36.30 %	\$ 5,509,584	3.66 %
Ad Valorem tax	54,025,978	12.57 %	7,409,245	15.89 %
Minimum Foundation Program	141,907,769	33.01 %	3,743,036	2.71 %
Other state grants	12,774,585	2.97 %	(4,187,282)	(24.69)%
Federal grants	51,819,679	12.05 %	9,079,984	21.24 %
All other	<u>13,324,053</u>	<u>3.10 %</u>	<u>1,526,640</u>	<u>12.94 %</u>
Total	<u>\$ 429,899,863</u>	<u>100.00 %</u>	<u>\$ 23,081,207</u>	<u>31.76 %</u>

As reported in the Statement of Activities on page 12, the cost of the School System's governmental activities for the year ended June 30, 2005 was \$327,856,281. 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

	<u>Total Cost of Services</u>	<u>Net cost of Services</u>
Governmental activities:		
Instruction:		
Regular programs	\$ 133,719,096	\$ (129,902,732)
Special programs	105,806,109	(48,764,442)
Vocational programs	11,712,865	(1,407,994)
All other programs	6,702,742	(6,547,833)
Support services:		
Student services	30,993,517	(30,993,517)
Instructional staff support	6,399,284	(6,399,284)
General administration	22,006,686	(21,707,197)
School administration	23,290,537	(23,290,537)
Business services	3,120,348	(3,120,348)
Operations maintenance services	25,228,363	(25,228,363)
Pupil transportation services	15,526,724	(14,506,478)
Central activity services	3,031,972	(3,031,972)
Interest on long-term debt	8,205,027	(8,205,027)
-	<u>4,750,557</u>	<u>(4,750,557)</u>
Total Governmental Activities	<u>\$ 400,493,827</u>	<u>\$ (327,856,281)</u>

Business-Type Activities

The School Lunch Enterprise Fund reported an excess of revenues over expenses of \$801,638 for the year ended June 30, 2005. Included in the operating results is a mandatory transfer from the general fund of \$773,685. Management has broadened the food selection available to expand revenue and tightened control of staffing levels to control cost over the past years.

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, 2005 its combined fund balance was \$155,190,848 as compared to a combined fund balance of \$124,359,399 as of June 30, 2004. The "roll forward" of Ad Valorem millage rates and moderate growth in both the MFP and Sales and use tax can be attributed to the favorable variance. The General Fund's balance increased \$10 million of which \$4.5 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.

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 16, 2004 and the final revised budget was adopted on April 13, 2005.

A statement showing the School System's original and final budget compared with actual operating results is provided in this CAFR beginning on page 19. 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 \$5.5 million and expenditures were under final projections by \$1.3 million. The favorable expenditure variance can be attributed to the on-going overall attempts by the School System to utilize cost saving measures whenever possible.

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.

On August 29, 2005, hurricane Katrina wreaked destruction across Southeastern Louisiana. This single act of nature abolished the fiscal prosperity of the Jefferson Parish School System. However, the "rainy day" funds of \$22.3 million established by the Jefferson Parish School Board enabled the School System to endure. The fund balance allowed the School System to reopen on October 3, 2005 for the JPPSS students as well as displaced students. In the midst of the Katrina aftermath, 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. Our system is under tremendous pressure from lowered student enrollment and other extraordinary factors, but these challenges are an opportunity for us to continue our efforts to create a great school system.

For fiscal year 2005/2006 there will be a reduction in both sales and property tax receipts as compared to the original budget. A projected deficit in the General Fund budget for fiscal year 2006 can be attributed to the loss of local revenues directly associated with Hurricane Katrina. The School System has been approved for the Federal Emergency Management Agency's Community Disaster Loan program. The availability of this loan will allow the School System to manage cash flow during the uncertain months following this devastating disaster. The Jefferson Parish Public School System's current student enrollment is at 85% when compared to enrollment prior to the storm. Additionally, "displaced" students from the affected surrounding parishes are currently enrolling in our School System. The United States Department of Education has established the Emergency Impact Aid for Displaced Students program that may reimburse the JPPSS for services provided. This influx of federal funds, if received, may assist in providing reimbursement for expenditures associated with the clean up and restart of school on October 3, 2005.

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.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATEMENT A

STATEMENT OF NET ASSETS AS OF JUNE 30, 2005

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Cash and cash equivalents	\$ 152,968,228	\$ 4,350,671	\$ 157,318,899	\$ 88,582
Receivables:				
Sales and use tax	24,677,807		24,677,807	
Other	2,322,221	51,495	2,373,716	
Due from component unit	123,065		123,065	(123,065)
Due from other governments	15,369,080	1,793,586	17,162,666	
Inventory		1,135,436	1,135,436	
Prepaid assets	3,002,864		3,002,864	
Deferred financing costs	2,465,578		2,465,578	
Capital assets (net of accumulated depreciation)	<u>112,476,123</u>	<u>515,681</u>	<u>112,991,804</u>	<u>178,016</u>
TOTAL ASSETS	<u>313,404,966</u>	<u>7,846,869</u>	<u>321,251,835</u>	<u>143,533</u>
LIABILITIES				
Accounts payable	12,463,209	126,337	12,589,546	
Retainages payable	176,772		176,772	
Accrued liabilities:				
Salaries, wages, payroll taxes and retirement contribution	30,515,180		30,515,180	
Claims and judgements	406,817		406,817	
Compensated absences	28,768,254	492,276	29,260,530	
Workers' compensation claims	2,027,648		2,027,648	
Due to primary government	(3,556,581)	3,556,581		
Due to other governmental units	70,278		70,278	
Unearned revenue	1,389,094	748,936	2,138,030	
Accrued interest payable	2,600,000		2,600,000	
Bonds payable:				
Due within one year	21,954,747		21,954,747	
Due in more than one year	<u>148,614,570</u>		<u>148,614,570</u>	
TOTAL LIABILITIES	<u>245,429,988</u>	<u>4,924,130</u>	<u>250,354,118</u>	
NET ASSETS				
Invested in capital assets—net of related debt	(22,795,180)	515,681	(22,279,499)	178,016
Restricted for:				
Capital projects	59,153,995		59,153,995	
Debt service	29,153,613		29,153,613	
Specific programs	32,143,152		32,143,152	
Unrestricted	<u>(29,680,602)</u>	<u>2,407,058</u>	<u>(27,273,544)</u>	<u>(34,483)</u>
TOTAL NET ASSETS	<u>\$ 67,974,978</u>	<u>\$ 2,922,739</u>	<u>\$ 70,897,717</u>	<u>\$ 143,533</u>

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, 2005

FUNCTIONS/PROGRAMS	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<i>Governmental activities:</i>			
<i>Instruction:</i>			
Regular programs	\$ 133,719,096	\$ 387,137	\$ 3,429,227
Special programs	105,806,109	3,754,010	53,287,657
Vocational programs	11,712,865		10,304,871
All other programs	6,702,742		154,909
<i>Support services:</i>			
Student services	30,993,517		
Instructional staff support	6,399,284		
General administration	22,006,686		299,489
School administration	23,290,537		
Business services	3,120,348		
Operations maintenance services	25,228,363		
Pupil transportation services	15,526,724		1,020,246
Central activity services	3,031,972		
Interest on long-term debt	8,205,027		
Other expenses	4,750,557		
Total governmental activities	<u>400,493,827</u>	<u>4,141,147</u>	<u>68,496,399</u>
<i>Business-type activities—School Lunch</i>	<u>18,924,850</u>	<u>2,389,096</u>	<u>16,563,707</u>
Total business-type activities	<u>18,924,850</u>	<u>2,389,096</u>	<u>16,563,707</u>
Total primary government	<u>\$ 419,418,677</u>	<u>\$ 6,530,243</u>	<u>\$ 85,060,106</u>
<i>Component Unit—Jefferson Community Charter School</i>	<u>\$ 819,869</u>	<u>\$</u>	<u>\$ 804,387</u>
Total component units	<u>\$ 819,869</u>	<u>\$</u>	<u>\$ 804,387</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, 2004

Net assets—June 30, 2005

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
\$ (129,902,732)	\$ -	\$ (129,902,732)	\$ -
(48,764,442)		(48,764,442)	
(1,407,994)		(1,407,994)	
(6,547,833)		(6,547,833)	
(30,993,517)		(30,993,517)	
(6,399,284)		(6,399,284)	
(21,707,197)		(21,707,197)	
(23,290,537)		(23,290,537)	
(3,120,348)		(3,120,348)	
(25,228,363)		(25,228,363)	
(14,506,478)		(14,506,478)	
(3,031,972)		(3,031,972)	
(8,205,027)		(8,205,027)	
(4,750,557)		(4,750,557)	
<u>(327,856,281)</u>		<u>(327,856,281)</u>	
	<u>27,953</u>	<u>27,953</u>	
	<u>27,953</u>	<u>27,953</u>	
<u>\$ (327,856,281)</u>	<u>\$ 27,953</u>	<u>\$ (327,828,328)</u>	<u>\$ -</u>
			<u>\$ (15,482)</u>
			<u>(15,482)</u>
 \$ 54,025,978		 \$ 54,025,978	
128,511,531		128,511,531	
23,536,268		23,536,268	
4,000,000		4,000,000	
2,223,632		2,223,632	
141,907,769		141,907,769	
3,057,139		3,057,139	
(107,242)		(107,242)	
(773,685)	<u>\$ 773,685</u>		
<u>356,381,390</u>	<u>773,685</u>	<u>357,155,075</u>	
28,525,109	801,638	29,326,747	(15,482)
<u>39,449,869</u>	<u>2,121,101</u>	<u>41,570,970</u>	<u>159,015</u>
<u>\$ 67,974,978</u>	<u>\$ 2,922,739</u>	<u>\$ 70,897,717</u>	<u>\$ 143,533</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATEMENT C

Page 1 of 2

GOVERNMENTAL FUNDS—BALANCE SHEET

AS OF JUNE 30, 2005

	General	Elementary and Secondary Education Act of 1965 (Title 1)	Capital Projects - Dedicated Sales Tax	Other Governmental Funds	Total
ASSETS					
ASSETS— Cash and investments (Note 2)	\$41,072,315	\$ 75,124	\$ 66,181,607	\$ 45,639,182	\$ 152,968,228
Receivables:					
Sales and use tax (Note 5)	24,677,807				24,677,807
Other accounts	1,979,488			342,733	2,322,221
Due from other funds (Note 8)	20,794,952	28,178	4,073,155	12,351,022	37,247,307
Due from component unit	124,162				124,162
Due from other governmental units	401,225	5,933,676		9,034,179	15,369,080
Prepaid items (principally insurance)	<u>3,002,864</u>				<u>3,002,864</u>
TOTAL ASSETS	<u>\$92,052,813</u>	<u>\$ 6,036,978</u>	<u>\$ 70,254,762</u>	<u>\$ 67,367,116</u>	<u>\$ 235,711,669</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATEMENT C

Page 2 of 2

GOVERNMENTAL FUNDS—BALANCE SHEET AS OF JUNE 30, 2005

	General	Elementary and Secondary Education Act of 1965 (Title 1)	Capital Projects - Dedicated Sales Tax	Other Governmental Funds	Total
LIABILITIES AND FUND BALANCES					
LIABILITIES—Accounts payable	\$ 2,906,201	\$ 2,783,164	\$ 305,303	\$ 6,468,541	\$ 12,463,209
Retainages payable			174,920	1,852	176,772
Accrued liabilities:					
Salaries, wages, payroll taxes, and retirement contributions	30,515,180				30,515,180
Claims and judgments (Notes 6 and 10)	186,817				186,817
Workers' compensation claims (Note 10)	2,027,648				2,027,648
Due to other funds (Note 8)	7,067,801	3,253,814	10,620,544	12,748,567	33,690,726
Due to other governmental units	1,097			70,278	71,375
Deferred revenue	<u>1,389,063</u>			<u>31</u>	<u>1,389,094</u>
Total liabilities	<u>44,093,807</u>	<u>6,036,978</u>	<u>11,100,767</u>	<u>19,289,269</u>	<u>80,520,821</u>
FUND BALANCES:					
Fund balance (Note 11):					
Reserved	25,620,230		1,807,946	39,476,858	66,905,034
Unreserved:					
Designated for capital projects			57,346,049	8,600,989	65,947,038
Undesignated reported in:					
General Fund	<u>22,338,776</u>				<u>22,338,776</u>
Total fund balances	<u>47,959,006</u>		<u>59,153,995</u>	<u>48,077,847</u>	<u>155,190,848</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 92,052,813</u>	<u>\$ 6,036,978</u>	<u>\$ 70,254,762</u>	<u>\$ 67,367,116</u>	<u>\$ 235,711,669</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, 2005**

Total Fund Balances at June 30, 2005—Governmental Funds		<u>\$ 155,190,848</u>
Cost of capital assets at June 30, 2005	\$ 341,169,298	
Less accumulated depreciation as of June 30, 2005:		
Buildings and improvements	(206,928,055)	
Furniture and equipment	<u>(21,765,120)</u>	<u>112,476,123</u>
Elimination of interfund assets and liabilities:		
Due from other funds	33,690,726	
Due to other funds	<u>(33,690,726)</u>	<u> </u>
Deferred financing costs		<u>2,465,578</u>
Long-term liabilities at June 30, 2005:		
Claims and judgments—long-term portion	(220,000)	
Compensated absences	(28,768,254)	
Bonds payable	(170,569,317)	
Accrued interest payable	<u>(2,600,000)</u>	<u>(202,157,571)</u>
Net assets—June 30, 2005		<u>\$ 67,974,978</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, 2005

