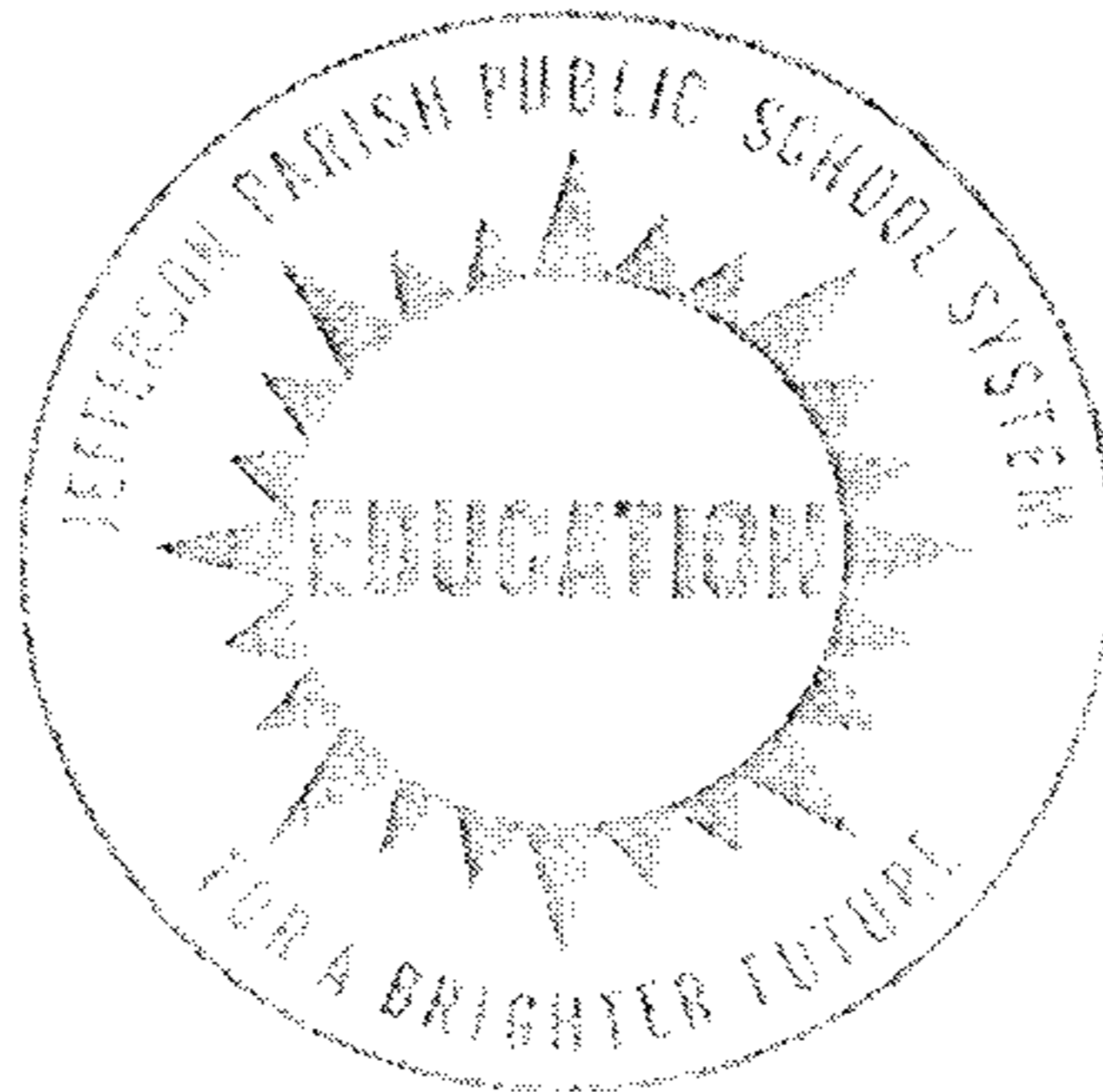


JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

96102353
2640 ~~105~~
143



Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 1998

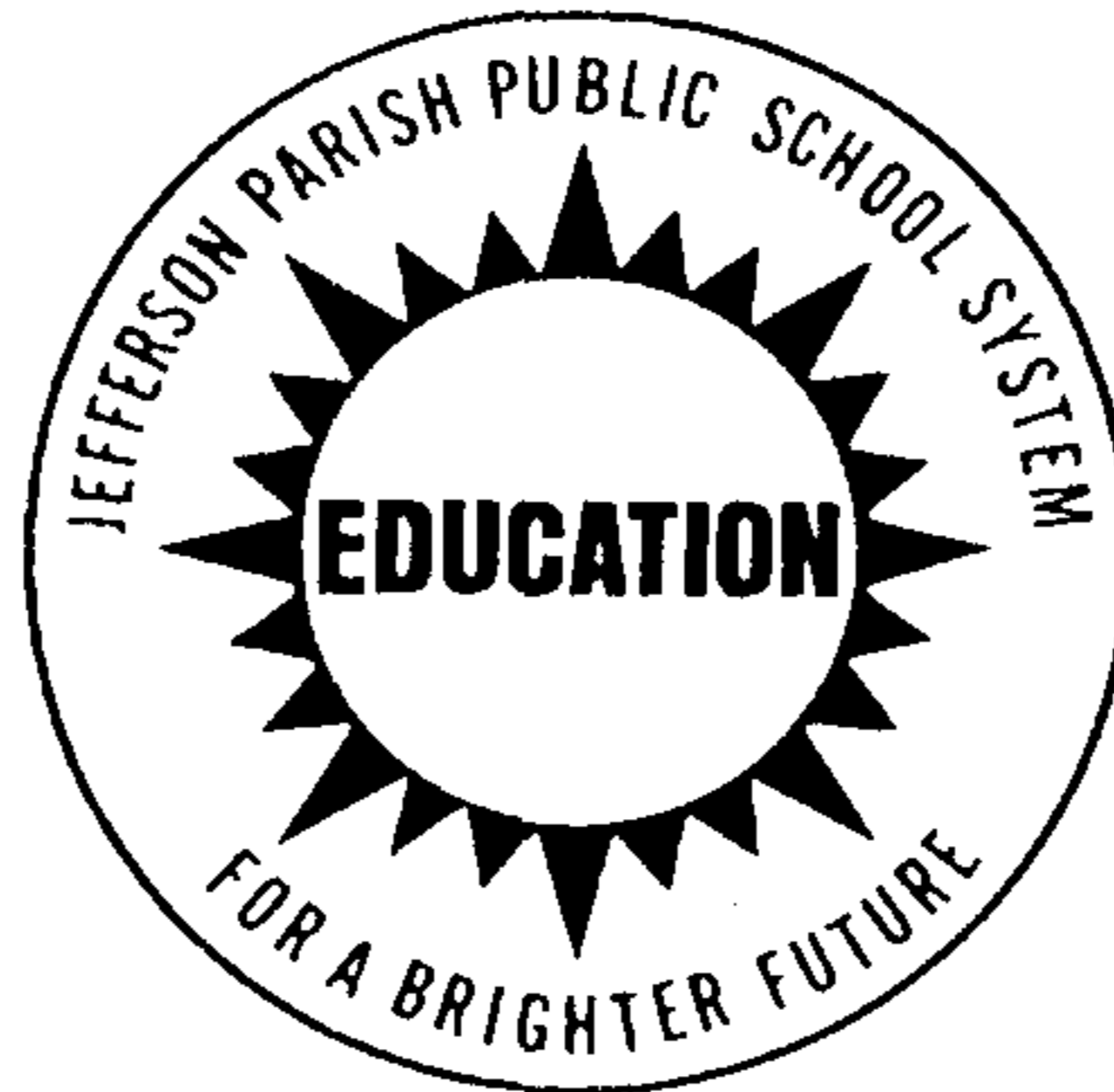
Under provisions of state law, this report is a public document. A copy of the report has been submitted to the public and reviewed, **Prepared By** Division of Administration and Finance officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the **501 MANHATTAN BOULEVARD HARVEY, LOUISIANA 70058-4495**

Release Date _____

DEC 23 1998

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

9/11/98 11:42



Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 1998

501 MANHATTAN BOULEVARD
HARVEY, LOUISIANA 70058-4495

TABLE OF CONTENTS, CONTINUED

STATISTICAL SECTION (Unaudited)

Table

1	General Governmental Expenditures by Function - Last Ten Fiscal Years	72
2	General Revenues by Source - Last Ten Fiscal Years	73
3	Property Tax Levies and Collections - Last Ten Fiscal Years	74
4	Assessed Taxable Value by Type of Property - Last Ten Fiscal Years	76
5	Property Tax Rates - All Direct and Overlapping Governments (Per \$100 of Assessed Value) - Last Ten Fiscal Years	78
6	Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita - Last Ten Fiscal Years	79
7	Computation of Legal Debt Margin	81
8	Computation of Direct and Overlapping Debt	82
9	Ratio of Annual Debt Service for General Bonded Debt to Total General Expenditures - Last Ten Fiscal Years	83
10	Demographic Statistics - Last Ten Fiscal Years	84
11	<i>Property Value, Construction and Bank Deposits - Last Ten Fiscal Years</i>	85
12	Principal Taxpayers	87
13	Miscellaneous Information	88