	General	Elementary and Secondary Education Act of 1965 (Title 1)	Capital Projects - Dedicated Sales Tax	Other Governmental Funds	Total
REVENUES:					
Local sources:					
Property taxes	\$ 54,025,978	\$ -	\$ -	\$ -	\$ 54,025,978
Sales and use taxes	128,511,531		23,536,268	4,000,000	156,047,799
Tuition and other	387,137			3,754,010	4,141,147
Interest income	1,235,175		898,722	923,242	3,057,139
Other	2,957,980		27,489	3,140,298	6,125,767
State sources	147,436,497			7,245,857	154,682,354
Federal sources	600,463	23,042,032		28,177,184	51,819,679
Total revenues	335,154,761	23,042,032	24,462,479	47,240,591	429,899,863
EXPENDITURES:					
Current:					
Instruction	211,765,541	16,058,201		26,770,663	254,594,405
Supporting services	111,085,452	5,550,815		12,534,334	129,170,601
Non-instruction	4,039	833,946		3,912,572	4,750,557
Capital outlay			8,096,228	3,611,945	11,708,173
Debt service:					
Principal retirement				15,435,388	15,435,388
Interest and fiscal charges				12,288,995	12,288,995
Advance refunding escrow				5,718,509	5,718,509
Refunding bond issuance				533,286	533,286
Total expenditures	322,855,032	22,442,962	8,096,228	80,805,692	434,199,914
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,299,729	599,070	16,366,251	(33,565,101)	(4,300,051)
OTHER FINANCING SOURCES (USES):					
Transfers in (Note 8)	2,718,945	5,310	887,703	29,834,637	33,446,595
Transfers out (Note 8)	(5,031,219)	(604,380)	(25,539,682)	(3,044,999)	(34,220,280)
Payment to refunded bond escrow agent				(28,881,001)	(28,881,001)
Debt proceeds			34,484,196	30,301,990	64,786,186
Total other financing sources (uses)—net	(2,312,274)	(599,070)	9,832,217	28,210,627	35,131,500
NET CHANGE IN FUND BALANCES	9,987,455		26,198,468	(5,354,474)	30,831,449
FUND BALANCES—Beginning of year	37,971,551		32,955,527	53,432,321	124,359,399
FUND BALANCES—End of year	\$ 47,959,006	\$ -	\$ 59,153,995	\$ 48,077,847	\$ 155,190,848

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, 2005**

Total net changes in fund balance—governmental funds		\$ 30,831,449
Capital assets:		
Capital outlays capitalized	\$ 18,386,211	
Depreciation expense for year ended June 30, 2005	(7,384,530)	
Loss on disposal of assets	<u>(107,242)</u>	10,894,439
Long-term debt:		
Principal portion of debt service payments	15,435,388	
Increase in liabilities for compensated absences	(3,066,745)	
Capitalization of deferred charges—debt issuance	533,286	
Amortization of deferred bond issuance costs	(169,032)	
Excess of interest accrued over interest paid	(372,000)	
Reduction of interest expense related to current maturities of deep-discount debt	4,625,000	
Debt proceeds	(64,786,186)	
Payments to escrow—debt refundings	<u>34,599,510</u>	<u>(13,200,779)</u>
Change in net assets—governmental activities		<u>\$ 28,525,109</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, 2005

	Original Budget	Revised Budget	Actual on Budgetary Basis	Variance- from Revised Budget Positive (Negative)
REVENUES:				
Local sources:				
Property taxes	\$ 45,161,415	\$ 48,545,184	\$ 54,025,978	\$ 5,480,794
Sales and use taxes	122,350,628	127,392,533	128,511,531	1,118,998
Tuition and other	850,000		387,137	387,137
Interest income	400,000	775,000	1,235,175	460,175
Other	3,880,000	4,139,605	2,957,980	(1,181,625)
State sources	147,562,693	147,272,960	147,436,497	163,537
Federal sources	2,050,000	1,550,000	600,463	(949,537)
Total revenues	<u>322,254,736</u>	<u>329,675,282</u>	<u>335,154,761</u>	<u>5,479,479</u>
EXPENDITURES:				
Instruction	210,771,586	213,568,511	210,570,405	2,998,106
Supporting services	104,745,750	109,400,293	111,112,022	(1,711,729)
Non-instruction	309,963	15,000	4,039	10,961
Total expenditures	<u>315,827,299</u>	<u>322,983,804</u>	<u>321,686,466</u>	<u>1,297,338</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>6,427,437</u>	<u>6,691,478</u>	<u>13,468,295</u>	<u>6,776,817</u>
OTHER FINANCING SOURCES (USES):				
Transfers in			2,718,945	2,718,945
Transfers out	(3,568,685)	(3,568,685)	(5,031,219)	(1,462,534)
Transfer from component unit			33,505	33,505
Transfers to component unit	(687,500)	(687,500)	(687,500)	
Total other financing uses—net	<u>(4,256,185)</u>	<u>(4,256,185)</u>	<u>(2,966,269)</u>	<u>1,289,916</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,171,252</u>	<u>\$ 2,435,293</u>	10,502,026	<u>\$ 8,066,733</u>
ENCUMBRANCES OUTSTANDING AT YEAR END			742,750	
PRIOR YEAR ENCUMBRANCES EXPENDED IN CURRENT YEAR			(1,257,321)	
FUND BALANCES—Beginning of year (GAAP Basis)			<u>37,971,551</u>	
FUND BALANCES—End of year (GAAP Basis)			<u>\$ 47,959,006</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, 2005

	Original Budget	Revised Budget	Actual on Budgetary Basis	Variance from Revised Budget Positive (Negative)
REVENUES:				
Federal sources	\$ 18,597,507	\$ 21,626,744	\$ 23,042,032	\$ 1,415,288
Total revenues	<u>18,597,507</u>	<u>21,626,744</u>	<u>23,042,032</u>	<u>1,415,288</u>
EXPENDITURES:				
Salaries	9,492,224	9,191,331	11,540,548	(2,349,217)
Benefits	3,310,989	2,725,387	3,398,869	(673,482)
Purchased professional and technical services	1,008,878	1,131,089	1,478,415	(347,326)
Purchased property services	85,220	45,586	87,672	(42,086)
Other purchased services	1,185,144	317,924	551,084	(233,160)
Supplies	1,393,115	1,915,325	4,569,764	(2,654,439)
Indirect cost	517,942	481,824		481,824
Property	<u>117,674</u>	<u>375,195</u>	<u>816,610</u>	<u>(441,415)</u>
Total expenditures	<u>17,111,186</u>	<u>16,183,661</u>	<u>22,442,962</u>	<u>(6,259,301)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,486,321	5,443,083	599,070	<u>\$ (4,844,013)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in			5,310	
Transfer out			<u>(604,380)</u>	
Total other financing sources (uses)			<u>(599,070)</u>	
NET CHANGE IN FUND BALANCE	<u>1,486,321</u>	<u>5,443,083</u>		
FUND BALANCE—Beginning of year				
FUND BALANCE—End of year	<u>\$ 1,486,321</u>	<u>\$ 5,443,083</u>	<u>\$ -</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, 2005**

	Business-Type Enterprise Fund School Lunch
ASSETS	
CURRENT ASSET:	
Cash and cash equivalents	\$ 4,350,671
Receivables (net of allowances for uncollectibles)	51,495
Due from other funds	511,591
Due from other governments	1,793,586
Inventory	<u>1,135,436</u>
Total current assets	<u>7,842,779</u>
Capital assets (net of accumulated depreciation)	<u>515,681</u>
TOTAL ASSETS	<u>8,358,460</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts, salaries, and other payables	126,337
Due to other funds	4,068,172
Deferred revenues	<u>748,936</u>
Total current liabilities	<u>4,943,445</u>
NON-CURRENT LIABILITIES—Compensated absences	<u>492,276</u>
TOTAL LIABILITIES	<u>5,435,721</u>
NET ASSETS	
Invested in capital assets	515,681
Unrestricted	<u>2,407,058</u>
TOTAL NET ASSETS	<u>\$ 2,922,739</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, 2005**

OPERATING REVENUE—Food service sales	\$ 2,389,096
OPERATING EXPENSES:	
Salaries and related benefits	8,614,538
Food costs	7,430,466
Material and supplies	935,323
Contractual services	496,551
Depreciation	112,274
Miscellaneous	30,022
Printing	29,444
Repairs and maintenance	667,738
Travel	7,082
Utilities	600,000
Total	18,923,438
OPERATING LOSS	(16,534,342)
NONOPERATING REVENUES (EXPENSES):	
Federal grants in aid:	
Donated commodities	1,373,429
School lunch and breakfast program	15,190,278
Loss on disposal of capital assets	(1,412)
Total	16,562,295
INCOME BEFORE TRANSFERS	27,953
TRANSFERS FROM GENERAL FUND	773,685
CHANGE IN NET ASSETS	801,638
NET ASSETS—Beginning of year	2,121,101
NET ASSETS—End of year	\$ 2,922,739

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, 2005**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from sales	\$ 2,431,830
Cash payments for personal services	(8,614,538)
Cash payments for contract services	(496,551)
Cash payments for material and supplies	(7,167,452)
Cash payments for repairs and maintenance	(667,738)
Cash payments for utilities	(600,000)
Cash payments for other expenses	<u>(17,758)</u>
Net cash used in operating activities	<u>(15,132,207)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Federal grants in aid	15,190,278
Repayment of advances from other funds	(3,682,058)
Transfers in from general fund	<u>773,685</u>
Net cash provided by noncapital financing activities	<u>12,281,905</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING
ACTIVITIES—Acquisition of capital assets**(211,243)**NET DECREASE IN CASH AND CASH EQUIVALENTS**

(3,061,545)

CASH AND CASH EQUIVALENTS—Beginning of year7,229,129**CASH AND CASH EQUIVALENTS—End of year**\$ 4,167,584**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED IN OPERATING ACTIVITIES:**

Operating loss	\$ (16,534,342)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	112,274
Donated commodities used	1,373,429
Change in assets and liabilities:	
Decrease in accounts receivable	42,734
Decrease in inventories	231,877
Increase in accounts payable	<u>7,995</u>
Net cash used in operating activities	<u>\$ (14,766,033)</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Donated commodities received	\$ 1,190,342
Donated commodities used	(1,373,429)
Loss on disposal of capital asset	<u>1,412</u>
Total noncash investing, capital, and financing activities—net	<u>\$ (181,675)</u>

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, 2005**

	Agency Funds
ASSETS	
Cash and cash equivalents	<u>\$4,191,897</u>
TOTAL ASSETS	<u>\$4,191,897</u>
LIABILITIES	
Due to student groups	\$1,852,848
Due to schools	2,288,513
Due to others	1,392
Due to photographers	42,200
Due to stadium clubs	
Due to participants	<u>6,944</u>
TOTAL LIABILITIES	<u>\$4,191,897</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, 2005

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, 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, 2005

Governmental Fund Types

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. 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, 2005

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.

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.

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.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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 requirement 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 Statement No. 20 of the Governmental Accounting Standards Board (GASB), *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 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.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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 Board 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 16, 2004, and include amendments, none of a significant nature, made through April 13, 2005. Special Revenue Funds budgets were adopted by the School Board on June 16, 2004 and August 3, 2004, and include amendments, none of a significant nature, made on June 8, 2005 and July 6, 2005.

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 (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	\$ 10,502,026
To reverse June 30, 2005 encumbrances recorded as expenditures on the budgetary basis	742,750
To add back prior year's encumbrances paid in 2005, but not recorded as expenditures in 2005	<u>(1,257,321)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ 9,987,455</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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.

Inventories—The School Lunch Enterprise Fund inventories consist of purchased food and supplies and commodities received as donations through the federal school lunch program. Such inventories are 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, 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, 2005

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, 2005 applicable to Governmental Fund Types was \$18,103,129, 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.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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, 2005 for which payment is probable was \$10,665,125, which is reported in the GWFS.

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, 2005, the carrying amount of the School System's deposits was \$157,318,899, and the bank balance was \$156,167,697. Of the bank balance, \$156,152,655 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, 2005, \$15,042 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).

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

- (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.

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, 2005, 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, 2005, was as follows:

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
Governmental activities:				
Capital assets not being depreciated—Land	\$ 20,079,005	\$ -	\$ -	\$ 20,079,005
Capital assets being depreciated:				
Buildings and improvements	277,029,418	15,263,301		292,292,719
Furniture and equipment	28,593,245	3,122,910	2,918,581	28,797,574
Total capital assets being depreciated	305,622,663	18,386,211	2,918,581	321,090,293
Less accumulated depreciation for:				
Buildings and improvements	201,865,842	5,062,213		206,928,055
Furniture and equipment	22,254,142	2,322,317	2,811,339	21,765,120
Total accumulated depreciation	224,119,984	7,384,530	2,811,339	228,693,175
Total capital assets being depreciated—net	81,502,679	11,001,681	107,242	92,397,118
Governmental activities capital assets—net	\$ 101,581,684	\$ 11,001,681	\$ 107,242	\$ 112,476,123

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
Business-type activities:				
Capital assets being depreciated— Furniture and equipment	<u>\$5,813,441</u>	<u>\$ 211,244</u>	<u>\$ 59,387</u>	<u>\$ 5,965,298</u>
Less accumulated depreciation for—Furniture and equipment	<u>5,395,318</u>	<u>112,274</u>	<u>57,975</u>	<u>5,449,617</u>
Total accumulated depreciation	<u>5,395,318</u>	<u>112,274</u>	<u>57,975</u>	<u>5,449,617</u>
Total capital assets being depreciated—net	<u>418,123</u>	<u>98,970</u>	<u>1,412</u>	<u>515,681</u>
Business-type activities capital assets—net	<u>\$ 418,123</u>	<u>\$ 98,970</u>	<u>\$ 1,412</u>	<u>\$ 515,681</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$5,888,372
Special	1,061,992
Vocational	38,911
Support services—Administration	<u>395,255</u>
	<u>\$7,384,530</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 2005 was formally levied on November 15, 2004 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, 2005

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, 2005, 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 year ended June 30, 2005 (in thousands of dollars):

Governmental Activities	Compensated Absences	Claims and Judgments	Tax Bonds			LCDA Loan	Total
			Ad Valorem Tax Bonds	1954 Sales Tax Bonds	1980 Sales Tax Bonds		
Balance—July 1, 2004	\$ 25,702	\$ 408	\$ 10,945	\$ 71,741	\$ 75,274	\$ 990	\$ 185,060
Issuance of debt				64,905			64,905
Bonds retired			(2,545)	(43,880)	(2,216)	(20)	(48,661)
Unamortized yield adjustment due to refunding				(74)			(74)
Discount accretion					(4,551)		(4,551)
Earned	9,105						9,105
Payments	(6,039)	(1)					(6,040)
Balance—June 30, 2005	<u>\$ 28,768</u>	<u>\$ 407</u>	<u>\$ 8,400</u>	<u>\$ 92,692</u>	<u>\$ 68,507</u>	<u>\$ 970</u>	<u>\$ 199,744</u>
Due within one year	<u>\$ 4,638</u>	<u>\$ -</u>	<u>\$ 2,670</u>	<u>\$ 10,886</u>	<u>\$ 8,378</u>	<u>\$ 20</u>	<u>\$ 26,592</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

Bonded debt at June 30, 2005 is comprised of the following governmental activities serial bond issues:

Description	Interest Rates	Final Maturity Date	Range of Annual Principal Payments		Amount Outstanding
			From	To	
<i>Ad valorem tax bonds:</i>					
\$22,000,000 issue of 3/1/99	3.8-4.125	3/01/08	\$ 2,454,000	\$ 2,935,000	\$ 8,400,000
Subtotal					8,400,000
<i>1954 1/2¢ sales tax bonds:</i>					
\$52,055,000 refunding issue of 12/1/01	5.00-5.25	2/01/08	8,300,000	9,675,000	27,605,000
Cumulative interest accretion on related bond discount					182,000
\$28,885,000 refunding issue of 3/2/05	3.70-5.25	2/1/2015	1,965,000	3,965,000	28,885,000
Unamortized portion of related bond premium					1,245,000
\$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					1,275,000
Subtotal					92,692,000
<i>1980 1/4¢ sales tax bonds:</i>					
\$53,645,264 refunding issue of 7/10/86, Series A	8.25-8.50	3/01/06	953,670	1,043,017	1,699,533
Cumulative interest accretion on related bond discount					6,300,000
\$33,380,000 refunding issue of 4/21/98	4.75-5.10	3/01/10	2,819,586	2,819,586	20,467,484
Cumulative interest accretion on related bond discount					8,040,000
\$33,000,000 issue of 3/1/02	4.40-7.00	3/01/22	335,000	2,930,000	32,000,000
Subtotal					68,507,017
LCDA loan issued - 2004	Variable	11/01/29	Variable		970,300
Total					\$ 170,569,317

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, 2005, there was \$539,262 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, 2005

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, 2005, \$10,893,472 was available in the debt service funds for servicing of these bonds.

During 2005, the School System issued additional bonds of \$33,500,000. The bonds were issued at a premium and the net proceeds of \$34,484,196 will be used to fund capital expenditures including construction of a new elementary school, athletic facilities enhancements and other capital improvements.

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, 2005, \$16,763,930 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 \$970,300 at a variable rate (4.24% as of June 30, 2005).

The annual debt service requirements to amortize all of the School System's outstanding bonds as of June 30, 2005 are as follows:

Years Ending June 30	Principal Portion	Interest Portion	Total
2006	\$ 21,954,747	\$ 5,902,485	\$ 27,857,232
2007	23,256,232	5,892,620	29,148,852
2008	24,446,199	5,848,089	30,294,288
2009	12,719,108	5,073,425	17,792,533
2010	12,632,135	5,247,148	17,879,283
2011–2015	34,531,798	13,958,257	48,490,055
2016–2020	22,267,189	7,556,631	29,823,820
2021–2025	18,482,312	2,257,603	20,739,915
2026–2029	<u>279,597</u>		<u>279,597</u>
Total	<u>\$ 170,569,317</u>	<u>\$ 51,736,258</u>	<u>\$ 222,305,575</u>

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

Advance refunding of Debt—The School System issued \$28,885,000 in Sales Tax Refunding Bonds in 2005 to advance refund the 1996 sales tax bond issue. The net proceeds of \$29,768,704 were combined with other funds available for debt service and were used to make an escrow deposit of \$34,599,510 in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. The difference between the cash flows required to service the old debt and the cash flows required to service the new debt and complete the refunding totaled \$603,283. An economic gain (difference between the present value of the old debt and new debt service payments) of \$778,167 resulted from the refunding.

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 2005, the General Fund expenditures exceeded budgeted amounts for supporting services by \$1,711,729; however, total expenditures were less than those amounts budget, and total revenues for the General fund exceeded those amounts budgeted by \$5,479,479. Additionally, during fiscal year 2005, total expenditures for the Community Education Fund exceeded those budgeted by \$85,650, and total revenues for the Community Education Fund were less than those budgeted by \$117,344. The Adult Education Fund total expenditures exceeded those amounts budgeted by \$21,915, and total revenues for the Adult Education Fund were less than those amounts budgeted by \$305,048. In the case of both the Community Education Fund and the Adult Education Fund, sufficient fund balances were available from prior years' operations to absorb the negative variations in revenues and expenditures. Expenditures for the Title I program are budgeted by object code. Title I expenditures exceeded budgeted amounts for each object code, which amounted to \$6,259,301. Total revenues for the Title I program exceeded those budgeted by \$1,415,288. 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, 2005

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2005 is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from other funds:		
General Fund	Elementary and Secondary Education Act of 1965 (Title I)	\$ 3,253,814
	Capital Projects - Dedicated Sales Tax	959,034
	School Lunch fund	4,065,456
	Nonmajor Governmental Funds	12,516,648
Elementary and Secondary Education Act of 1965 (Title I)	General Fund	7,356
	Nonmajor Governmental Funds	20,822
Capital Projects - Dedicated Sales Tax	General Fund	4,073,155
School Lunch Fund	General Fund	439,594
	Nonmajor Governmental Funds	71,997
Nonmajor Governmental Funds	General Fund	2,547,696
	Capital Projects - Dedicated Sales Tax	9,661,510
	School Lunch Fund	2,716
	Nonmajor Governmental Funds	<u>139,100</u>
		<u>\$ 37,758,898</u>
Due to/from primary government and component unit:		
General Fund	Component Unit—Jefferson Community Charter School	\$ 124,162
Component Unit—Jefferson Community Charter School	General Fund	<u>1,097</u>
		<u>\$ 125,259</u>

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

Interfund Transfers:

	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	\$ -	\$ 5,310	\$ -	\$ 773,685	\$ 4,252,224	\$ 5,031,219
Elementary and Secondary Education Act of 1965 (Title I)	604,380					604,380
Capital Project—Dedicated Sales Tax					25,539,682	25,539,682
Other Governmental Funds	<u>2,114,565</u>		<u>887,703</u>		<u>42,731</u>	<u>3,044,999</u>
Total	<u>\$2,718,945</u>	<u>\$ 5,310</u>	<u>\$887,703</u>	<u>\$ 773,685</u>	<u>\$ 29,834,637</u>	<u>\$ 34,220,280</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.

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

Disclosures relating to these plans follow:

A. TEACHERS' RETIREMENT SYSTEM

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

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 %	15.50 %
Teachers' Plan B	5.00	15.50

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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

B. SCHOOL EMPLOYEES' RETIREMENT SYSTEM

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 14.80% for the School System.

The School System's contributions to SERS for the years ended June 30, 2005, 2004 and 2003 were \$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. Based on this employer credit from previous years, the School System was not required to remit employer contributions to LSERS for the 2002/2003 fiscal year.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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, 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, 2005 and 2004 were as follows:

	2005	2004
Claims payable—beginning of year	\$ 407,817	\$ 407,817
Add (subtract) changes in estimates		
Deduct claims payments	<u>(1,000)</u>	<u> </u>
Claims payable—end of year	<u>\$ 406,817</u>	<u>\$ 407,817</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 \$200,000 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, 2005.

Changes in the workers' compensation claims payable liability for the years ended June 30, 2005 and 2004 were as follows:

	2005	2004
Workers' compensation claims payable—beginning of year	\$ 2,221,388	\$ 2,244,278
Add claims and changes in estimates	1,102,016	1,214,293
Deduct claims payments	<u>(1,295,756)</u>	<u>(1,237,183)</u>
Workers' compensation claims payable—end of year	<u>\$ 2,027,648</u>	<u>\$ 2,221,388</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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, 2005 and 2004, were as follows:

	2005	2004
General liability and property insurance payable—beginning of year	\$ 536,336	\$ 641,363
Add (subtract) changes in estimates	1,157,307	41,644
Deduct claims payments	<u>(449,202)</u>	<u>(146,671)</u>
General liability and property insurance payable—end of year	<u>\$ 1,244,441</u>	<u>\$ 536,336</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.

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.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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.

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.

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.

The reserved and unreserved components of fund balances at June 30, 2005, consist of the following:

	General Fund	Special Revenue	Debt Service	Capital Projects	Total
Reserved for:					
Encumbrances	\$ 742,750	\$ -	\$ -	\$ 1,862,655	\$ 2,605,405
Prepaid items	3,002,864				3,002,864
Debt service			29,153,613		29,153,613
Specific programs	<u>21,874,616</u>	<u>10,268,536</u>			<u>32,143,152</u>
Total	<u>25,620,230</u>	<u>10,268,536</u>	<u>29,153,613</u>	<u>1,862,655</u>	<u>66,905,034</u>
Unreserved—designated for— Capital additions and improvements				<u>65,947,038</u>	<u>65,947,038</u>
Total				<u>65,947,038</u>	<u>65,947,038</u>
Unreserved—undesignated	<u>22,338,776</u>				<u>22,338,776</u>
Total fund balance	<u>\$47,959,006</u>	<u>\$10,268,536</u>	<u>\$29,153,613</u>	<u>\$67,809,693</u>	<u>\$155,190,848</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

On the budgetary basis, the reserved and unreserved components of the General Fund balance at June 30, 2005, consist of the following:

Reserved for:	
Encumbrances	\$ 742,750
Prepaid items	3,002,864
Enhancements in teachers' pay and benefits	<u>21,874,616</u>
Total	25,620,230
Unreserved—undesignated fund balance	<u>21,596,026</u>
Total fund balance on budgetary basis	<u>\$ 47,216,256</u>

See Note 14 for subsequent event affecting fund balance.

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 2005, 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 4,884 active and 2,357 retired participating employees amounted to \$36,899,178 for 2005. For 2005, the School System's cost of premiums paid for retirees totaled \$12,790,152.

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.

Bank balances of \$225,125 at June 30, 2005 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 \$88,582.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

Capital Assets

A summary of changes in capital assets follows:

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
Land and improvements	\$ 31,620	\$ -	\$ -	\$ 31,620
Equipment	<u>146,396</u>	<u> </u>	<u> </u>	<u>146,396</u>
Total	<u>\$ 178,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,016</u>

Other Revenues

Other revenues of \$116,887 included on the Statement of Activities (Statement B) primarily represent donations from the community.

14. SIGNIFICANT SUBSEQUENT EVENT

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. The School System suspended instructional activities from August 29 until October 3, 2005 when most of the school facilities reopened, but with fewer students due to the continuing impact of relocations. As a result of significant damage to the area's housing supply, the School System projects significant reductions in property and sales tax revenues in fiscal 2006 as compared to the original budget and trends evidenced in recent years. Five schools and certain administrative offices were severely damaged by the hurricane and the uninsured portion of property losses are estimated at \$5 to \$10 million. The most recent estimates available indicate a projected deficit in the General Fund of approximately \$19 million in fiscal 2006 attributable to the hurricane and the disruption in the revenue base of the School System. The School System may have to borrow additional funds to manage its cash flows during the recovery phase in the aftermath of the hurricane.