TABLE OF CONTENTS, CONTINUED

<u>Schedule</u>		<u>Page</u>
	General Fund	
	Special Revenue Funds	
F-4	Combining Balance Sheet	43
F-5	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	47
F-6	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - Adult Education Fund	51
F-7	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - Community Education Fund	52
	Debt Service Funds	
F-8	Combining Balance Sheet	54
F-9	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	56
	Capital Projects Funds	
F-10	Combining Balance Sheet	59
F-11	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	60
	Agency Funds	
F-12	Combining Statement of Changes in Assets and Liabilities - All Agency Funds	62
	General Fixed Asset Account Group	
F-13	Schedule of General Fixed Assets - By Function and Activity	65
F-14	Schedule of Changes in General Fixed Assets - By Function and Activity	66
	Other Supplemental Information	
FS-1	Schedule of Investments - All Funds	68
FS-2	Schedule of Operating Transfers	69
FS-3	Schedule of Compensation Paid to School Board Members	71

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 1998

TABLE OF CONTENTS

INTRODUCTION SECTION

School Board and Administrative Officials	i
Organizational Chart	ii
Transmittal Letter	iii
ASBO Certificate of Excellence in Financial Reporting	xix
GFOA Certificate in Achievement for Excellence in Financial Reporting	xx

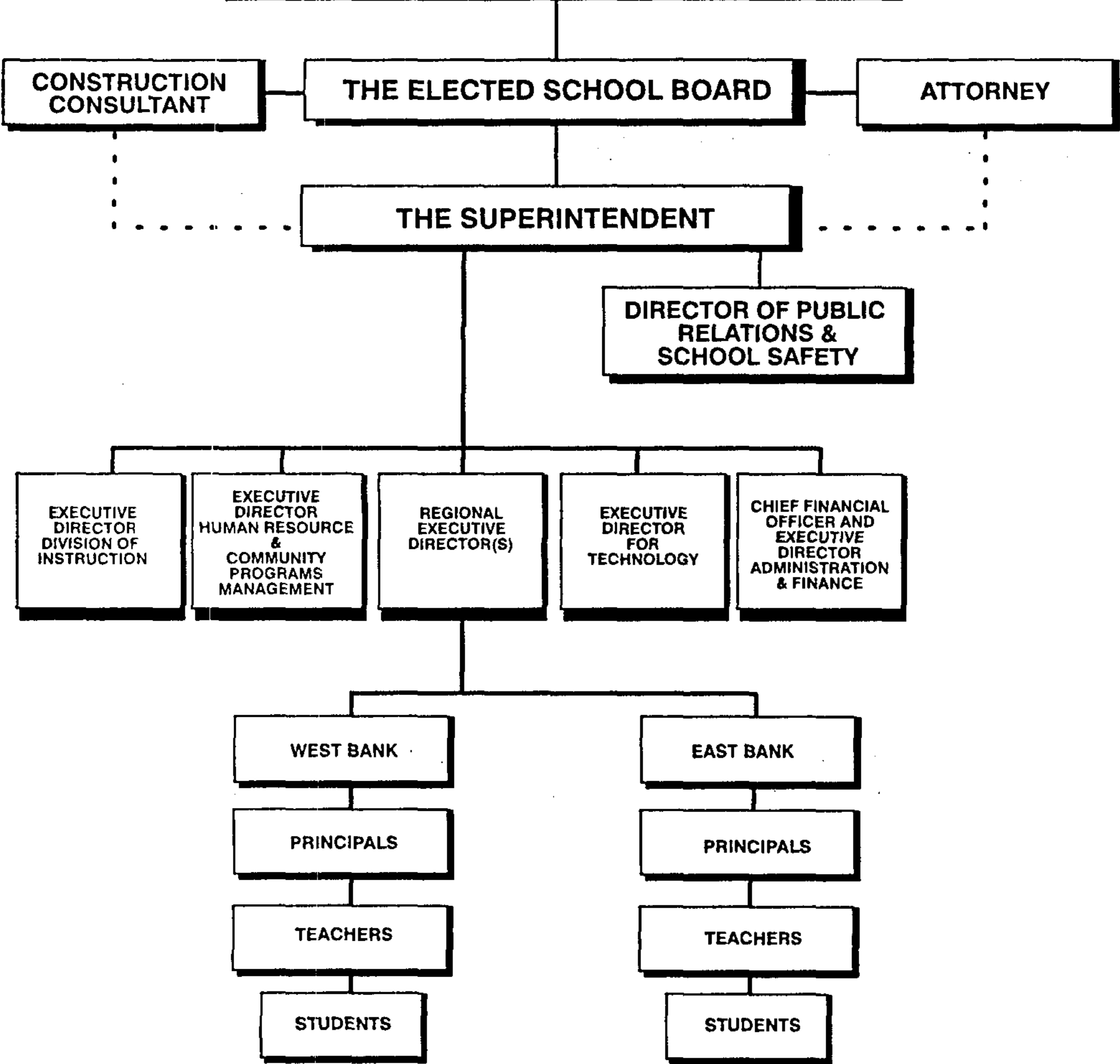
FINANCIAL SECTION

<u>Exhibit</u>		<u>Page</u>
	Independent Auditors' Report	1
	<i>General Purpose Financial Statements:</i>	
C-1	Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Unit	3
C-2	Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Discretely Presented Component Unit	7
C-3	Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - General and Special Revenue Fund Types	9
C-4	Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Type - School Lunch Enterprise Fund	11
C-5	Statement of Cash Flows - Proprietary Fund Type - School Lunch Enterprise Fund	12
C-6	Notes to Financial Statements	13
	<i>Combining and Individual Fund Financial Statements, Schedules and Other Supplemental Information:</i>	
F-1	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual	36
F-2	Schedule of Revenues Compared to Budget (Non-GAAP Budgetary Basis)	37
F-3	Schedule of Expenditures Compared to Budget (Non-GAAP Budgetary Basis)	38



INTRODUCTION SECTION

THE PEOPLE OF JEFFERSON PARISH





ELTON M. LAGASSE
SUPERINTENDENT

ADMINISTRATION AND FINANCE
JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

4600 RIVER ROAD
MARRERO, LOUISIANA 70072-1943
(504) 349-7600
FAX (504) 349-7665

FRANK S. DAVIS
ASSISTANT SUPERINTENDENT

October 16, 1998

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

Members of the Board:

The comprehensive Annual Financial Report (CAFR) of the Jefferson Parish Public School System (School System) for the fiscal year ended June 30, 1998 is submitted herewith. This report was prepared by the School System's *Business Services Division*. Responsibility for both 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 as measured by the financial activity of its various funds; and 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 three sections: (1) introduction, (2) financial, and (3) statistical. The introduction section includes this transmittal letter, the School System's organizational chart, and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund financial statements and other supplemental information, as well as the independent auditors' report on the financial statements. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. 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 State, 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 compliance and 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 general purpose 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 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 School System is governed by a nine-member school board (Board) elected by the citizens. Each member is elected to a four-year term, and the terms are concurrent. See page i 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 and third 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.

MISSION

The School System's adopted mission is:

"...to provide educational programs to meet the identified needs of all students in a learning environment that stimulates academic achievement and intellectual curiosity, develops positive personal qualities and well-being, and fosters respect for individual differences."

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, recognized the challenges we face as we prepare students for the 21st century. The demands placed upon us as we approach 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 since they will not find work as unskilled laborers as those jobs have moved overseas or been

eliminated. We must prepare our children to understand and take their places in an increasingly complex and challenging world, a world that will require them to keep on growing and changing with it.

To meet this every demanding role, we have developed an academically challenging curriculum that includes programs for 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 work by coordinating these academies with real work experiences. We offer "academies" in the fields of banking, travel and tourism, restaurant management, law-related careers, education, and health services. A credit union has even been established at one of the high schools where students are allowed to have real accounts, deposit and withdraw their own money, and learn hands on how to deal with their finances. Our students have the opportunity to visit selected workplaces, to participate in internships their senior year, and even, in some instances, to be placed in summer jobs.

We recognize that technology is critical for our students to be prepared to enter the world of work. Our technology plans include a \$7 million federal mathematics grant, "I Can Learn" computer labs, for middle school students. Each of our 83 schools have computers in the classrooms or computer labs which enhance the curriculum. Many of our schools utilize computer instructional programs such as Plato, Accelerated Reader, etc. All of our schools have Internet access through the libraries and the majority of our schools are wired for Internet access in the classrooms. We will continue to wire all classrooms through our two annual NetDays. Our schools also have E-mail communications. Our students have created web sites, participated in electronic classrooms, and communicated via E-mail and the Internet with other students across this nation. Using digital satellite technology rerouted through our instructional access cable channel, our students at remote sites can enroll in classes such as Japanese, Spanish, Latin, and advance placement mathematics. Our school district has invested heavily in the use of advanced technology as a teaching tool.