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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, 2005

	Actual on Budgetary Basis	Revised Budget	Variance— Favorable (Unfavorable)
Local sources:			
Property taxes:			
Constitutional	\$ 6,871,278	\$ 6,722,152	\$ 149,126
Special maintenance	25,975,945	25,412,217	563,728
Teacher salaries	21,178,755	16,410,815	4,767,940
Sheriff's contribution to teachers' retirement	2,484,605	2,484,605	
Sales and use taxes	128,511,531	127,392,533	1,118,998
Tuition and other	387,137		387,137
Investment income	1,235,175	775,000	460,175
Rent and royalties	124,307	115,000	9,307
Hospitalization	218,357	750,000	(531,643)
Other	130,711	790,000	(659,289)
Total	<u>187,117,801</u>	<u>180,852,322</u>	<u>6,265,479</u>
State sources:			
Equalization	141,907,769	141,832,723	75,046
Revenue sharing	2,223,632	2,240,000	(16,368)
Grants in aid	733,298	572,000	161,298
Professional improvement program	1,551,552	1,553,237	(1,685)
Transportation	1,020,246	1,075,000	(54,754)
Total	<u>147,436,497</u>	<u>147,272,960</u>	<u>163,537</u>
Federal sources:			
Recovery of indirect costs		1,000,000	(1,000,000)
Restricted grants in aid:			
Other	600,463	550,000	50,463
Total	<u>600,463</u>	<u>1,550,000</u>	<u>(949,537)</u>
TOTAL REVENUES	<u>\$335,154,761</u>	<u>\$329,675,282</u>	<u>\$ 5,479,479</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, 2005

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
INSTRUCTION:			
Regular Programs:			
Salaries and benefits	125,492,183	125,362,729	\$ (129,454)
Materials and supplies	3,919,764	4,913,362	993,598
Equipment	387,891	196,050	(191,841)
Other	1,175,032	1,159,118	(15,914)
Total	130,974,870	131,631,259	656,389
Special Programs:			
Salaries and benefits	67,455,187	70,149,245	2,694,058
Materials and supplies	140,675	138,641	(2,034)
Equipment	11,353	19,900	8,547
Other	71,295	56,595	(14,700)
Total	67,678,510	70,364,381	2,685,871
Vocational Programs:			
Salaries and benefits	5,886,055	6,028,419	142,364
Materials and supplies	62,069	62,618	549
Other		1,400	1,400
Total	5,948,124	6,092,437	144,313
Other Instructional Programs:			
Salaries and benefits	5,778,258	5,301,460	(476,798)
Materials and supplies	27,819	32,700	4,881
Other	4,990	2,500	(2,490)
Total	5,811,067	5,336,660	(474,407)
Adult Continuing Education Program—Salaries and benefits	157,834	143,774	(14,060)
Total	157,834	143,774	(14,060)
Total Instruction	210,570,405	213,568,511	2,998,106
SUPPORTING SERVICES:			
For Students:			
Salaries and benefits	12,772,329	12,257,559	(514,770)
Materials and supplies	1,569	2,000	431
Equipment	3,323	3,974	651
Other	62,483	64,250	1,767
Total	12,839,704	12,327,783	(511,921)
For Instructional Staff:			
Salaries and benefits	5,896,553	5,753,880	(142,673)
Materials and supplies	367,779	374,899	7,120
Equipment	1,179	6,000	4,821
Other	108,434	127,723	19,289
Total	6,373,945	6,262,502	(111,443)

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, 2005**

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
SUPPORTING SERVICES - continued			
General Administration:			
Salaries and benefits	\$ 2,199,376	\$ 2,003,863	\$ (195,513)
Materials and supplies	44,351	45,561	1,210
Other	19,713,735	15,880,359	(3,833,376)
Total	21,957,462	17,929,783	(4,027,679)
School Administration:			
Salaries and benefits	21,721,760	21,155,447	(566,313)
Materials and supplies	45,761	45,659	(102)
Other	1,405,399	1,634,062	228,663
Total	23,172,920	22,835,168	(337,752)
Business Services:			
Salaries and benefits	1,861,647	1,796,546	(65,101)
Materials and supplies	188,378	80,101	(108,277)
Equipment	55,865	97,000	41,135
Other	1,065,485	927,479	(138,006)
Total	3,171,375	2,901,126	(270,249)
Operations Maintenance Services:			
Salaries and benefits	10,612,048	10,901,768	289,720
Materials and supplies	968,024	970,672	2,648
Equipment	23,732	21,200	(2,532)
Utilities	7,147,982	7,226,462	78,480
Insurance	1,562,072	1,829,767	267,695
Other	4,865,211	7,623,090	2,757,879
Total	25,179,069	28,572,959	3,393,890
Pupil Transportation Services:			
Salaries and benefits	14,967,121	15,212,421	245,300
Materials and supplies	22,435	25,525	3,090
Equipment	11,330	32,920	21,590
Other	461,272	310,250	(151,022)
Total	15,462,158	15,581,116	118,958
Central Activity Services:			
Salaries and benefits	2,392,201	2,371,867	(20,334)
Materials and supplies	207,665	203,029	(4,636)
Equipment	82,065	83,466	1,401
Other	273,458	331,494	58,036
Total	2,955,389	2,989,856	34,467
Total Supporting Services	111,112,022	109,400,293	(1,711,729)

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, 2005**

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
NON-INSTRUCTION—Food services:			
Other	<u>4,039</u>	<u>15,000</u>	<u>10,961</u>
Total	<u>4,039</u>	<u>15,000</u>	<u>10,961</u>
Total Non-Instruction	<u>4,039</u>	<u>15,000</u>	<u>10,961</u>
 TOTAL INSTRUCTION, SUPPORTING SERVICES AND NON-INSTRUCTION	 <u>\$ 321,686,466</u>	 <u>\$ 322,983,804</u>	 <u>\$ 1,297,338</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 Literacy 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.

Refugee and Entrant Assistance

Used to assist school districts heavily impacted by refugee students that need to provide supplementary services to that particular population and their parents.

Indian Education Act

Used to account on a project basis for funds allocated to programs designed to meet the special educational or culturally related academic needs of Indian children.

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.

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, 2005

	Total Non-Major Special Revenue	Total Non-Major Debt Service	Capital Projects— Capital Fund	Total
ASSETS				
Cash and investments	\$ 17,400,859	\$ 19,492,104	\$ 8,746,219	\$ 45,639,182
Accounts receivable	342,733			342,733
Due from other funds	2,086,179	9,661,509	603,334	12,351,022
Due from other governmental units	<u>9,034,179</u>	<u> </u>	<u> </u>	<u>9,034,179</u>
TOTAL ASSETS	<u>\$ 28,863,950</u>	<u>\$ 29,153,613</u>	<u>\$ 9,349,553</u>	<u>\$ 67,367,116</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ 6,455,462	\$ -	\$ 13,079	\$ 6,468,541
Retainages payable			1,852	1,852
Due to other funds	12,069,643		678,924	12,748,567
Due to other governmental units	70,278			70,278
Deferred revenue	<u>31</u>	<u> </u>	<u> </u>	<u>31</u>
Total liabilities	<u>18,595,414</u>	<u> </u>	<u>693,855</u>	<u>19,289,269</u>
FUND BALANCE:				
Reserved	10,268,536	29,153,613	54,709	39,476,858
Unreserved:				
Designated			8,600,989	8,600,989
Undesignated	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>10,268,536</u>	<u>29,153,613</u>	<u>8,655,698</u>	<u>48,077,847</u>
TOTAL	<u>\$ 28,863,950</u>	<u>\$ 29,153,613</u>	<u>\$ 9,349,553</u>	<u>\$ 67,367,116</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS—SPECIAL REVENUE COMBINING BALANCE SHEET AS OF JUNE 30, 2005

	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	\$ 29,520	\$ -	\$ 2,853,144	\$ -	\$2,341,423
Accounts receivable			2,060		
Due from other funds	165,714		11,195	30,484	22,826
Due from other governmental units	<u>382,250</u>	<u>29,331</u>	<u>3,245,971</u>	<u>180,305</u>	<u>681,131</u>
TOTAL	<u>\$ 577,484</u>	<u>\$ 29,331</u>	<u>\$ 6,112,370</u>	<u>\$ 210,789</u>	<u>\$3,045,380</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	\$ 284,298	\$ 14,743	\$ 2,660,708	\$ 90,556	\$ 5,401
Due to other funds	276,185	14,588	3,386,768	120,233	1,929,346
Due to other governmental units			63,323		
Deferred revenue	<u> </u>	<u> </u>	<u>31</u>	<u> </u>	<u> </u>
Total liabilities	<u>560,483</u>	<u>29,331</u>	<u>6,110,830</u>	<u>210,789</u>	<u>1,934,747</u>
FUND BALANCE:					
Reserved	17,001		1,540		1,110,633
Unreserved:					
Designated					
Undesignated	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>17,001</u>	<u> </u>	<u>1,540</u>	<u> </u>	<u>1,110,633</u>
TOTAL	<u>\$ 577,484</u>	<u>\$ 29,331</u>	<u>\$ 6,112,370</u>	<u>\$ 210,789</u>	<u>\$3,045,380</u>

Education for Economic Security Act Title II	Refugee and Entrant Assistance	Indian Education Act	Drug Free Schools and Communities	Title XIX School Nurse	After School Learning Center
\$ 3,407	\$ -	\$ -	\$ -	\$ 321,746	\$ -
3,319		115	48,387	44,032	900
<u>1,356,931</u>	<u>10,043</u>	<u>13,363</u>	<u>97,270</u>	<u> </u>	<u>127,364</u>
<u>\$ 1,363,657</u>	<u>\$ 10,043</u>	<u>\$ 13,478</u>	<u>\$ 145,657</u>	<u>\$ 365,778</u>	<u>\$ 128,264</u>
\$ 479,204	\$ 7,455	\$ 4,689	\$ 53,594	\$ -	\$ 88,876
884,453	2,588	8,789	92,063	66,614	39,388
<u>1,363,657</u>	<u>10,043</u>	<u>13,478</u>	<u>145,657</u>	<u>66,614</u>	<u>128,264</u>
				299,164	
				<u>299,164</u>	
<u>\$ 1,363,657</u>	<u>\$ 10,043</u>	<u>\$ 13,478</u>	<u>\$ 145,657</u>	<u>\$ 365,778</u>	<u>\$ 128,264</u>

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS—SPECIAL REVENUE COMBINING BALANCE SHEET AS OF JUNE 30, 2005

	Tuition Preschool	Adult Education	Community Education	Other Federal Programs	State Programs	Total
ASSETS						
Cash and investments	\$ 261,070	\$ 322,124	\$ 2,324,853	\$ -	\$ 8,943,572	\$ 17,400,859
Accounts receivable	1,100				339,573	342,733
Due from other funds	1,525	13,504		297	1,743,881	2,086,179
Due from other governmental units		<u>157,759</u>		<u>68,120</u>	<u>2,684,341</u>	<u>9,034,179</u>
TOTAL	<u>\$ 263,695</u>	<u>\$ 493,387</u>	<u>\$ 2,324,853</u>	<u>\$ 68,417</u>	<u>\$ 13,711,367</u>	<u>\$ 28,863,950</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES:						
Accounts payable and other liabilities	\$ -	\$ 71,191	\$ 328,915	\$ 48,719	\$ 2,317,113	\$ 6,455,462
Due to other funds	140,527	192,634	490,430	19,698	4,405,339	12,069,643
Due to other governmental units					6,955	70,278
Deferred revenue						<u>31</u>
Total liabilities	<u>140,527</u>	<u>263,825</u>	<u>819,345</u>	<u>68,417</u>	<u>6,729,407</u>	<u>18,595,414</u>
FUND BALANCE:						
Reserved	123,168	229,562	1,505,508		6,981,960	10,268,536
Unreserved: Designated Undesignated						
Total fund balance	<u>123,168</u>	<u>229,562</u>	<u>1,505,508</u>	<u>-</u>	<u>6,981,960</u>	<u>10,268,536</u>
TOTAL	<u>\$ 263,695</u>	<u>\$ 493,387</u>	<u>\$ 2,324,853</u>	<u>\$ 68,417</u>	<u>\$ 13,711,367</u>	<u>\$ 28,863,950</u>

(Concluded)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS—DEBT SERVICE

COMBINING BALANCE SHEET

AS OF JUNE 30, 2005

	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	Total
ASSETS							
Cash and investments	\$538,262	\$ 45,212	\$ 5,490,436	\$ 6,343	\$ 12,453,902	\$957,949	\$ 19,492,104
Due from other funds		5,357,824		4,303,685			9,661,509
TOTAL	<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>
LIABILITIES AND FUND BALANCE							
LIABILITIES:							
Accounts payable	\$	\$	\$	\$	\$	\$	\$
Due to other funds							
Total liabilities							
FUND BALANCE:							
Reserved	538,262	5,403,036	5,490,436	4,310,028	12,453,902	957,949	29,153,613
Total fund balance	538,262	5,403,036	5,490,436	4,310,028	12,453,902	957,949	29,153,613
TOTAL	<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>

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, 2005

	Total Non-Major Special Revenue	Total Non-Major Debt Service	Capital Projects - Capital Fund	Total
REVENUES:				
Local sources:				
Sales and use taxes	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000
Tuition and other	3,754,010			3,754,010
Interest income		685,257	237,985	923,242
Other	3,123,316	1,869	15,113	3,140,298
Federal sources	28,177,184			28,177,184
State sources	7,245,857			7,245,857
Total revenues	<u>42,300,367</u>	<u>687,126</u>	<u>4,253,098</u>	<u>47,240,591</u>
EXPENDITURES:				
Current:				
Instruction:				
Salaries and benefits	18,722,698			18,722,698
Supplies	5,383,686			5,383,686
Other	2,664,279			2,664,279
Total instruction	<u>26,770,663</u>			<u>26,770,663</u>
Supporting services:				
Salaries and benefits	9,473,123			9,473,123
Supplies	774,566			774,566
Other	2,286,645			2,286,645
Total supporting services	<u>12,534,334</u>			<u>12,534,334</u>
Non-instruction:				
Community services:				
Salaries and benefits	2,510,534			2,510,534
Supplies	62,830			62,830
Other	1,339,208			1,339,208
Total non-instruction	<u>3,912,572</u>			<u>3,912,572</u>
Capital Outlay:				
Construction costs			3,155,747	3,155,747
Architect fees			31,184	31,184
Administrative and other			425,014	425,014
Total capital outlay			<u>3,611,945</u>	<u>3,611,945</u>

(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, 2005

	Total Non-Major Special Revenue	Total Non-Major Debt Service	Capital Projects— Capital Fund	Total
Debt Service:				
Principal retirement		15,435,388		15,435,388
Interest and fiscal charges		12,288,995		12,288,995
Advance refunding escrow		5,718,509		5,718,509
Refunding bond issuance cost		533,286		533,286
Total debt service		33,976,178		33,976,178
Total expenditures	43,217,569	33,976,178	3,611,945	80,805,692
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(917,202)	(33,289,052)	641,153	(33,565,101)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,294,955	28,535,683	3,999	29,834,637
Transfers out	(1,657,296)	(887,703)	(500,000)	(3,044,999)
Payment to refunded bond escrow agent		(28,881,001)		(28,881,001)
Proceeds of refunding bonds		30,301,990		30,301,990
Total other financing sources (uses)—net	(362,341)	29,068,969	(496,001)	28,210,627
NET CHANGE IN FUND BALANCE	(1,279,543)	(4,220,083)	145,152	(5,354,474)
FUND BALANCES—Beginning of year	11,548,079	33,373,696	8,510,546	53,432,321
FUND BALANCES—End of year	\$ 10,268,536	\$ 29,153,613	\$ 8,655,698	\$ 48,077,847