The School System's commitment to its mission is reflected in its allocation of financial resources. The 1998/99 budget was adopted on August 5, 1998. Total expected budgeted expenditures for the General Fund are \$266,627,881. Projected revenues and other financing sources for the General Fund total \$265,291,649. The projected year-end fund balance for FY 1998/99 is \$9 million. State funding for Equalization related to the 1998/99 budget as compared to 1997/98 actual is projected to decrease based on the expected loss of 523 students. Sales taxes are projected to grow at a 2.0% rate while ad valorem taxes are projected to increase slightly.

ACCOMPLISHMENTS AND INITIATIVES

As reflected in the School System's mission statement, activities of the School System focus on learning opportunities for students. The degree of success, to educate all of its students, is indicated by the following:

Student Population (Projected FY 1998/99)	53,617
Number of schools	83
Number of students transported daily	36,714
Number of school buses	347
Number of teachers	3,493
Number of employees (all funds)	7,325
Number of student lunches served daily	38,000
Number of schools that provide breakfast	82
Number of schools that have lunch programs	82
Number of employee lunches served daily	1,103
Number of student breakfasts served daily	14,000
Annual operating budget	\$266,627,881
Cost per pupil	\$4,973

Among the noteworthy events occurring during the school year 1997/98 were:

The Jefferson Parish Public School System Principals of the Year for 1997-98 are as follows: Ms. Carol Braun, C.T. Janet Elementary school, Mr. Jerome Helmstetter, Haynes Middle School, and Joseph Fennidy, L.W. Higgins High School.

The 1996-97 principals honored at the East Jefferson and West Bank Councils of the Chamber and Cox Communications Excellence in Education Awards Luncheon were Mary Ehret, Boudreaux; Paul Emenes, T.H. Harris (now Executive Regional Director); and Dr. Diane Roussel, Riverdale. Dr. Lisa Mowen from West Jefferson was the assistant principal honored. The teachers of the year recognized were James Kirylo, Greenlawn Terrace; Michael Cancienne, Helen Cox; Rebecca Crochet, Grand Isle; and Karen Williger, John Ehret.

The teachers selected as 1997-98 Jefferson Parish Public School System's Teachers of the Year are Madeline Crosby from Grand Isle School; Janet Herbez from Gretna Junior High; and Nancy Strigel from Ehret High School.

Janet Mayberry, a teacher of autistic students at Lincoln Elementary School, has been named "Special Education Teacher of the Year." This award was sponsored by the Special Education Advisory Council.

Anna Johnson, teacher at Jefferson Elementary, was named one of the 12 outstanding teachers selected as a state finalist in the Presidential Awards Program for Excellence in Mathematics and Science Teaching.

Michelle Mano, a teacher at Riverdale High School, has won the Southeast Louisiana Professional Chapter of AGTS 1998 Award for Excellence in Gifted and Talented Education.

Chris Reuter, a teacher at Higgins, has been named Tolerance Teacher of the Year by the Southern Institute for Education and Research at Tulane University. He is the first teacher in the New Orleans area to receive this award.

Joan Bunge, itinerant ESOL teacher based at Estelle, was selected to go to Japan in June, 1997, for a three week cultural study under the Fulbright Memorial Fund Teacher Program.

Constance Groue, teacher at Estelle Elementary, Lynne McDonald, teacher at Airline Park Elementary, and Amy Provensal, teacher at Riverdale Middle were nominated for the 1997-98 Sallie Mae First Class Teacher Award.

Leah Ballard, job trainer/placement specialist in the Vocational Services for Students with Disabilities Department was presented the "Friend of Special Education" award by the Jefferson Parish Public School System Special Education Advisory Council.

Tom Verret, technology teacher at Ehret High, was chosen as a winner of the prestigious "Outstanding Technology Education Program" award given by the Technology Education Division of the American Vocational Association.

Karen LeBlanc, Title I Evaluation specialist, and Patti Waddell, a Title I four-year-old teacher at Strehle won the Student Paper Award at the Louisiana Association of Evaluators 8th Annual Conference. The paper was entitled "Adequate Yearly Progress, Jefferson Parish Public School System's Title I Early Childhood Program."

Endall Smith-Shamas, a teacher at Janet Elementary School was named the 1997 Sallie Mae First Class Teacher for the State of Louisiana.

Dr. Diane Roussel, principal of Riverdale High School, was named Louisiana's Principal of the Year and is a candidate for the 1998 National Principal of the Year.

Jennifer Wright, the coordinator of A.P.E. and the secondary alternative programs, was awarded the prestigious LAHPERD Honor Award. Cindy LaBauve, an adapted physical education teacher and child search evaluator, received the Ellen Gillentine Award for her outstanding efforts in the field of A.P.E.

Jamie Staub, Higgins High, was chosen to receive the Ralph T. Nelson Award for distinguished service in The Electronic Model Contress (TEMC).

Karen Williger, a teacher of special education students at Ehret High School has been awarded the "Clarissa Hug Teacher of the Year Award" for the State of Louisiana. This award was sponsored by the Council for Exceptional Children.

Otis Hixon, Title I employee, was named Distinguished Title I Graduate at the National Title I Conference by the State Department of Education.

Mrs. Trudy Falterman, clerk at C.T. Janet Elementary School, and Mrs. Wanda Burlette, account/ library clerk at Airline Park Elementary School were selected "Clerical Employees of the Year."

Mabel Beckler, a special education teacher assistant from Riverdale Middle School and Peter Turner, a special education teacher assistant from Solis Elementary School were selected as Paraprofessional "Employees of the Year."

Dorothy Boudreaux, cafeteria manager at Bridge City school, and Phyllis Miller, cafeteria manager at Greenlawn, have been named "Child Nutrition Employees of the Year."

Tony Giocone, an eight hour custodial helper at East Jefferson High, and Herbert Williams, assistant plant manager at Bridge City school, have been named "Support Personnel of the Year."

Student Recognition

National Merit Finalists for Jefferson Parish Public School System were Alton McFarland from Bonnabel and Adam Swensek from Riverdale. National Merit Semifinalists were Charles Thurmond, Bonnabel; James Gambrell, East Jefferson; and Michael Bebow, Jer-Chin Chuang, Amy Liu, Connie Marcheselli, and Peter Weng, Grace King.

Chau Le, West Jefferson, and Travis Torrence, Alfred Bonnabel, have been designated as semifinalists in the 1997-98 Coca-Cola Scholars Program. Only 1,902 semifinalists were designated from nearly 129,000 applicants.

Kristen Green, Alice Birney Elementary; Samantha Pruitt, Riverdale Middle School; and Eliada Nwosu, John Ehret High School, were selected as Jefferson Parish Public School System's "Students of the Year."

Travis Torrence, a senior at Bonnabel High School, is one of ten individuals in the state to be named a "Louisiana Young Hero" by the Louisiana Public Broadcasters.

Anmarie Carr, a seventh grader at Helen Cox Junior High School, won first place in the Quaker Friends Meeting of New Orleans Literary Contest. Anmarie wrote on the topic "How can I promote peace in my everyday life."

Kenny McCormack, a student from Bonnabel High School, placed first in state in the 1997 Intergalactic Art contest for the Space Science Student Involvement Program sponsored by the National Aeronautics and Space Administration and administered by the National Science Teachers Association.

The following are champion winners in the Academic Games National Tournament. **Team Constellation - Sweepstakes, champions; Presidents, champion; Propaganda, champion, Equations, champion; Linguistic, champion.** Team members include Allison Vega, William Green, Eddie Harris, and David Roux from Woodland West and Kris Khalil from Keller. The individual winners were: Sweepstakes, national champion, William Green, Woodland West; Presidents, national champion, Sarah Barowka, Keller; Linguistic, undefeated, Brian Truong, Andrew McCord, Eddie Harris, David Roux, Allison Vega and William Green, Woodland West and Rachel Fertel, Kris Khalil, Jason Franicevich, Maggie Clack, Jonathan Floyd, Alix D'Angelo, Cecilia Chea, and Benji Rabhan, Keller. Equations; undefeated, Allison Bega, David Roux, William Green, and Kyle Arrington, Woodland West; and Cecilia Chea, Jonathan Floyd, Rachel Fertel, Benji Rabhan, Jason Franicevich and Kris Khalil, Keller. On Sets, undefeated, Allison Vega, Brian Truong, and David Roux, Woodland West.

The following are the final and individual team results from the recent academic games Linguistic tournament, elementary division. Team competition, first place, Keller, "Appositively Awesome". Individual competition winners were: Woodland West, Paul Underwood, Steven Graham, Clarissa Moses, Nicole Micoff, and Kyle Arrington; Keller, Sarah Barowka, Jonathan Bennett, Douglass Alongia, Brett Tortich, Allan Farber, Ashley Veade, Mia Goldwasser, Samantha Mason, Kyle Stickling, Katie Remes, and Ariel Joder; and Butler, Blake Borrass.

West Jefferson High School distributive education students were winners in the state competition at the Career Development Conference in Alexandria. They represented the state of Louisiana at the National Conference in April.

The first 1997-98 Academic Games tournament for the secondary division of Jefferson Parish Public School was held October 22 and 23. Individual winners include, middle division, first place, Nicole Babb, Worley and Perry Tsai, Adams; junior division, first place, Anna Garcia, Gretna Junior; senior division, first place, Hazen Joudeh, Ehret. Team winners include, middle division, first place, Worley Spartans; junior division, first place, Ehret's A team; senior division, first place, Ehret's A team.

The winners of the Propaganda 1997-98 Parish awards in the elementary division are as follows: individual awards, Jonathan Bennett, Keller, first place. Team awards included, Prop Pros, Woodland West, first place. The "TOP TEN" awards were given to Renford Cindass, Estelle; Clarissa Moses, Woodland West; Sarah Barowka, Keller; Douglas Alongia, Keller; Dale Flint, Keller; Kyle Arrington, Woodland West; Mia Goldwasser, Keller; Dipal Patel, George Cox; Paul Underwood, Woodland West; Taylor Murrow, Green Par; and Brian Truong, Woodland West.

Brandon Babin, a senior at Grace King high, won the U.S. Senate Essay Contest in Jefferson Parish.

Brian Simmons and Juliette Swiler, Ellender students, participated in the State Gumbo Games in Baton Rouge. Brian won first place gold medals in the shot put and discus. Juliette placed first in shot put and second for both the 100 meter and 200 meter races.

Forty-three Jefferson Parish schools were honored at the Brown Foundation Community Service Awards Program Luncheon. A special merit award of \$1,250 was awarded to Riverdale High School. The high school and middle school winners were West Jefferson and Roosevelt respectively. These schools each received a check in the amount of \$5,000.

Johnson/Gretna Park second graders Tiffany Agent, Kimberly Henning, and Brittany Lotz; and first graders Jordan St. Blanc and Vanessa Wooten had their stories and poems published in the Journal of the Louisiana Reading Association.

Bonnabel High School students received first place awards at the annual student competition of the Louisiana Vocational Industrial Clubs of American held in Monroe. They were Tommy Samuels, Commercial Banking; Ryan Neely, Cabinetmaking; George Gomez, Advertising Design. These students attended the National Vocational Industrial Clubs of American vocational competition in Kansas City, Missouri in June.

The students of the year honored by the East Jefferson and West Bank Councils of the Chamber and Cox Communications at the Excellence in Education Awards Luncheon were Kelly Roth, Airline Park; Kristen Roth, T.H. Harris and Bradley Spieler, Bonnabel

Students from L.W. Higgins High School traveled to Washington, D.C., where they represented Louisiana in the national finals of "We the People," the highly prestigious competition on the Constitution.

Cadet Staff Sergeant Jonathan Parnell of the LA-937 AFJROTC was honored at the Higgins JROTC Military Dining Out/Awards Banquet with the awarding of the "Silver Valor" award for heroism. This is the second highest award that can be bestowed upon a JROTC cadet and the first time in history of the Higgins unit that a cadet has won this award. Cadet Parnell rescued a young man from a potentially life-threatening attack by several hundred wasps.

The Ellender Middle School Eagles football team captured the parish middle school championship six consecutive seasons.

Roosevelt Middle School's "Rough Riders" girls' basketball team were the 1997 undefeated parish champs. This is the second year in a row that they have achieved this title.

Willie Mack, Bonnabel, won first place high school division and first place overall in a state "School-To-Work" poster contest.

Joshua Barone, Riverdale High, has been named "Young Magician of the Year" by the Society of American Magicians.

The following students were winners in their grade categories for the credit union essay contest. They are: Issei Mitsuoka, J.C. Ellis, K-2 grade category, \$100 savings bond; Leslee Eichler, Janet Elementary, 3-5 grade category, \$200 savings bond; Nadia Armour, Bunche Middle, 6-8 grade category, \$300 savings bond.

The Louisiana School Board Association sponsored an artwork contest in each school district. The first place winners were as follows: Brent Bourgeois, fourth grade student at Lafitte Elementary, K-4 category; Raphael Clark, a fifth grade student at St. Ville Elementary, 5-8 category; Leo Green, a ninth grade student at Helen Cox Junior High, 9-12 category.

The following are first place team and individual winners from the academic games on-sets tournament, elementary division. **Team competition** Woodland West, "Prime Time Players", in the individual competition the undefeated winners were: Woodland West- Brian Truong, Steven Graham, Clarissa Moses, Nicole Micoff, Kyle Arrington, Paul Underwood, Juliet Tran, and Eric LeBlanc. The first place individual winner in the middle division was Tam Nguyen, Gretna Junior. Middle division team winners was Ellender's "A Team". The individual junior division winner was Hacareth Nwosu, Ehret High School. Junior division team winner was Ehret's "A Team". Individual senior division winners were Tasha Breaux and Johnny Huynh, Ehret High School. Senior division team winner was Ehret's "A Team".

The winner in the individual equations tournament was Tam Nguyen, Gretna Junior. Middle division team winners were Ellender's "I Team" and Gretna's "Dream Team". Individual junior division winner was Geoffrey Rodriguez, Ehret. Junior Division team winner was Ehret's "A Team". Individual senior division winners were Tasha Breaux and Jodie Clements, Ehret. Senior division team winner was Ehret's "A Team".

Sixteen fourth and fifth grade students from Marie Riviere Elementary School qualified for participation in the Duke University Motivation for Academic Performance program. These students were: Stephanie Byer, Chrystalynne Guillot, Dong Huang, David Oh, Alexander Plumage, Kristen Roth, Liang Sun, Rachel Abadie, Mary Brewington, Amie Byer, Kathryn Cefalu, Ashley Guidry, Wilmer Lara, Latyvia Nunnery, Tina Skrepnik, and Julie Staehle.

The following students attending Cuillier Career Center placed first in various categories in the Vocational Industrial Clubs of America competition. The winners are as follows: job seeking interview - Stacey Reid; electronic repair - Robert Gatewood; masonry - William Head.

Jenny Heil, editor-in-chief of Grace King High School's newspaper, Irish Eyes won the Silver Scribe award at Loyola University's department of communications and the New Orleans Press Club Silver Scribe competition. Jenny was also a first place winner in feature writing. First place winner in news writing was Katie Heil. The newspaper Irish Eyes took top honors at the Silver Scribe competition.

Instructional Program

We recognize that today's student is different, and we must address their various learning styles. To improve student performance beyond standardized testing, we rewrote the school's curriculum standards in language arts and math. Curriculum content, methodology, and assessment standards were strengthened to better align them with state and national benchmarks. While the teachers who participate in the revision process are testing the new curriculum, curriculums are also being rewritten in the areas of science, social studies, foreign language, and the arts. This standards-based curriculum will address the various learning styles of today's students while establishing higher benchmarks for student performance.

As a result, we embarked on a concentrated program to improve students' standardized test scores, dedicating more than \$500,000 in additional instructional materials and teacher-training to this program. We set goals to decrease the percentage of students in the lowest quartile, to increase the percentage of students above the national average, and to enable at least 50 percent of students to score 50 percent or better on the standardized tests. To achieve this, we established a nine-member task force. Armed with the spring 1997 test results, the task force met with each of the 83 principals to analyze their school's performance and develop an individualized plan for improvement, based on the strengths and weaknesses of that school. Each school's instructional plan was augmented with the results of a system-wide standardized pretest that was administered in the fall of 1997. The testing task force cycle was repeated at the end of the school year.

To assure that our students have a safe place to learn and that all students receive the education to which they are entitled, we spend approximately \$5 million on discipline and safe school programs. Full-time deputies now police seven high schools and two junior high schools as a preventive measure. The Police On Campus program is a partnership with the Jefferson Parish Sheriff's Office to ensure that every child should be able to come to school and feel safe, comfortable, and have a joy-filled day. The program has received the statewide 1998 Criminal Justice Award.

New curriculum content and standards inevitably change the way teaching, learning, and assessments occur in the classroom. To prepare our teachers to make the most of the new curriculums, we are conducting training throughout the school year. The training is not only intended to help teachers present the new curriculum, but also to introduce them to teaching methods that have been shown to produce higher skill levels in students. Accelerated Readers programs, for example, have increased reading level and library usage. Louisiana Systemic Initiative Program math-teaching methods have improved mathematics test scores. Our school year calendar has been expanded to include two additional staff development days for teachers. Teachers receive guidance on developing better tests, administering tests more effectively, improving student preparation for tests, and interpreting test scores for continuous improvement of their teaching, curriculum development, and test methods.

Technology remains a top priority for our teaching staff. To that end, we have established five teaching/learning labs. These labs are available to teachers, teacher assistants, and clerical staff in order to keep them abreast of the current technology necessary to meet the needs of their students and our community.

Our student population is diverse, but we believe that all children can learn. We teach tolerance, respect for diversity, and recognition of various learning styles to address student differences. Our programs include Project Read for dyslexic students, 504 accommodations, English Speaks of Other Languages, character and values education, peer mediation, Drug Awareness Resistance Education, Gang Resistance Education Awareness Training, and Teen Court. We have trained our administrators and teachers in learning styles, values education, non-crisis prevention, and cultural awareness in addition to curriculum training. We endorse the idea that learning is a positive experience between a good teacher and a student.