(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, 2005

	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	\$ -	\$ -	\$ -	\$ -	\$ 739
Other	12,582				
Federal sources	1,386,087	138,362	12,732,825	865,633	6,155,078
State sources	170				
Total revenues	<u>1,398,839</u>	<u>138,362</u>	<u>12,732,825</u>	<u>865,633</u>	<u>6,155,817</u>
EXPENDITURES (All current):					
Instruction:					
Salaries and benefits	589,788	14,677	6,050,010		4,814,689
Supplies	124,947	21,431	2,297,469	83,152	171,851
Other	132,425	11,754	1,016,734	502,282	112,150
Total instruction	<u>847,160</u>	<u>47,862</u>	<u>9,364,213</u>	<u>585,434</u>	<u>5,098,690</u>
Supporting services:					
Salaries and benefits	470,560	79,397	2,980,367	261,329	373,047
Supplies		4,270			
Other	158		38,548	39,572	
Total supporting services	<u>470,718</u>	<u>83,667</u>	<u>3,018,915</u>	<u>300,901</u>	<u>373,047</u>
Non-instruction:					
Community services:					
Salaries and benefits	53,186	2,971			351,326
Supplies					
Other			8,022		81
Total non-instruction	<u>53,186</u>	<u>2,971</u>	<u>8,022</u>		<u>351,407</u>
Total expenditures	<u>1,371,064</u>	<u>134,500</u>	<u>12,391,150</u>	<u>886,335</u>	<u>5,823,144</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>27,775</u>	<u>3,862</u>	<u>341,675</u>	<u>(20,702)</u>	<u>332,673</u>

Education for Economic Security Act Title II	Refugee and Entrant Assistance	Indian Education Act	Drug Free Schools and Communities	Title XIX School Nurse	After School Learning Center
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,362,305	32,075	69,419	611,453	125 173,472	283,044
<u>4,362,305</u>	<u>32,075</u>	<u>69,419</u>	<u>611,453</u>	<u>173,597</u>	<u>283,044</u>
3,293,544	2,003	48,593	11,825		5,164
53,758	2,157	3,612	24,819		18,053
246,493	4,008	13,029	53,521		63,935
<u>3,593,795</u>	<u>8,168</u>	<u>65,234</u>	<u>90,165</u>		<u>87,152</u>
627,559	23,020	1,159	494,700	216,734	188,187
		1,064		4,973	
10,198		18	13,472	26,837	5
<u>637,757</u>	<u>23,020</u>	<u>2,241</u>	<u>508,172</u>	<u>248,544</u>	<u>188,192</u>
<u>4,231,552</u>	<u>31,188</u>	<u>67,475</u>	<u>598,337</u>	<u>248,544</u>	<u>275,344</u>
130,753	887	1,944	13,116	(74,947)	7,700

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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, 2005

	Tuition Preschool	Adult Education	Community Education	Other Federal Programs	State Programs	Total
REVENUES:						
Local sources:						
Tuition and other	\$ 497,674	\$ 79,398	\$ 2,748,241	\$	\$ 427,958	\$ 3,754,010
Other		152,584	110,179		2,847,846	3,123,316
Federal sources		611,721	190,369	378,092	187,249	28,177,184
State sources		349,424			6,896,263	7,245,857
Total revenues	<u>497,674</u>	<u>1,193,127</u>	<u>3,048,789</u>	<u>378,092</u>	<u>10,359,316</u>	<u>42,300,367</u>
EXPENDITURES (All current):						
Instruction:						
Salaries and benefits	291,098	512,012	43,947	2,241	3,043,107	18,722,698
Supplies		95,944	740,328	138,756	1,607,409	5,383,686
Other	475	83,218		33,586	390,669	2,664,279
Total instruction	<u>291,573</u>	<u>691,174</u>	<u>784,275</u>	<u>174,583</u>	<u>5,041,185</u>	<u>26,770,663</u>
Supporting services:						
Salaries and benefits	1,938	372,248	243,814	184,177	2,954,887	9,473,123
Supplies			4,686		759,573	774,566
Other		19,326	49,915	9,551	2,079,045	2,286,645
Total supporting services	<u>1,938</u>	<u>391,574</u>	<u>298,415</u>	<u>193,728</u>	<u>5,793,505</u>	<u>12,534,334</u>
Non-instruction:						
Community services:						
Salaries and benefits	85,908		1,943,957		73,186	2,510,534
Supplies					62,830	62,830
Other		3,876	159,587		1,167,642	1,339,208
Total non-instruction	<u>85,908</u>	<u>3,876</u>	<u>2,103,544</u>		<u>1,303,658</u>	<u>3,912,572</u>
Total expenditures	<u>379,419</u>	<u>1,086,624</u>	<u>3,186,234</u>	<u>368,311</u>	<u>12,138,348</u>	<u>43,217,569</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>118,255</u>	<u>106,503</u>	<u>(137,445)</u>	<u>9,781</u>	<u>(1,779,032)</u>	<u>(917,202)</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, 2005

	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	5		5,000	20,702	6,408
Transfers out	<u>(31,736)</u>	<u>(3,862)</u>	<u>(344,020)</u>		<u>(271,473)</u>
Total other financing sources (uses)—net	<u>(31,731)</u>	<u>(3,862)</u>	<u>(339,020)</u>	<u>20,702</u>	<u>(265,065)</u>
NET CHANGE IN FUND BALANCES	(3,956)		2,655		67,608
FUND BALANCES— Beginning of year	<u>20,957</u>		<u>(1,115)</u>		<u>1,043,025</u>
FUND BALANCES— End of year	<u>\$ 17,001</u>	<u>\$</u>	<u>\$ 1,540</u>	<u>\$</u>	<u>\$ 1,110,633</u>

Education for Economic Security Act Title II	Refugee and Entrant Assistance	Indian Education Act	Drug Free Schools and Communities	Title XIX School Nurse	After School Learning Center
3,233 <u>(127,347)</u>	<u>(887)</u>	<u>(1,944)</u>	<u>(13,116)</u>	<u> </u>	900 <u>(8,600)</u>
<u>(124,114)</u>	<u>(887)</u>	<u>(1,944)</u>	<u>(13,116)</u>	<u> </u>	<u>(7,700)</u>
6,639				(74,947)	
<u>(6,639)</u>	<u> </u>	<u> </u>	<u> </u>	<u>374,111</u>	<u> </u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,164</u>	<u>\$ -</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, 2005

	Tuition Preschool	Adult Education	Community Education	Other Federal Programs	State Programs	Total
OTHER FINANCING SOURCES (USES):						
Transfers in			6,533	296	1,251,878	1,294,955
Transfers out			(6,465)	(10,077)	(837,769)	(1,657,296)
Total other financing sources (uses)—net			68	(9,781)	414,109	(362,341)
NET CHANGE IN FUND BALANCES	118,255	106,503	(137,377)		(1,364,923)	(1,279,543)
FUND BALANCES—						
Beginning of year	4,913	123,059	1,642,885		8,346,883	11,548,079
FUND BALANCES—						
End of year	<u>\$123,168</u>	<u>\$ 229,562</u>	<u>\$ 1,505,508</u>	<u>\$ -</u>	<u>\$ 6,981,960</u>	<u>\$ 10,268,536</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, 2005

	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	Total
REVENUES:							
Local sources:							
Sales and use taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	46,750	44,001	230,049	25,417	314,266	24,774	685,257
Other						1,869	1,869
Total revenues	46,750	44,001	230,049	25,417	314,266	26,643	687,126
EXPENDITURES:							
Supporting services:							
Salaries and benefits							
Supplies							
Other							
Total supporting services							
Debt Service:							
Principal retirement	2,545,000	10,655,000		2,216,188		19,200	15,435,388
Interest and fiscal charges	439,523	3,664,490		8,155,308		29,674	12,288,995
Advance refunding escrow		691,946	5,026,563				5,718,509
Refunding bond issuance cost		533,286					533,286
Total debt service	2,984,523	15,544,722	5,026,563	10,371,496		48,874	33,976,178
Total expenditures	2,984,523	15,544,722	5,026,563	10,371,496		48,874	33,976,178
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,937,773)	(15,500,721)	(4,796,514)	(10,346,079)	314,266	(22,231)	(33,289,052)
OTHER FINANCING SOURCES (USES):							
Transfers in	3,000,000	14,349,770		11,185,913			28,535,683
Transfers out		(887,703)					(887,703)
Payment to refunded bond escrow agent		(28,881,001)					(28,881,001)
Proceeds of refunding bonds		30,301,990					30,301,990
Total other financing sources (uses)—net	3,000,000	14,883,056		11,185,913			29,068,969
NET CHANGE IN FUND BALANCES	62,227	(617,665)	(4,796,514)	839,834	314,266	(22,231)	(4,220,083)
FUND BALANCE— Beginning of year	476,035	6,020,701	10,286,950	3,470,194	12,139,636	980,180	33,373,696
FUND BALANCE— End of year	\$ 538,262	\$ 5,403,036	\$ 5,490,436	\$ 4,310,028	\$ 12,453,902	\$ 957,949	\$ 29,153,613

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, 2005

	Original Budget	Revised Budget	Actual on Budgetary Basis	Variance from Revised Budget Positive (Negative)
REVENUES:				
Federal sources	\$ 504,614	\$ 535,435	\$ 611,721	\$ 76,286
State sources	296,633	344,424	349,424	5,000
Tuition and other	<u>134,199</u>	<u>618,316</u>	<u>231,982</u>	<u>(386,334)</u>
Total revenues	<u>935,446</u>	<u>1,498,175</u>	<u>1,193,127</u>	<u>(305,048)</u>
EXPENDITURES:				
Instruction	596,571	637,629	691,174	(53,545)
Supporting	659,798	427,080	391,574	35,506
Non-instruction	<u></u>	<u></u>	<u>3,876</u>	<u>(3,876)</u>
Total expenditures	<u>1,256,369</u>	<u>1,064,709</u>	<u>1,086,624</u>	<u>(21,915)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(320,923)	433,466	106,503	(326,963)
FUND BALANCE—Beginning of year	<u>123,059</u>	<u>123,059</u>	<u>123,059</u>	<u></u>
FUND BALANCE—End of year	<u>\$ (197,864)</u>	<u>\$ 556,525</u>	<u>\$ 229,562</u>	<u>\$ (326,963)</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, 2005

	Original Budget	Revised Budget	Actual on Budgetary Basis	Variance from Revised Budget Positive (Negative)
REVENUES:				
Federal	\$ -	\$ -	\$ 190,369	\$ 190,369
Tuition and other	<u>3,725,254</u>	<u>3,166,133</u>	<u>2,858,420</u>	<u>(307,713)</u>
Total revenues	<u>3,725,254</u>	<u>3,166,133</u>	<u>3,048,789</u>	<u>(117,344)</u>
EXPENDITURES:				
Instruction	1,001,530	912,421	784,275	128,146
Supporting	269,496	272,486	298,415	(25,929)
Non-instruction	<u>2,454,228</u>	<u>1,915,677</u>	<u>2,103,544</u>	<u>(187,867)</u>
Total expenditures	<u>3,725,254</u>	<u>3,100,584</u>	<u>3,186,234</u>	<u>(85,650)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		65,549	(137,445)	(202,994)
OTHER FINANCING SOURCES (USES)				
Transfer in			6,533	6,533
Transfer out			<u>(6,465)</u>	<u>(6,465)</u>
Total other financing sources (uses)—net			<u>68</u>	<u>68</u>
NET CHANGE IN FUND BALANCE		65,549	(137,377)	(202,926)
FUND BALANCE—Beginning of year	<u>1,642,885</u>	<u>1,642,885</u>	<u>1,642,885</u>	
FUND BALANCE—End of year	<u>\$ 1,642,885</u>	<u>\$ 1,708,434</u>	<u>\$ 1,505,508</u>	<u>\$ (202,926)</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.

Stadium Fund

Used to account for funds generated for the operation of the Yenni, Memtsas and Bonnabel Stadiums.