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, mathematics, science, reading, social studies, creative arts and physical education. Electives in junior and senior high school include foreign languages, art, music, vocational courses, computer science and computer literacy.
- The program for academically gifted students offers structured enrichment classes and specially designed elective classes to children beginning at age three and continuing through grade 12.
- The special education department identifies and evaluates children with disabilities from birth through age 21. Students receive occupational therapy, physical therapy, speech, and social work services as well as specialized instruction during the school year and the summer (extended school year.) They are taught skills to help them function in the community, and they are offered the largest array of vocational programs, including job counseling and placement.
- The vocational education plan ensures that every freshman will be able to take a vocational elective. This plan also integrates career awareness in all subject matter areas.
- 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.
- 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 enrolled 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.

STUDENT ENROLLMENT

During the period 1977/78 through 1991/92, public school enrollment showed a changing trend. In 1977/78, the first negative growth in recent history was experienced and the trend continued until 1983/84 when a trend reversal to a positive growth began continuing into 1988/89. Since FY 1988/89 the pattern has been more erratic but has been characterized by a gradual decline in enrollment. The following table lists the enrollment, average daily membership and average daily attendance.

STUDENT ENROLLMENT DATA

School Year	Student Enrollment	Increase/ <Decrease>	Average Daily Membership	Average Daily Attendance
1977/78	69,627	<799>	67,914.4	61,519.2
1978/79	67,069	<2,558>	65,533.2	59,165.4
1979/80	63,216	<3,853>	62,415.0	54,973.0
1980/81	61,594	<1,622>	60,092.0	54,268.0
1981/82	59,522	<2,072>	58,334.0	53,015.0
1982/83	56,951	<2,571>	55,514.0	51,589.8
1983/84	55,715	<1,236>	54,394.0	51,501.9
1984/85	56,698	983	55,714.0	52,199.9
1985/86	56,841	143	55,874.0	52,441.0
1986/87	57,686	845	56,577.0	53,292.0
1987/88	57,856	170	56,735.8	53,209.7
1988/89	58,234	378	57,040.0	53,076.0
1989/90	57,479	<755>	56,590.7	52,482.4
1990/91	57,085	<394>	56,971.0	53,682.0
1991/92	57,252	167	55,592.9	56,195.0
1992/93	56,657	<595>	55,241.0	49,042.0
1993/94	55,475	<1,182>	57,638.3	53,489.3
1994/95	56,137	662	57,022.8	52,984.8
1995/96	55,008	<1,129>	52,008.0	48,960.0
1996/97	54,576	<432>	52,024.0	49,017.6
1997/98	54,587	11	52,031.6	49,128.3

Projected enrollment for FY 1998/99 is 53,617.

The school system has a tremendous financial impact on the community. It has in excess of 7,300 employees and an annual payroll in excess of \$170 million. It also spends annually \$50 million on goods and services, and over \$10 million for repairs and renovations.

The overall economy in Jefferson Parish continues to show improvements through diversification. Jefferson Parish is the second most populated parish in Louisiana with the population showing a slight decrease in 1998. The per capita income in Jefferson is consistently higher than the majority of Louisiana's parishes and the state as a whole. Further 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. An area that has recently grown is the oil and gas industry, particularly on the Harvey Canal located on the west bank. 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 recreational activities. The training facility of the New Orleans Saints is located in Jefferson Parish, and a minor league baseball park opened in April, 1997, home to the AAA semi-professional New Orleans Zephyrs. 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 and shopping complexes springing up everywhere. 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 alike participate in the lively parades and celebration of the Mardi Gras season throughout Jefferson Parish. Twelve 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.

In December of FY 1995/96, the School Board issued \$50 million in new 1/2c Sales Tax Bonds funded by the current 1/2c Sales Tax Revenue (no new tax was required). The new money is dedicated to renovations of existing schools, as well as new energy efficient lighting systems. As of October 1, 1998, \$37,611,009 of the projects have been completed with \$8,076,801 remaining to be completed. The Jefferson Parish Public School System has operated with a surplus for the past eight fiscal years. The fiscal year ended 1997/98 General Fund surplus exceeds \$11 million. The teachers in Jefferson Parish are unionized. In September of 1997, the Board and Union agreed to a new three (3) year contract ending June 30, 2000. This contract is valued at nearly \$9 million. The philosophy of the school board is conservative and funds must be identified and recurring before recurring expenditures can be added to the budget. During FY 1993/94 the Jefferson Parish School Board adopted two fiscally conservative provisions that enhance its ability to provide quality education for the children it serves long term. These provisions are:

- Non-recurring funds cannot be used to establish recurring expenditures.
- The first 2% of sales tax growth over and above that projected in the budget will be placed in a contingency fund and not automatically placed in the revenue equation for the next year's budget.

The Superintendent of the Jefferson Parish Public School System is in the process of establishing a long-range planning/revenue committee, the composition of which will consist of various civic, and business organization representatives as well as school board personnel and will meet as needed to develop a strategic plan. This committee, along with the Education Planning Committee (E.P.C.), will play a major role in deciding those programs and expenditures that are contained in the general operations fund budget as well as determine whether or not new revenues are needed and if so for what purpose(s).

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 recognizes 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 provided 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.

General Governmental Functions

Revenues for Governmental Fund Types which include General, Special Revenue, Debt Service, and Capital Projects Funds total \$323,800,419 in 1997/98, an increase of 5.3 percent over 1996/97. Sales taxes produced 39.9 percent of total revenues compared to 39.7 percent last year, and State Equalization produced 38.8 percent of total revenues compared to 39.0 percent last year. The amounts of revenues from various sources is shown in the following tabulation.

	Amount	Percent of Total	Increase (Decrease) from 1997
Sales taxes	\$ 129,245,673	39.9 %	\$ 7,255,520
Ad valorem taxes	20,779,992	6.4	1,545,858
Tuition from patrons	668,431	.2	(193,899)
Other local (including interest)	12,441,043	3.9	(2,534,044)
State sources	139,704,333	43.1	9,412,201
Federal sources	<u>20,960,947</u>	<u>6.5</u>	<u>803,563</u>
 Total revenues	 <u>\$323,800,419</u>	 <u>100.0 %</u>	 <u>\$16,289,199</u>

Expenditures for Governmental Fund Types which include General, Special Revenue, Debt Service, and Capital Projects Funds totaled \$343,641,631 in 1997/98, a net increase of \$35,216,774 or 11.4 percent from 1996/97. The primary components for the increase were increases of approximately \$20.0 million in salaries and benefits and \$12.5 million in additional capital outlays.

	Amount	Percent of Total	Increase (Decrease) from 1997
Instruction	\$ 190,503,938	55.4 %	\$ 13,674,288
Supporting services	97,218,622	28.3	9,119,053
Non-instruction	3,167,512	.9	240,233
Capital Outlay	25,262,482	7.4	12,546,722
Debt service:			
Principal retirement	14,828,851	4.3	1,076,182
Interest and fiscal charges	<u>12,660,226</u>	<u>3.7</u>	<u>(1,439,704)</u>
Total revenues	<u>\$343,641,631</u>	<u>100.0 %</u>	<u>\$35,216,774</u>

The total fund balance for all Governmental Fund Types was \$98,142,230 at year-end, a decrease of \$23,388,934.

At June 30, 1998, the General Fund had a fund surplus of \$6,399,340 on the budgetary basis.

Debt Administration

The ratio of net bonded debt to assessed value and the amount of bonded debt per capita are useful indicators of the School System's debt position to management, citizens, and investors. This data for the School System as of June 30, 1998, was as follows:

	Amount	Ratio of Debt to Assessed Value	Net Debt Per Capita
Net General Bonded Debt	<u>\$552,227</u>	0%	<u>\$1</u>

Proprietary Fund Type

The Enterprise-School Lunch Fund is used to account for the operations of the School System's cafeterias and other food facilities. Expenses continue to exceed revenue with a 1997/98 net loss of \$470,735 which was a \$183,757 improvement from the prior year's net loss. In future years, as in 1997/98, the School System will provide operating transfers from the General Fund to fund the deficiency.

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, in repurchase agreements backed by such instruments, or in a guaranteed investment contract. The total amount of interest earned for the year ended June 30, 1998 was \$5,851,407. This was distributed as follows:

Debt Service Fund	\$1,530,915
Capital Projects Fund	3,115,256
General Fund	1,021,414
Enterprise Fund	<u>183,822</u>
Total	<u>\$5,851,407</u>

General Fixed Assets

The fixed assets of the School System are used in the performance of the overall educational function. As of June 30, 1998, the general fixed assets of the School System amounted to \$289,157,169. This amount represents the original cost and estimates of original cost of the assets and is considerably less than their current replacement value.

Risk Management

The School System maintains a limited risk program for worker's 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.

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 (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School System for its comprehensive Annual Financial Report for the fiscal year ended June 30, 1997. This was the eighth consecutive year that the School System has received these prestigious awards. In order to be awarded these Certificates, the School System published an easily readable and efficiently organized comprehensive annual financial report. Such a report satisfied both generally accepted accounting principles and applicable legal requirements.

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

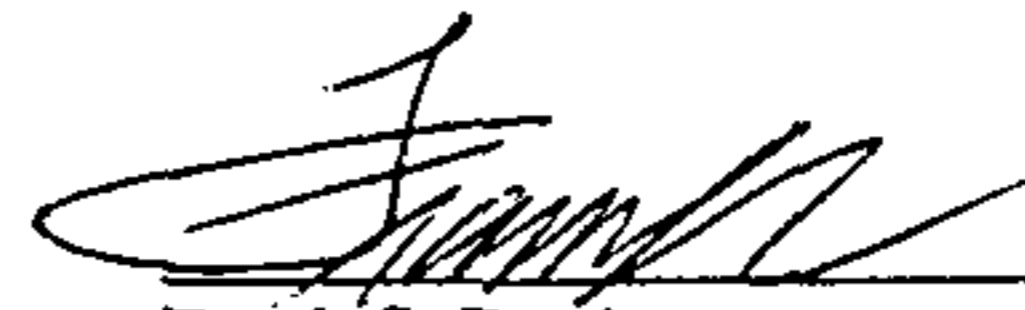
Acknowledgments

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.



Elton M. Lagasse
Superintendent



Frank S. Davis
Chief Financial Officer

**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, 1997

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

John M. Deering
President

Don L. Morgan
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, 1997

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.



Douglas R. Ellaworth
President

Jeffrey L. Essler
Executive Director

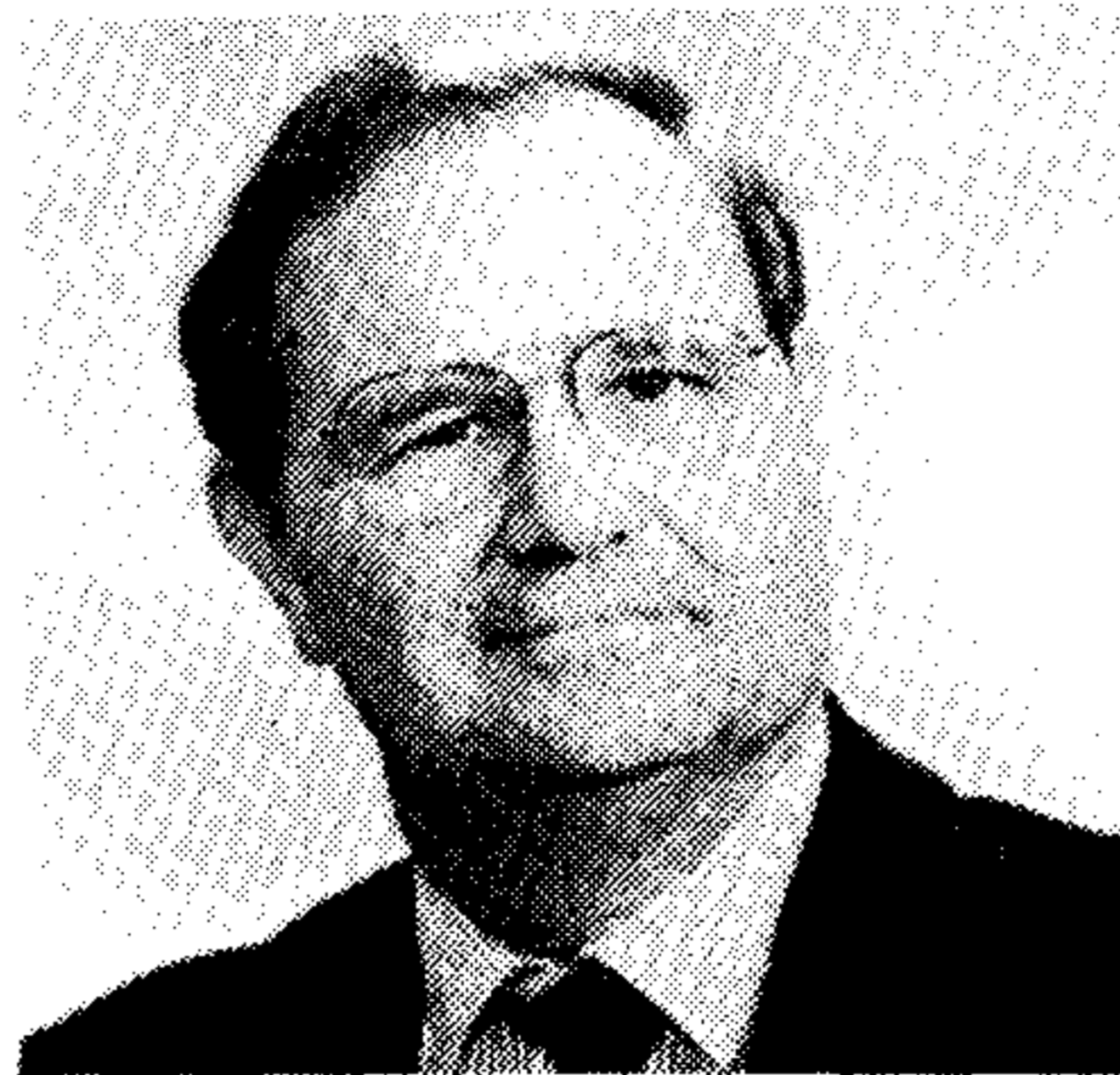
SCHOOL BOARD			
NAME	LENGTH OF SERVICE	TERM EXPIRES	OCCUPATION
Libby Moran, President, District 7	4 years	December, 2002	Teacher/ Restaurateur
Robert Wolfe, Member, District 1	15 years	December, 1998	Real Estate Broker
Barry Bordelon, Member, District 2	11 years	December, 2002	Marketing Representative
O.H. Guidry, Member, District 3	8 years	December, 1998	Retired School Principal
Laurie Rolling, Member, District 4	8 years	December, 2002	Attorney
Cedric Floyd, Member, District 5	8 years	December, 1998	Demographer
Martin Marino, Member, District 6	17 years	December, 2002	Retired School Principal
Dr. Polly Thomas Member, District 8	7 years	December, 2002	University Professor
Gene Katsanis, Member, District 9	4 years	December, 2002	Businessman
Chris Roberts Member, District 1	Newly Elected	December, 2002	Businessman
Ray St. Pierre Member, District 3	Newly Elected	December, 2002	School Administrator
Karen M. Barnes Member, District 5	Newly Elected	December, 2002	Assistant Director/ Reservist

ADMINISTRATIVE OFFICIALS

Name	Position	Length of Service
Elton Lagasse	Superintendent	37 years
Frank Davis	Chief Financial Officer/ Executive Director, Administration and Finance	15 years
Dr. Etta Licciardi	Executive Director, Instruction	30 years
Paul Emenes	Executive Director, East Bank Region	47 years
George Hebert	Executive Director, West Bank Region	33 years
Margie Zeno	Executive Director, Human Resources and Community Programs Management	30 years
Dr. Leigh Barton	Executive Director, Technology	25 years



LIBBY L. MORAN
President, District 7



ELTON M. LAGASSE
Superintendent



GENE KATSANIS
Vice- President, District 9



ROBERT WOLFE
District 1



BARRY BORDELON
District 2



O. H. GUIDRY
District 3



LAURIE E. ROLLING
District 4



CEDRIC FLOYD
District 5



MARTIN B. MARINO
District 6



DR. POLLY THOMAS
District 8



FINANCIAL SECTION

701 Poydras Street
Suite 3700
New Orleans, Louisiana 70139
(504) 581-2727

3501 N. Causeway Boulevard
Suite 810
Metairie, Louisiana 70002
(504) 837-0123

1027 Whitney Avenue
Gretna, Louisiana 70056
(504) 368-2501

INDEPENDENT AUDITORS' REPORT

Members of the School Board of
Jefferson Parish, Louisiana:

We have audited the accompanying general purpose financial statements of the Jefferson Parish Public School System as of June 30, 1998 and for the year then ended, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the Jefferson Parish Public School System's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Jefferson Parish Public School System as of June 30, 1998, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements, schedules and other supplemental information listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Jefferson Parish Public School System. This additional information is the responsibility of the Jefferson Parish Public School System's management. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 16, 1998 on our consideration of the Jefferson Parish Public School System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The statistical data listed in the foregoing table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Jefferson Parish Public School System. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly, we express no opinion on it.