School System Event Fund

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Page 1 of 2

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES—ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005**

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
SCHOOL AND STUDENT ACTIVITY FUNDS				
ASSETS—Cash and investments	<u>\$ 4,233,701</u>	<u>\$ 8,324,578</u>	<u>\$ 8,415,526</u>	<u>\$ 4,142,753</u>
LIABILITIES:				
Due to student groups	\$ 1,508,069	\$ 488,103	\$ 143,324	\$ 1,852,848
Due to schools	2,724,860	7,813,489	8,249,836	2,288,513
Due to others	<u>772</u>	<u>22,986</u>	<u>22,366</u>	<u>1,392</u>
TOTAL	<u>\$ 4,233,701</u>	<u>\$ 8,324,578</u>	<u>\$ 8,415,526</u>	<u>\$ 4,142,753</u>
SCHOOL PICTURE FUND				
ASSETS—Cash and investments	<u>\$ 45,043</u>	<u>\$ 9,200</u>	<u>\$ 12,043</u>	<u>\$ 42,200</u>
LIABILITIES—Due to photographers	<u>\$ 45,043</u>	<u>\$ 9,200</u>	<u>\$ 12,043</u>	<u>\$ 42,200</u>
STADIUM FUND				
ASSETS—Cash and investments	<u>\$ 8,088</u>	<u>\$</u>	<u>\$ 8,088</u>	<u>\$</u>
LIABILITIES—Due to stadium clubs	<u>\$ 8,088</u>	<u>\$</u>	<u>\$ 8,088</u>	<u>\$</u>
SCHOOL SYSTEM EVENT FUND				
ASSETS—Cash and investments	<u>\$ 7,358</u>	<u>\$ 34</u>	<u>\$ 448</u>	<u>\$ 6,944</u>
LIABILITIES—Due to participants	<u>\$ 7,358</u>	<u>\$ 34</u>	<u>\$ 448</u>	<u>\$ 6,944</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Page 2 of 2

AGENCY FUNDS**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES—ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005**

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
TOTALS—ALL AGENCY FUNDS				
ASSETS—Cash and investments	<u>\$ 4,294,190</u>	<u>\$ 8,333,812</u>	<u>\$ 8,436,105</u>	<u>\$ 4,191,897</u>
LIABILITIES:				
Due to student groups	\$ 1,508,069	\$ 488,103	\$ 143,324	\$ 1,852,848
Due to schools	2,724,860	7,813,489	8,249,836	2,288,513
Due to others	772	22,986	22,366	1,392
Due to photographers	45,043	9,200	12,043	42,200
Due to stadium clubs	8,088		8,088	0
Due to participants	<u>7,358</u>	<u>34</u>	<u>448</u>	<u>6,944</u>
TOTAL	<u>\$ 4,294,190</u>	<u>\$ 8,333,812</u>	<u>\$ 8,436,105</u>	<u>\$ 4,191,897</u>

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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, 2005

Board Member	Number of Days Served	Compensation
Karen Barnes	365	\$ 9,600
Gene Katsanis	365	10,100
Martin B. Marino	365	9,600
Libby Moran	365	9,600
Julie Quinn	166	8,000
Ray St. Pierre	365	10,300
Judy Colgan	365	9,600
William Boustead	46	945
Mark Morgan	365	9,600
Etta Licciardi	319	8,655
John Cameron Henry	199	<u>1,600</u>
TOTAL		<u>\$ 87,600</u>

STATISTICAL SECTION

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JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 1
Page 1 of 2

GOVERNMENT-WIDE EXPENSES BY FUNCTION LAST TEN FISCAL YEARS (1)

Fiscal Year	Regular Programs	Special Programs	Vocational Programs	Other Instr. Programs	Student Services	Instr. Staff Support	General Administration	School Administration
2002	\$ 125,461,159	\$ 94,943,142	\$ 6,018,090	\$ 4,552,075	\$ 23,601,641	\$ 5,228,678	\$ 17,061,524	\$ 20,022,188
2003	108,376,681	78,803,128	11,164,128	4,398,886	23,601,741	5,226,844	18,501,140	20,420,825
2004	129,257,222	92,807,479	11,350,759	4,188,659	27,323,178	5,798,273	20,360,294	22,051,531
2005	133,719,096	105,806,109	11,712,865	6,702,742	30,993,517	6,399,284	22,006,686	23,290,537

NOTE:

(1) The provisions of GASB Statement No. 34 were adopted in fiscal year 2002, and thus information included in this schedule is available only for fiscal years since implementation.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 1
Page 2 of 2

GOVERNMENT-WIDE EXPENSES BY FUNCTION LAST TEN FISCAL YEARS (1)

Fiscal Year	Business Services	Oper. Maint. Services	Pupil Transp. Services	Central Activity Services	Interest Expense	Other Expenses	Food Service	Total
2002	\$ 2,628,003	\$ 20,923,100	\$ 14,602,510	\$ 2,909,779	\$ 9,977,023	\$ 4,435,348	\$ 17,035,660	\$ 369,399,910
2003	2,421,493	21,913,049	14,000,876	2,868,284	9,653,912	5,424,737	17,760,412	344,536,136
2004	2,624,869	23,857,473	14,424,779	2,833,476	9,026,543	4,820,290	17,875,997	388,600,822
2005	3,120,348	25,228,363	15,526,724	3,031,972	8,205,027	4,750,557	18,924,850	419,418,677

NOTE:

(1) The provisions of GASB Statement No. 34 were adopted in fiscal year 2002, and thus information included in this schedule is available only for fiscal years since implementation.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 2

GOVERNMENT-WIDE REVENUES

LAST TEN FISCAL YEARS (1)

Fiscal Year	Charges For Services	Operating Grants and Contributions	Taxes	State Revenue Sharing	Minimum Foundation Program	Investment Earnings	Total
2002	\$ 9,028,714	\$ 62,455,343	\$ 169,681,394	\$ 1,977,538	\$ 128,628,700	\$ 1,827,076	\$ 373,598,765
2003	10,390,096	70,581,482	173,247,576	2,133,847	134,409,500	1,945,935	392,708,436
2004	8,533,685	77,576,200	197,154,948	2,113,205	138,164,733	1,373,340	424,916,111
2005	6,530,243	85,060,106	210,073,777	2,223,632	141,907,769	3,057,139	448,852,666

NOTE:

(1) The provisions of GASB Statement No. 34 were adopted in fiscal year 2002, and thus information included in this schedule is available only for fiscal years since implementation.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 3

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1) LAST TEN FISCAL YEARS

Fiscal Year	Instruction	Supporting Services	Non Instruction	Capital Projects	Debt Service	Total
1996	\$ 175,752,934	\$ 88,532,760	\$ 2,730,536	\$ 11,082,715	\$ 24,126,768	\$ 302,225,713
1997	176,829,650	88,099,569	2,927,279	12,715,760	27,852,599	308,424,857
1998	190,503,938	97,218,622	3,167,512	25,262,482	27,489,077	343,641,631
1999	199,604,462	103,847,386	3,103,618	19,498,716	25,988,795	352,042,977
2000	195,210,137	102,637,693	3,862,697	19,639,243	26,126,871	347,476,641
2001	196,157,065	103,831,878	4,042,993	16,164,940	26,059,569	346,256,445
2002	212,829,709	106,733,056	4,435,348	7,643,537	26,974,502	358,616,152
2003	216,795,492	110,652,773	4,874,737	12,486,115	27,611,931	372,421,048
2004	225,439,655	116,314,650	4,201,540	18,776,670	27,691,312	392,423,827
2005	254,594,405	129,170,601	4,750,557	11,708,173	33,976,178	434,199,914

NOTES:

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 4

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1) LAST TEN FISCAL YEARS

Fiscal Year	Local Taxes (2)	Tuition From Patrons	Other Local Sources	Total Local Sources	State Sources	Federal Sources	Total Revenue
1996	\$ 144,309,032	\$ 899,635	\$ 18,647,725	\$ 163,856,392	\$ 128,390,952	\$ 21,650,552	\$ 313,897,896
1997	141,224,287	862,330	14,975,087	157,061,704	130,292,132	20,157,384	307,511,220
1998	150,025,665	668,431	12,441,043	163,135,139	139,704,333	20,960,947	323,800,419
1999	155,743,752	760,113	10,761,654	167,265,519	140,483,130	31,453,281	339,201,930
2000	162,274,993	630,754	12,876,321	175,782,068	132,886,448	26,287,326	334,955,842
2001	165,572,625	468,807	11,409,533	177,450,965	130,552,400	28,541,150	336,544,515
2002	169,681,394	538,394	10,074,825	180,294,613	140,404,521	36,034,621	356,733,755
2003	173,247,576	882,966	11,913,387	186,043,929	146,918,941	41,967,849	374,930,719
2004	197,154,948	390,410	11,407,003	208,952,361	155,126,600	42,739,695	406,818,656
2005	210,073,777	387,137	12,936,916	223,397,830	154,682,354	51,819,679	429,899,863

NOTES:

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

(2) Includes penalty collections and other judgments.

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JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Current Tax Collections (1)	Percent of Tax Collected	Prior Year Delinquent Tax Collections(2)
1996	\$18,524,536	\$17,284,619	93.31	\$393,314
1997	19,089,340	17,849,204	93.50	502,384
1998	20,795,797	19,522,926	93.88	280,008
1999	21,463,437	19,935,225	92.88	218,804
2000	22,413,109	21,097,349	94.13	361,988
2001	22,579,160	21,300,482	94.34	231,491
2002	23,554,730	22,317,035	94.75	181,826
2003	27,561,570	25,803,168	93.62	376,514
2004	47,208,280	44,102,315	93.42	497,272
2005	55,588,613	51,618,591	92.86	383,884

NOTES:

(1) The Jefferson Parish Sheriff's Office is the collecting agent for the School System.

(2) Includes interest and penalty collections and other judgments.

(3) Includes uncollected from the current year net of adjustments.

(4) Information not available at report date.

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

TABLE 5

Total Cash Collections (2)	Percent of Total Collections to Tax Levy	Outstanding Delinquent Taxes (3)	Percent of Delinquent Taxes to Tax Levy
\$ 17,677,933	95	\$ 361,151	1.95
18,351,588	96	336,837	1.76
19,802,934	95	311,569	1.5
20,154,029	94	495,587	2.31
21,459,337	96	315,246	1.41
21,531,973	95	380,602	1.68
22,498,861	96	350,627	1.49
26,179,682	95	573,043	2.08
44,599,587	94	932,259	1.97
52,002,475	94	(4)	(4)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

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

Fiscal Year	Real Estate		Personal Property		Public Service Corporations	
	Assessed	%	Assessed	%	Assessed	%
1996	\$1,440,022,891	73	\$364,135,874	18	\$171,358,058	9
1997	1,564,855,075	73	438,154,011	20	154,277,510	7
1998	1,595,029,436	72	472,388,103	21	149,245,410	7
1999	1,631,708,266	72	493,452,914	22	145,438,910	6
2000	1,684,119,181	72	519,893,233	22	147,724,350	6
2001	1,921,142,597	73	541,881,164	21	150,637,040	6
2002	1,981,373,517	74	538,255,199	20	157,501,910	6
2003	2,037,485,267	74	561,606,346	20	154,998,240	6
2004	2,100,548,350	74	590,918,697	21	156,895,420	5
2005	2,442,875,574	76	612,248,156	19	155,024,900	5

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.

TABLE 6

Total Assessed	%	Homestead Exempt	Taxable Value
\$1,975,516,823	100	\$653,914,820	\$1,321,602,003
2,157,286,596	100	700,028,120	1,457,258,476
2,216,662,949	100	704,683,990	1,511,978,959
2,270,600,090	100	709,415,760	1,561,184,330
2,351,736,764	100	717,916,540	1,633,820,224
2,613,660,801	100	749,726,810	1,863,933,991
2,677,130,626	100	751,619,260	1,925,511,366
2,754,089,853	100	757,470,200	1,996,619,653
2,848,362,467	100	761,202,740	2,087,159,727
3,210,148,630	100	783,759,710	2,426,388,920

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**TABLE 7****PROPERTY TAX RATES—ALL DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS**

Fiscal Year	Jefferson Parish Public School System				Jefferson Parish	Parish Other	Total
	Maintenance and Operation	Teachers' Salaries and Benefits Increases	Debt Service	Total			
1996	0.69	0.00	0.31	1.00	1.40	0.65	3.05
1997	0.62	0.00	0.27	0.89	1.26	0.66	2.81
1998	0.73	0.00	0.30	1.03	1.31	0.69	3.03
1999	0.957	0.00	0.003	0.96	1.30	0.68	2.94
2000	0.967	0.00	0.003	0.97	1.31	0.68	2.96
2001	0.889	0.00	0.001	0.89	1.35	0.70	2.94
2002	0.890	0.00	0.000	0.89	1.44	0.71	3.04
2003	1.01	0.00	0.000	1.01	1.42	0.71	3.14
2004	1.02	0.66	0.000	1.68	1.43	0.72	3.83
2005	1.05	0.68	0.000	1.73	1.33	0.74	3.80

Source: Jefferson Parish, Louisiana December 31, 2004 CAFR.

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JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value (In Thousands)	Gross Bonded Debt (2)	Debt Service Monies Available (2)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value
1996	\$ 1,975,517	\$ 11,275,000	\$ 195,948	\$ 11,079,052	0.56 %
1997	2,157,287	6,795,000	770,402	6,024,598	0.28 %
1998	2,216,663	2,840,000	2,287,773	552,227	0.02 %
1999	2,270,600	22,050,000	138,807	21,911,193	0.96 %
2000	2,351,737	19,995,000	225,536	19,769,464	0.84 %
2001	2,613,661	17,890,000	317,009	17,572,991	0.67 %
2002	2,677,131	15,685,000	333,247	15,351,753	0.57 %
2003	2,754,090	13,370,000	417,621	12,952,379	0.47 %
2004	2,848,362	10,945,000	476,035	10,468,965	0.37 %
2005	3,210,149	8,400,000	538,262	7,861,738	0.24 %

NOTE:

(1) Estimates based on data from Louisiana Tech University, obtained from Jefferson Parish, Louisiana December 31, 2004 CAFR.

(2) Includes only Ad Valorem Tax Bonds.

TABLE 8

Parish Population (1)	Net Bonded Debt Per Capita	Assessed Valuation Per Capita
458,456	24	\$ 4,706
455,741	13	4,864
453,160	1	5,011
453,165	48	5,190
454,447	44	5,751
455,466	39	5,878
453,116	34	6,078
455,927	28	6,247
456,779	23	7,028
457,059	17	7,023

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**TABLE 9****COMPUTATION OF LEGAL DEBT MARGIN
AS OF JUNE 30, 2005**

2004 total appraised valuation for school tax purposes		\$3,210,148,630
Debt limit percentage		<u>10 %</u>
Legal debt limit		321,014,863
Total bonded debt	\$ 8,400,000	
Less reserve for retirement of bonded debt	<u>538,262</u>	
Net bonded debt applicable to debt limit		<u>7,861,738</u>
Legal debt margin		<u>\$ 313,153,125</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**TABLE 10****COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)
AS OF JUNE 30, 2005**

	Net Bonded Debt	Percentage Applicable to the System	System Share of Debt
Jefferson Parish Public School System	\$ 7,861,738	100	\$ 7,861,738
Jefferson Parish	37,245,000	100	37,245,000
City of Kenner	260,000	100	260,000
WJ Levee District	<u>156,000</u>	100	<u>156,000</u>
Total direct and overlapping debt	<u>\$45,522,738</u>		<u>\$ 45,522,738</u>
Taxable assessed valuation			\$2,426,388,920
Ratio of direct and overlapping debt to taxable assessed valuation			1.88 %
Direct and overlapping debt per capita			\$ 100

NOTE:

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**TABLE 11****RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT (2)
TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS**

Fiscal Year	Principal (2)	Interest and Fiscal Charges (2)	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to General Expenditures
1996	\$ 4,225,000	\$ 823,865	\$ 5,048,865	\$ 302,225,713	1.7 %
1997	4,480,000	590,480	5,070,480	308,424,857	1.6 %
1998	3,955,000	349,650	4,304,650	343,641,631	1.3 %
1999	2,790,000	129,300	2,919,300	352,042,977	0.8 %
2000	2,055,000	973,823	3,028,823	347,476,641	0.9 %
2001	2,005,000	950,523	2,955,523	346,256,445	0.9 %
2002	2,205,000	724,522	2,929,522	358,616,152	0.8 %
2003	2,315,000	616,729	2,931,729	372,421,048	0.8 %
2004	2,425,000	531,374	2,956,374	392,423,827	0.8 %
2005	2,545,000	439,523	2,984,523	434,199,914	0.7 %

NOTE:

(1) Per Table 3.