Deloitte & Touche LLP Rebowe & Company Hanford M. Harrison

October 16, 1998

General Purpose Financial Statements

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT JUNE 30, 1998

ASSETS AND OTHER DEBITS	Governmental Fund Types				Proprietary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Enterprise- School Lunch
Cash and investments (Notes 2, 10 and 14)	\$16,001,562	\$ 5,169,314	\$31,252,135	\$48,753,480	\$ 49,181
Receivables:					
Sales and use tax (Note 5)	20,451,004				
Property tax (Note 4)	27,476		11,926		
Accounts	1,423,647	625,188		889	
Interest receivable	22,338		149,754	49,346	
Due from other funds (Note 8)	14,917,695	1,158,508	6,860,991	8,819,090	
Due from component unit (Note 8)	61,391				
Due from other governmental units	199,118	8,201,636			11,071
Inventories					844,675
Prepaid items (principally insurance)	2,055,201				
Land, buildings and equipment, net (Notes 3, 14 and 15)					1,071,342
Amount available in Debt Service Funds (Note 7)					
Amount to be provided for retirement of general long term bonds					
Amount to be provided for compensated absences					
Amount to be provided for claims and judgments					
TOTAL ASSETS AND OTHER DEBITS	<u>\$55,159,432</u>	<u>\$15,154,646</u>	<u>\$38,274,806</u>	<u>\$57,622,805</u>	<u>\$1,976,269</u>

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

Fiduciary Fund Type	Account Groups		Totals Primary Government (Memorandum Only)	Governmental Component Unit	Totals Reporting Entity (Memorandum Only)
	General Fixed Assets	Long Term Debt		The Jefferson Community Charter School	
Agency					
\$7,800,750			\$109,026,422	\$ 159,830	\$109,186,252
			20,451,004		20,451,004
			39,402		39,402
			2,049,724		2,049,724
			221,438		221,438
			31,756,284		31,756,284
			61,391		61,391
			8,411,825		8,411,825
			844,675		844,675
			2,055,201		2,055,201
	\$289,157,169		290,228,511	155,238	290,383,749
		\$ 36,991,900	36,991,900		36,991,900
		130,057,265	130,057,265		130,057,265
		37,191,989	37,191,989		37,191,989
		320,000	320,000		320,000
<u>\$7,800,750</u>	<u>\$289,157,169</u>	<u>\$204,561,154</u>	<u>\$669,707,031</u>	<u>\$ 315,068</u>	<u>\$670,022,099</u>

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT JUNE 30, 1998

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types				Proprietary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Enterprise - School Lunch
LIABILITIES:					
Accounts payable	\$ 962,886	\$ 30,735	\$ 12,067	\$ 1,724,141	\$ 50,379
Retainages payable				690,266	
Accrued liabilities:					
Salaries, wages, payroll taxes and retirement contributions	32,732,667				
Claims and judgments (Notes 7 and 11)	197,600				
Compensated absences (Note 7)					549,158
Workers' compensation claims (Note 11)	840,181				
Due to other funds (Note 8)	9,277,406	11,954,105	1,270,839	8,344,924	906,639
Due to primary government (Note 8)					
Due to student groups, schools and others (Note 10)					
Due to other governmental units		5,114			
Deferred revenue		26,528			
Bonds payable (Note 7)					
Total liabilities	<u>44,010,740</u>	<u>12,016,482</u>	<u>1,282,906</u>	<u>10,759,331</u>	<u>1,506,176</u>
EQUITY AND OTHER CREDITS:					
Investment in general fixed assets (Notes 3, 14 and 15)					470,093
Retained earnings					
Fund balance (Note 12):					
Reserved	6,804,553		36,991,900	21,019,647	
Unreserved:					
Designated				25,541,741	
Undesignated	<u>4,344,139</u>	<u>3,138,164</u>		<u>302,086</u>	
Total equity and other credits	<u>11,148,692</u>	<u>3,138,164</u>	<u>36,991,900</u>	<u>46,863,474</u>	<u>470,093</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$55,159,432</u>	<u>\$15,154,646</u>	<u>\$38,274,806</u>	<u>\$57,622,805</u>	<u>\$1,976,269</u>

Fiduciary Fund Type	Account Groups		Totals Primary Government (Memorandum Only)	Governmental Component Unit The Jefferson Community Charter School	Totals Reporting Entity (Memorandum Only)
	General Fixed Assets	Long Term Debt			
Agency					
			\$ 2,780,208		\$ 2,780,208
			690,266		690,266
			32,732,667		32,732,667
		\$ 320,000	517,600		517,600
		37,191,989	37,741,147		37,741,147
			840,181		840,181
\$ 2,371			31,756,284		31,756,284
				\$ 61,391	61,391
7,798,379			7,798,379		7,798,379
			5,114		5,114
			26,528		26,528
		167,049,165	167,049,165		167,049,165
7,800,750		204,561,154	281,937,539	61,391	281,998,930
	\$289,157,169		289,157,169	155,238	289,312,407
			470,093		470,093
			64,816,100		64,816,100
			25,541,741		25,541,741
			7,784,389	98,439	7,882,828
	289,157,169		387,769,492	253,677	388,023,169
\$7,800,750	\$289,157,169	\$204,561,154	\$669,707,031	\$315,068	\$670,022,099

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT YEAR ENDED JUNE 30, 1998

	<u>General</u>	<u>Governmental Special Revenue</u>
REVENUES:		
Local sources:		
Property taxes	\$ 14,789,821	
Sales and use taxes	106,551,111	
Tuition and other	699,963	\$ 3,441,870
Interest income	1,021,414	
Other	3,139,056	
State sources	132,677,935	7,026,398
Federal sources	944,613	20,016,334
	<u>259,823,913</u>	<u>30,484,602</u>
Total revenues		
EXPENDITURES:		
Current:		
Instruction	172,481,203	18,022,735
Supporting services	87,601,307	9,617,315
Non-instruction	11,875	2,845,473
Capital outlay		
Debt service:		
Principal retirement		
Interest and fiscal charges		
	<u>260,094,385</u>	<u>30,485,523</u>
Total expenditures		
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(270,472)</u>	<u>(921)</u>
OTHER FINANCING SOURCES (USES):		
Operating transfers in (Note 8)	80,766	622,066
Operating transfers out (Note 8)	(3,476,132)	(81,399)
Transfers to component unit (Note 8)	(450,000)	
Transfers from primary government (Note 8)		
Payment to refunded bond escrow agent		
Proceeds of refunding bonds		
Bond issuance and other costs		
	<u>(3,845,366)</u>	<u>540,667</u>
Total other financing sources (uses) - net		
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(4,115,838)</u>	<u>539,746</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>15,264,530</u>	<u>2,598,418</u>
FUND BALANCES AT END OF YEAR	<u>\$ 11,148,692</u>	<u>\$ 3,138,164</u>

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

Fund Types		Totals Primary Government (Memorandum Only)	Governmental Component Unit The Jefferson Community Charter School	Totals Reporting Entity (Memorandum Only)
Debt Service	Capital Projects			
\$ 5,990,171		\$ 20,779,992		\$ 20,779,992
19,460,000	\$ 3,234,562	129,245,673		129,245,673
		4,141,833		4,141,833
1,530,915	3,115,256	5,667,585	\$ 8,982	5,676,567
	161,000	3,300,056	446,310	3,746,366
		139,704,333		139,704,333
		20,960,947		20,960,947
<u>26,981,086</u>	<u>6,510,818</u>	<u>323,800,419</u>	<u>455,292</u>	<u>324,255,711</u>
		190,503,938	412,148	190,916,086
		97,218,622	399,289	97,617,911
310,164		3,167,512	33,504	3,201,016
	25,262,482	25,262,482		25,262,482
14,828,851		14,828,851		14,828,851
12,660,226		12,660,226		12,660,226
<u>27,799,241</u>	<u>25,262,482</u>	<u>343,641,631</u>	<u>844,941</u>	<u>344,486,572</u>
<u>(818,155)</u>	<u>(18,751,664)</u>	<u>(19,841,212)</u>	<u>(389,649)</u>	<u>(20,230,861)</u>
1,738,016	3,069,631	5,510,479		5,510,479
(3,223,831)	(1,826,839)	(8,608,201)		(8,608,201)
		(450,000)		(450,000)
			450,000	450,000
(20,076,067)		(20,076,067)		(20,076,067)
20,467,484		20,467,484		20,467,484
(391,417)		(391,417)		(391,417)
<u>(1,485,815)</u>	<u>1,242,792</u>	<u>(3,547,722)</u>	<u>450,000</u>	<u>(3,097,722)</u>
(2,303,970)	(17,508,872)	(23,388,934)	60,351	(23,328,583)
<u>39,295,870</u>	<u>64,372,346</u>	<u>121,531,164</u>	<u>38,088</u>	<u>121,569,252</u>
<u>\$36,991,900</u>	<u>\$ 46,863,474</u>	<u>\$ 98,142,230</u>	<u>\$ 98,439</u>	<u>\$ 98,240,669</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES YEAR ENDED JUNE 30, 1998