(2) Includes only Ad Valorem Tax Bonds.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**TABLE 12****DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Parish Population (1)	Average Daily Membership (2)	Average Daily Attendance (2)	Percent of Attendance
1996	458,456	52,008	48,960	94.1
1997	455,741	52,024	48,960	94.1
1998	453,160	52,032	49,128	94.4
1999	453,165	49,472	44,125	89.2
2000	454,447	48,974	43,681	89.2
2001	455,466	49,845	46,491	93.3
2002	453,116	50,078	46,713	93.3
2003	455,927	49,931	46,486	93.1
2004	456,779	50,526	46,903	92.8
2005	457,059	50,334	46,356	92.1

NOTES:

(1) Estimates based on data from Louisiana Tech University, obtained from Jefferson Parish CAFR.

(2) Source: State Annual Financial and Statistical Report.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

PROPERTY VALUE AND CONSTRUCTION LAST TEN FISCAL YEARS

Fiscal Year	Assessed Property Value	Residential Construction			
		Single Family Units	Value	Multi Family Units	Value
1996	\$1,975,516,823	556	\$35,644,000	348	\$ 8,719,000
1997	2,157,286,596	494	32,575,000	211	7,206,000
1998	2,216,662,949	492	30,847,000	24	887,000
1999	2,270,600,090	597	49,594,000	9	1,743,000
2000	2,351,736,764	744	102,514,000	5	3,981,000
2001	2,613,660,801	532	79,519,000	2	1,838,000
2002	2,677,130,626	578	80,427,000	1	12,883,000
2003	2,754,089,853	776	105,429,000	6	17,819,000
2004	2,848,362,467	970	131,006,000	2	1,210,000
2005	3,210,148,630	1,035	142,986,000	3	6,065,000

Source: Jefferson Parish Assessor's Office, Finance Department, and Department of Inspection and Code Enforcement.

TABLE 13

Commercial Public Buildings and Other Construction Value	Total Permit Valuation
\$ 150,432,000	\$ 194,795,000
118,833,000	158,614,000
106,391,000	138,125,000
157,023,000	208,360,000
188,268,000	294,763,000
192,956,000	274,313,000
235,768,000	329,078,000
176,502,000	299,750,000
185,185,000	317,401,000
197,682,000	346,733,000

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**TABLE 14****PRINCIPAL TAXPAYERS**

Name of Taxpayer	Type of Business	Assessed Valuation	Percent of Total Assessed Valuation
Entergy Services Inc.	Electric Utility	\$ 57,445,221	1.79 %
BellSouth	Telephone Utility	40,471,870	1.26
Hibernia National Bank	Financial Institution	21,625,780	0.67
Causeway Associates	Shopping Mall	16,700,000	0.52
Atmos Energy	Utility	14,667,480	0.46
Banc One Management Corp.	Financial Institution	12,583,018	0.39
Whitney National Bank	Financial Institution	11,132,976	0.35
Regions Bank	Financial Institution	8,090,611	0.25
Nothrop Grumman Ship System	Shipbuilding	6,707,409	0.21
Cargill Inc.	Industry	<u>5,826,318</u>	<u>0.18</u>
		<u>\$ 195,250,683</u>	<u>6.08 %</u>

Source: Jefferson Parish Assessor's Office.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 15

MISCELLANEOUS INFORMATION

COMPARATIVE AVERAGE COST PER PUPIL:

Year	Total Expenditures(1)	Daily Membership	Cost Per Pupil
1996	\$ 302,225,713	52,008	\$ 5,811
1997	308,424,857	52,024	5,929
1998	343,641,631	52,032	6,604
1999	352,042,977	49,472	7,116
2000	347,476,641	48,974	7,095
2001	346,256,445	49,845	6,947
2002	358,616,152	50,078	7,161
2003	372,421,048	49,931	7,459
2004	392,423,827	50,526	7,767
2005	434,199,194	50,334	8,626

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

STATISTICAL INFORMATION BASED ON AVERAGE DAILY MEMBERSHIP:

	2005	2004	2003	2002	2001
Average daily membership	50,334	50,526	49,931	50,078	49,845
State and federal funds	\$ 4,103	\$ 3,916	\$ 3,783	\$ 3,523	\$ 3,192
Local funds received	4,438	4,136	3,726	3,600	3,560
Tax levied	1,104	934	543	470	453
Outstanding bonds	3,389	3,126	3,079	3,878	2,995

MISCELLANEOUS STATISTICS:

Schools:	
Senior High Schools	10
Middle Schools	15
Elementary	55
Kindergarten	2
Special	2
Career Center	1
	<hr/>
	85
	<hr/>
Staff:	
Total employees	7,559
Teachers	3,494

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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.

The Iowa Test (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.

Rebove & Company

February 3, 2006

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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, 2005

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 150,671,122	
Other instructional staff activities		
Employee benefits	54,142,179	
Purchased professional and technical services	1,189,544	
Instructional materials and supplies	4,731,378	
Less instructional equipment	(399,244)	
Total teacher and student interaction activities		\$ 210,334,979

Other instructional activities

Pupil support activities	12,831,525	
Less equipment for pupil support activities	(3,323)	
Net pupil support activities		12,828,202

Instructional Staff Services	6,551,599	
Less equipment for instructional staff services	(1,179)	
Net instructional staff services		6,550,420

Total general fund instructional expenditures \$ 229,713,601

Total general fund equipment expenditures \$ 406,746

Certain Local Revenue Sources

Local taxation revenue:

Constitutional ad valorem taxes	\$ 6,871,278
Renewable ad valorem tax	47,154,701
Debt service ad valorem tax	
Up to 1% of collections by the Sheriff on taxes other than school taxes	2,484,605
Sales and use taxes	128,511,531
Total local taxation revenue	<u>\$ 185,022,115</u>

Local earnings on investment in real property:

Earnings from 16th section property	\$ 33,234
Earnings from other real property	
Total local earnings on investment in real property	<u>\$ 33,234</u>

State revenue in lieu of taxes:

Revenue sharing—constitutional tax	\$ 457,138
Revenue sharing—other taxes	1,766,494
Revenue sharing—excess portion	
Other revenue in lieu of taxes	

Total state revenue in lieu of taxes \$ 2,223,632

Nonpublic textbook revenue \$ 633,332

Nonpublic transportation revenue \$ 1,020,246

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
Schedule 2
**EDUCATION LEVELS OF PUBLIC SCHOOL STAFF
AS OF OCTOBER 1, 2004**

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	10				
Bachelor's Degree	2,345	69	87	76				
Master's Degree	825	24	16	14	97	63		
Master's Degree +30	228	7			53	34		
Specialist in Education	9							
Ph. D. or Ed. D.	9				4	3		
Total	3,416	100	114	100	154	100		

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**Schedule 3****NUMBER AND TYPE OF PUBLIC SCHOOL
FOR THE YEAR ENDED JUNE 30, 2005**

Type	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, 2004**

	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	4	8	13	9	32	66
Principals	0	0	2	6	4	7	69	88
Classroom Teachers	330	277	825	324	355	359	1,036	3,506
Total	330	277	831	338	372	375	1,137	3,660

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Schedule 5

PUBLIC SCHOOL STAFF DATA FOR THE YEAR ENDED JUNE 30, 2005

	All Classroom <i>Teachers</i>	Classroom Teachers Excluding ROTC And Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$41,159	\$41,007
Average Classroom Teacher's Salary Excluding Extra Compensation	\$40,656	\$40,599
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	3,531	3,506

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 , 2004 - 2005
AS OF OCTOBER 1, 2004**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	33	1,454	50	2,178	7	722		
Elementary Activity Classes	34	234	40	275	18	126	8	58
Middle/Jr. High	21	450	17	352	62	1,315		
Middle/Jr. High Activity Classes	67	268	11	42	10	39	13	50
High	34	1,005	11	326	55	1,599		
High Activity Classes	74	478	4	24	8	52	14	90
Combination	94	73	6	5				
Combination Activity Classes	97	28	3	1				

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					
	2005			2004			2003			2005		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 4												
Advanced	94	3		87	2		41	1		73	2	
Mastery	655	17		608	14		489	12		486	13	
Basic	1,570	42		1,737	40		1,795	44		1,572	42	
Approaching Basic	838	22		1,042	24		1,101	27		835	22	
Unsatisfactory	598	16		868	20		653	16		787	21	
Total	3,755	100		4,342	100		4,079	100		3,753	100	
										4,342	100	
										4,075		

District Achievement Level Results	Science						Social Studies					
	2005			2004			2003			2005		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 8												
Advanced	36	1		36	1		37	1		20	1	
Mastery	410	12		473	13		374	10		394	11	
Basic	1,217	34		1,202	33		1,197	32		1,522	43	
Approaching Basic	1,182	34		1,056	29		1,272	34		799	23	
Unsatisfactory	669	19		875	24		860	23		761	22	
Total	3,514	100		3,642	100		3,740	100		3,496	100	
										3,637	100	
										3,731		

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Schedule 8

THE GRADUATION EXIT EXAM FOR THE 21ST CENTURY

District Achievement Level Results	English Language Arts						Mathematics					
	2005			2004			2003			2005		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 10												
Advanced	16	1		27	1		35	1		142	5	
Mastery	320	11		418	15		245	7		320	11	
Basic	1,252	44		1,114	40		1,084	31		1,039	36	
Approaching Basic	743	26		613	22		909	26		453	16	
Unsatisfactory	526	18		613	22		1,224	35		906	32	
Satisfactory	N/A	N/A		N/A	N/A		N/A	N/A		N/A	N/A	
Total	2,857	100		2,785	100		3,497	100		2,860	100	
										2,794	100	
										3,780	N/A	
										N/A	N/A	

District Achievement Level Results	Science						Social Studies					
	2005			2004			2003			2005		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 11												
Advanced	50	2		51	2		53	2		10	1	
Mastery	280	11		308	12		263	10		156	6	
Basic	911	38		949	37		948	36		1,183	49	
Approaching Basic	676	28		667	26		658	25		560	23	
Unsatisfactory	499	21		591	23		711	27		502	21	
Satisfactory	N/A	N/A		N/A	N/A		N/A	N/A		N/A	N/A	
Total	2,416	100		2,566	100		2,633	100		2,411	100	
										2,568	100	
										2,610	N/A	
										N/A	N/A	

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Schedule 9

THE IOWA TESTS

	Composite		
	2005	2004	2003
Test of Basic Skills (ITBS)			
Grade 3	50	50	47
Grade 5	52	52	50
Grade 6	39	38	37
Grade 7	44	43	42
Tests of Educational Development (ITED)			
Grade 9	44	43	41

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

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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, 2005

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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*

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 as of and for the year ended June 30, 2005, which collectively comprise the School System's basic financial statements and have issued our report thereon dated January 31, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered School System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 that are required to be reported under *Government Auditing Standards*. We noted immaterial instances of noncompliance that we have reported to the management of the School System in a separate letter dated January 31, 2006.

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

January 31, 2006

Reboire & Company

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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 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The 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 grants 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; 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, 2005. 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 05-1.

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 grants 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 internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud 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 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 School System as of and for the year ended June 30, 2005 and have issued our report thereon dated January 31, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School System's basic financial statements. 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 for the information 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.

Rebore & Company

January 31, 2006

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Year Ended June 30, 2005

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>U.S. Department of Education</u> Direct Programs: Elementary and Secondary Education Act ("ESEA"), Title IV, Part A Crisis Grant 03-04	84.184E	Q184E030482	\$ 385,707	\$ 166,317 166,317	\$ 166,317 166,317
ESEA of 1965, Title IV, Part B After School Learning Center 03-04 LA 21st Century 04-05	84.287B 84.287	S287B010562 28-05-CC-26	808,500 353,178	7,119 275,925 283,044	7,119 275,925 283,044
ESEA of 1965, Title VII Wings 03-04	84.288S	T288S000204-03	148,229	3,079 3,079	3,079 3,079
ESEA of 1965, Title IX, Part C (P.L. 103-382) Indian Education 03-04 Indian Education 04-05	84.060 84.060	S060A030968 S060A040968	57,376 67,008	2,411 67,008 69,419	2,411 67,008 69,419
Total Direct Programs				521,859	521,859
<u>U.S. Department of Education</u> Passed-Through State Department of Education: ESEA of 1965, Title I, Part A Title I - Educationally Deprived Children 03-04 Title I - Educationally Deprived Children 04-05 Title I - Educationally Deprived Children 03-04 c/o Title I - School Improvements 04-05	84.010A 84.010A 84.010A 84.010A	04-T1-26 28-05-T1-26 04-T1-26-C 04-TA-26	17,284,026 20,749,131 877,613 46,200	3,457,858 15,306,458 877,613 24,593 19,666,522	3,457,828 15,306,458 877,613 24,593 19,666,492
ESEA of 1965, Title I, Part B Even Start 03-04 Even Start 04-05	84.213C 84.313C	04-F1-26 05-F1-26	724,978 535,602	105,263 458,389 563,652	105,263 458,389 563,652
Reading First 03-04 Reading First 04-05	84.357A 84.357A	(1) (1) 03-RF-26 04-RF-26	1,510,910 1,255,186	1,402,894 885,778 2,288,672	1,402,894 885,778 2,288,672

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
Year Ended June 30, 2005

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 I, Part C					
Migrant Education Recruiter 02-03	84.011A	03-MI-26-C	\$ 25,219	\$ 20,160	\$ 20,160
Migrant Education Recruiter 03-04	84.011A	4-MI-26	150,099	22,351	22,351
Migrant Education 04-05	84.011A	05-MI-26	157,099	136,610	136,610
				179,121	179,121
ESEA of 1965, Title I, Part E					
Comprehensive School Reform Program 03-04 Cohort #2	84.332A	03-T4-26-C	56,482	2,194	2,194
Comprehensive School Reform Program 03-04 Cohort #3	84.332A	03-T6-26-C	282,410	47,918	47,918
Comprehensive School Reform Program 04-05 Cohort #3	84.332A	04-T6-26-C	349,075	283,693	283,693
				333,805	333,805
Carl D. Perkins Vocational & Technology Education Act of 1998, Title I					
Basic Grant	84.048	28-05-02-26	884,483	848,424	848,424
Basic Grant 04-05 c/o	84.048	28-04-02-26C	17,784	17,209	17,209
				865,633	865,633
ESEA of 1965, Title V, Part D					
JAVTS Gifted and Talented Students Education	84.206A	28-03-GT-26	2,000	1,977	1,977
Teacher Advancement Program (TAP)					
	84.215	28-05-AP-26	66,288	24,855	24,855
ESEA of 1965, Title II, Part A (P.L. 107-110)					
Improving Teacher Quality 03-04 c/o	84.367	04-50-26C	593,248	593,248	593,248
Improving Teacher Quality 03-04	84.367	04-50-26	4,693,636	501,701	501,701
Teacher & Principal Training & Recruiting Fund	84.367	28-05-50-26	4,635,298	3,156,608	3,156,608
				4,251,557	4,251,557
ESEA of 1965, Title II, Part B					
Math & Science Partnership	84.366B	28-04-MP-26	160,251	107,341	107,341
				107,341	107,341
ESEA of 1965, Title II, Part C (P.L. 105-277)					
Reading Excellence 01-02	84.338A	00-RI-26-C	206,001	3,407	-
				3,407	-

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
Year Ended June 30, 2005

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					
	84.318X	280-446-26	\$ 150,000	\$ -	12,582
Enhancing Education Through Technology 03-04	84.318X	280-446-26	464,109	235,230	235,230
Enhancing Education Through Technology 03-04	84.318X	280-449-26	19,803	19,632	19,802
Enhancing Education Through Technology 04-05	84.318X	280-549-26	556,418	247,566	247,566
Enhancing Education Through Technology 04-05	84.318X	280-546-26	150,000	136,669	136,669
School Technology Competitive Grant 04-05	84.318X	280-503-26	150,000	86,162	86,182
First Technology Competitive Grant 04-05				725,259	738,031
ESEA, Title III, Part A					
English Language Acquisition Grant 04-05	84.365	05-60-26	661,514	406,613	406,613
English Language Acquisition Grant 03-04	84.365	2804-60-26	482,118	37,015	37,015
English Language Acquisition Grant 02-03 c/o	84.365	03-60-26 c/o	157,356	24,128	24,128
English Language Acquisition Grant 03-04 c/o	84.365	04-60-26C	169,024	169,024	169,024
Student Influx 03-04	84.365	04-S3-26	41,893	23,065	23,065
Student Influx 03-04 c/o	84.365	04-S3-26C	983	983	983
				660,828	660,828
ESEA, Title IV, Part A					
Safe and Drug Free Schools 03-04	84.186A	04-70-26	476,206	55,131	55,131
Safe and Drug Free Schools 04-05	84.186A	05-70-26	483,757	343,822	343,822
Safe and Drug Free Schools 02-03 c/o	84.186A	03-70-26C	215,609	17,072	17,072
Safe and Drug Free Schools 03-04c/o	84.186A	04-70-26C	29,110	29,110	29,110
				445,135	445,135
Elementary and Secondary Education Act of 1965 - Title VI					
Innovative Education Program Strategies 03-04	84.298A	04-80-26	473,808	56,310	56,310
Innovative Education Program Strategies 04-05	84.298A	28-05-80-26	337,793	93,247	93,247
Innovative Education Program Strategies 03-04 c/o	84.298A	04-80-26-C	166,570	166,570	166,570
Innovative Education Program Strategies 02-03 c/o	84.298A	03-80-26 c/o	117,774	35,132	35,132
				351,259	351,259
ESEA of 1965, Title VII, Subtitle B					
Education for Homeless Children & Youth 03-04	84.196A	04-HI-26	95,000	37,720	37,720
Education for Homeless Children & Youth 04-05	84.196A	05-HI-26	135,000	97,562	97,562
				135,282	135,282

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Schedule of Expenditures of Federal Awards			Receipts or Revenue Recognized	Disbursements/ Expenditures
		Pass-Through Grantor's Number	Program or Award Amount			
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	(1)	28-05-SP-26	\$ 128,714	\$ 95,968	\$ 95,968
IDEA Support for the Pre GED	84.027A	(1)	28-03-BG-26	39,300	38,595	38,595
IDEA-B Flow Through 02-03 c/o	84.027A	(1)	03-B1-26	8,691,840	2,174	-
IDEA-B Flow Through 03-04	84.027A	(1)	28-04-B1-26	10,037,100	1,973,831	1,970,329
IDEA-B Flow Through 04-05	84.027A	(1)	28-05-B1-26	12,644,072	7,490,535	7,490,535
IDEA-B Flow Through 03-04 c/o	84.027A	(1)	28-04-B1-26C	2,780,414	2,780,334	2,780,334
				<u>12,381,437</u>	<u>12,375,761</u>	<u>12,375,761</u>
Preschool Set Aside 03-04						
IDEA-B Preschool 03-04	84.173A		03-P2-26	40,880	21,952	21,952
IDEA-B Preschool 04-05	84.173A		04-P1-26	296,325	19,715	19,715
IDEA-B Preschool 02-03 c/o	84.173A		05-P1-26	299,004	211,961	211,961
IDEA-B Preschool 04-05 c/o	84.173A		03-P1-26C	57,089	4,550	4,550
	84.173A		28-04-P1-26C	62,004	62,004	62,004
				<u>320,182</u>	<u>320,182</u>	<u>320,182</u>
Individual With Disabilities Education Act of 1990 - Part D						
LASIG	84.323A		28-02-SP-26	80,000	31,203	31,203
					<u>31,203</u>	<u>31,203</u>
Adult Education Act of 1966						
Adult Education Program	84.002		-	-	102,673	102,673
Adult Education Correctional Program	84.002		0444-26	10,000	8,792	8,792
Adult Education Program 04-05	84.002		0544-26	545,435	432,196	432,196
					<u>543,661</u>	<u>543,661</u>
Total Passed-Through					43,880,788	43,884,447
State Department of Education					\$	\$
					<u>44,402,647</u>	<u>44,406,306</u>
TOTAL U.S. DEPARTMENT OF EDUCATION						

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
Year Ended June 30, 2005

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 Health and Human Services					
Passed-Through State Department of Health and Hospitals:					
Title XIX - Early and Periodic					
Screening, Diagnosis, Treatment					
93.778	-	\$ 293,605	\$ 173,471	\$ 248,542	
School Nurse Program					
93.778	-	1,800,000	509,483	149,419	
Medical Assistance Program (Medicaid)					
			682,954	397,961	
Passed-Through a State Department of Health and Human Services:					
Temporary Assistance for Needy Families (TANF) (P.L. 104-193)					
Strategies to Empower People (STEP)					
93.558	28-05-EP-26	70,000	68,060	68,060	
93.558	28-03-MS-26	52,174	-	-	
93.558	0336-26	414,521	-	123,927	
93.558	03-35-26	6,193,378	6,072,326	6,262,299	
93.558	280327-26	108,000	-	1,750	
93.558	280427-26	4,900	2,007	2,007	
Passed-Through State Department of Social Services:					
Child Care Assistance					
	49492400	-	190,369	190,369	
Refugee Act of 1980 (P.L. 96-212)					
Refugee & Entrant Assistance 03-04					
93.576	04-X3-26	66,291	159	159	
93.576	05-X3-26	51,939	31,916	31,916	
			32,075	32,075	
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
			\$ 7,047,791	\$ 7,078,448	
U.S. Department of Agriculture					
Passed-Through State Department of Education:					
Food Distribution (Commodities)					
10.550	(1)	-	\$ 1,190,342 (2)	\$ 1,373,429 (3)	
School Breakfast Program					
10.553	(1)	-	3,315,584 (4)	3,315,584 (4)	
National School Lunch Program					
10.555	(1)	-	11,587,476 (4)	11,587,476 (4)	
Free and Reduced Price Meals					
10.559	(1)	-	287,218 (4)	287,218 (4)	
Summer Food Service Program for Children					
TOTAL U.S. DEPARTMENT OF AGRICULTURE					
			\$ 16,380,620	\$ 16,563,707	

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
Year Ended June 30, 2005

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>Other Programs</u>				
Passed-Through Maxwell Air Force Base: Reserve Officer Training Corp. (ROTC)	271.653	\$ -	\$ 600,463	\$ 600,463
<u>Passed-Through Jefferson Parish Sheriff's Office:</u>				
Local Law Enforcement 02-03	02-LEBC-410	63,070	4,071	4,071
Local Law Enforcement 03-04	03-LEBC-510	43,500	18,713	18,713
			22,784	22,784
Local Law Enforcement 04-05	W02-7-001	53,951	57,709	57,709
TOTAL OTHER PROGRAMS			\$ 680,956	\$ 680,956
TOTAL FEDERAL ASSISTANCE			\$ 68,512,014	\$ 68,729,417

- (1) Represents a major program.
(2) This amount represents the value of Commodities received by the School System during the year ended June 30, 2005.
(3) This amount represents the value of Commodities used by the School System during the year ended June 30, 2005.
(4) These amounts represent the cash subsidy received by the School System during the year ended June 30, 2005.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
FOOTNOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2005

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, 2005

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 05-1.
7. A management letter was issued for the year ended June 30, 2005.
8. The programs tested as major programs were:

	<u>CFDA No.</u>
National School Lunch Program	10.555
National School Breakfast Program	10.553
Summer Food Service Program for Children	10.559
Food Distribution	10.550
Individuals with Disabilities Act of 1900 – Part B	84.027
Reading First	84.357
9. The threshold for distinguishing between type A and type B programs was \$2,061,883.
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, 2005

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None.

C. 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 request, the School System should keep documentation to verify that the program is in compliance with this requirement.

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, 2005**

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Under collateralized cash	Unresolved, see current year management letter.
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SECTION II - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

None.

SECTION III - MANAGEMENT LETTER

Budgeting - Special Revenue Funds	Unresolved, see current year comment
GASB No. 45 - Self - Insurance Accrual	Partially resolved
Capital Projects	Resolved
Information Security Policies, Procedures and Configurations	Partially resolved, see current year comment
General Computer Controls – Segregation of Duties	Unresolved, see current year comment
Program and Infrastructure Change Control	Unresolved, see current year comment
Environmental Controls/Physical Security	Partially resolved, see current year comment
Business Continuity/Disaster Recovery Plans	Improvements noted, no current year comment

**JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
CORRECTIVE ACTION PLAN
Year Ended June 30, 2005**

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None.

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

05-1 Reading First Program

Finding:

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

Corrective Action:

The School System will keep documentation to support that planning and administration expenses are within 3.5% of the grant award. (Ms. Gerri Sattoon, Program Administrator, 504-349-7643)

Deloitte & Touche LLP

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February 3, 2006

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, 2005 (on which we have issued our report dated February 3, 2006), 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 9.

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 the Title I Special Revenue Fund, there was an unfavorable variance of greater than five percent between actual expenditures as compared to budgeted expenditures. Expenditures for the Title I Fund exceeded budget by \$6,259,301 or 39%. 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 over 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)

Under Collateralized Cash

Observation—The School System had approximately \$15,042 of deposits for the school activity accounts that were not collateralized as of June 30, 2005.

Background—Louisiana Revised Statute 39:1225 requires that the amount of security shall at all times be equal to one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority except that portion of the deposit insured by any governmental agency insuring bank deposits which is organized under the laws of the United States.

Recommendation—The School System should monitor all deposits on a regular basis to ensure full collateralization.

Management's Response—The School System will better manage the accounts and ensure all deposits are fully collateralized. (Mrs. Raylyn Stevens, CFO, (504) 349-7627)

Information Security Policies, Procedures, and Configurations

Observation—Formal information security policies or procedures have not been formally 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 will formally document security policies and procedures as suggested in order to ensure that security parameters and administrative policies are followed. These procedures will specifically prohibit support personnel from writing down passwords of other individuals in order to reduce possible problems that may be encountered through their inappropriate usage. 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 consistent 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—In connection with the review and establishment of formal written policies noted in the previous comment, the School System will include in such policies, procedures for processing and implementing changes to programs and the supporting infrastructure. 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 recommendation has been noted and the School System will continue current efforts to secure the physical security of the servers. In addition, the School System is currently in a RFP process to upgrade the servers of the System. Recommendations for proper environmental security of the servers and other technology enhancements will be included within the proposal. 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, 2005

Budgeting	Partially repeated in the current year's recommendations.
GASB No. 45 Implementation	Improvements noted. There are no current year recommendations.
Capital Projects	Improvements noted. There are no current year recommendations.
Information Security Policies, Procedures, and Configurations	Some improvements noted. Comment partially 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	Some improvements noted. Comment partially repeated in the current year.
Business Continuity/Disaster Recovery Plans	Improvements noted. There are no current year recommendations.