	Actual on Budgetary Basis	General Fund Revised Budget	Variance- Favorable (Unfavorable)
REVENUES:			
Local sources:			
Property taxes	\$ 14,789,821	\$ 14,833,273	\$ (43,452)
Sales and use taxes	106,551,111	106,032,051	519,060
Tuition and other	699,963	837,000	(137,037)
Interest income	1,021,414	900,000	121,414
Other	3,139,056	3,376,818	(237,762)
State sources	132,677,935	133,173,044	(495,109)
Federal sources	944,613	800,000	144,613
Total revenues	<u>259,823,913</u>	<u>259,952,186</u>	<u>(128,273)</u>
EXPENDITURES:			
Instruction	175,045,515	173,320,890	(1,724,625)
Supporting services	87,636,083	88,129,329	493,246
Non-instruction	11,875	51,535	39,660
Total expenditures	<u>262,693,473</u>	<u>261,501,754</u>	<u>(1,191,719)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(2,869,560)</u>	<u>(1,549,568)</u>	<u>(1,319,992)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	80,766		80,766
Operating transfers out	(3,476,132)	(3,410,394)	(65,738)
Transfers to component unit	(450,000)		(450,000)
Total other financing sources (uses) - net	<u>(3,845,366)</u>	<u>(3,410,394)</u>	<u>(434,972)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(6,714,926)	(4,959,962)	(1,754,964)
ENCUMBRANCES OUTSTANDING AT YEAR END	4,749,352	4,749,352	
PRIOR YEAR ENCUMBRANCES EXPENDED IN CURRENT YEAR	(2,150,264)	(2,150,264)	
FUND BALANCES AT BEGINNING OF YEAR (GAAP BASIS)	<u>15,264,530</u>	<u>16,117,032</u>	<u>(852,502)</u>
FUND BALANCES AT END OF YEAR (GAAP BASIS)	<u>\$ 11,148,692</u>	<u>\$ 13,756,158</u>	<u>\$ (2,607,466)</u>

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

EXHIBIT C-3

<u>Special Revenue Funds</u>		
Actual on Budgetary Basis	Revised Budget	Variance- Favorable (Unfavorable)
\$3,011,747	\$2,754,000	\$ 257,747
498,104	452,898	45,206
<u>386,311</u>	<u>450,000</u>	<u>(63,689)</u>
<u>3,896,162</u>	<u>3,656,898</u>	<u>239,264</u>
1,318,191	1,473,647	155,456
598,645	549,423	(49,222)
<u>1,736,673</u>	<u>1,629,891</u>	<u>(106,782)</u>
<u>3,653,509</u>	<u>3,652,961</u>	<u>(548)</u>
<u>242,653</u>	<u>3,937</u>	<u>238,716</u>
<u>242,653</u>	<u>3,937</u>	<u>238,716</u>
<u>1,225,664</u>	<u>1,225,664</u>	<u> </u>
<u>\$1,468,317</u>	<u>\$1,229,601</u>	<u>\$ 238,716</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**EXHIBIT C-4****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE - SCHOOL LUNCH ENTERPRISE FUND
YEAR ENDED JUNE 30, 1998**

OPERATING REVENUE -	
Food service sales	<u>\$ 2,420,933</u>
OPERATING EXPENSES:	
Salaries and related benefits	10,348,768
Food costs	6,613,935
Material and supplies	930,438
Contractual services	197,479
Depreciation	476,855
Miscellaneous	9,611
Printing	9,488
Repairs and maintenance	406,735
Travel	20,401
Utilities	<u>602,500</u>
Total	<u>19,616,210</u>
OPERATING LOSS	<u>(17,195,277)</u>
NONOPERATING REVENUES:	
Interest on investments	183,822
Federal grants in aid:	
Donated commodities	1,115,765
School lunch and breakfast program	<u>12,327,233</u>
Total	<u>13,626,820</u>
NET LOSS BEFORE OPERATING TRANSFERS	(3,568,457)
OPERATING TRANSFERS IN	<u>3,097,722</u>
NET LOSS	(470,735)
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>940,828</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 470,093</u>

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

EXHIBIT C-5

**STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
SCHOOL LUNCH ENTERPRISE FUND
YEAR ENDED JUNE 30, 1998**

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED IN OPERATING ACTIVITIES:**

Operating loss	\$(17,195,277)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	476,855
Donated commodities used	1,032,387
Change in assets and liabilities:	
Decrease in accounts receivable	4,706
Increase in inventories	(64,575)
Increase in accounts payable	13,346
Decrease in compensated absences	<u>(10,904)</u>
 <i>Net cash used in operating activities</i>	 <u><i>(15,743,462)</i></u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Federal grants in aid	12,327,233
Decrease in due to other funds	(2,053,344)
Operating transfers in	<u>3,097,722</u>
 <i>Net cash provided by noncapital financing activities</i>	 <u><i>13,371,611</i></u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING
ACTIVITIES -**

Acquisition of capital assets	<u>(331,819)</u>
-------------------------------	------------------

CASH FLOWS FROM INVESTING ACTIVITIES -

Interest received	<u>183,822</u>
-------------------	----------------

NET DECREASE IN CASH AND CASH EQUIVALENTS

(2,519,848)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR

2,569,029

CASH AND CASH EQUIVALENTS AT END OF YEAR

\$ 49,181

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Donated commodities received	\$ 1,115,765
Donated commodities used	<u>(1,032,387)</u>

Total noncash investing, capital, and financing activities - net

\$ 83,378

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

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 generally accepted accounting principles as applicable to governmental units:

Reporting Entity - In conformity with the Governmental Accounting Standards Board's (GASB) definition of a reporting entity, the general purpose financial statements of the School System include the accounts of all School System operations. As required by generally accepted accounting principles, 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 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.

Basis of Presentation - 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, revenues and expenditures or expenses, as appropriate. The various funds are summarized by type in the financial statements. The following fund types, account groups and discretely presented component unit are used by the School System:

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).

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998

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.

Account Groups

Account groups are used to establish accounting control and accountability for the School System's General Fixed Assets and General Long-Term Debt. The following are the School System's Account Groups:

General Fixed Assets Account Group - Fixed assets used in Governmental Fund Type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. General fixed assets consist of land, buildings and improvements, and equipment with an expected useful life of more than one year. Purchases of general fixed assets are recorded as expenditures at the time of purchase. Depreciation is not recorded on general fixed assets.

General Long-Term Debt Account Group - Long-term liabilities such as unmatured general obligation indebtedness and the long-term portion of compensated absences expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

Component Unit

The component unit of the School System is accounted for as a Governmental Fund Type.

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

The modified accrual basis of accounting is followed by the Governmental Fund Types and the Agency Funds. 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998

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 to the extent of expenditures made under the provisions of the grant 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 balance sheet. Fund equity (i.e., net total assets) consists solely of retained earnings. 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. Under this basis of accounting, revenues are recognized when earned, and expenses are recognized when the related liability is incurred.

Under the provisions of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the School System has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

Effective July 1, 1997, the School System adopted the provisions of Governmental Accounting Standards Board Statement (GASBS) No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.* GASBS No. 31 requires all investments be reported at fair value with gains and losses included in the statement of revenues and expenses. The effect for the year ended June 30, 1998 was to increase interest income by \$179,568. There was no effect on income or equity for the year ended June 30, 1997.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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 two of its Special Revenue Funds (the Adult Education and Community Education 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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998

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 two Special Revenue Funds (the Adult Education and Community Education Funds). Budgetary control is exercised at the revenue and expenditure function level. Formal budgetary integration is not employed for the other Special Revenue, Debt Service and Capital Projects funds since their expenditures are controlled by contractual arrangements. Budgeted amounts reflected in the accompanying general purpose financial statements for the General Fund were adopted by the School Board on June 4, 1997, and include amendments made through January 14, 1998. Special Revenue Funds budgets were adopted by the School Board on May 21, 1997. There were no amendments to the Special Revenue Funds budget for the current fiscal year.

The School System's budget includes encumbered amounts. Accordingly, the budgetary basis expenditure data reflected in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - General and Special Revenue Fund Types (Exhibit C-3) 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 and Discretely Presented Component Unit (Exhibit C-2) 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 is presented below:

	General Fund	Special Revenue Funds
Excess (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	\$(6,714,926)	\$ 242,653
To reverse June 30, 1998 encumbrances recorded as expenditures on the budgetary basis	4,749,352	
To add back prior year's encumbrances paid in 1998, but not recorded as expenditures in 1998	<u>(2,150,264)</u>	<u> </u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$(4,115,838)</u>	<u>\$ 242,653</u>

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 original maturity of three months or less when purchased to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998

Investments - Investments are stated at fair value.

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.

Land, Buildings and Equipment, Net - General fixed 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. General fixed assets which are donated are recorded at their fair market value on the date received. No depreciation has been provided on general fixed assets. See Note 15 regarding a restatement made to the July 1, 1997 amounts.

Fixed assets associated with the activities of the School Lunch Enterprise Fund are recorded as assets of that fund and consist primarily of equipment. Depreciation of such assets is computed on the straight-line method over their estimated useful life of 12 years. Purchased fixed assets of the School Lunch Enterprise Fund are stated at cost or estimated historical cost, less accumulated depreciation of \$4,227,492 at June 30, 1998.

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, only that portion which is expected to be liquidated within one year with expendable available financial resources is accrued at year-end. The remainder of the accrued liability which is applicable to Governmental Fund Types is reported in the General Long-Term Debt Account Group. Only that portion of accumulated sick leave which is vested is accrued. The amount of accumulated vacation and accumulated vested sick leave at June 30, 1998 applicable to Governmental Fund Types was \$15,731,637, none of which met the condition for accrual in the Governmental Fund Types; hence, the entire amount is reported in the General Long-Term Debt Account Group.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998

- 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 rest and recuperation or professional and cultural improvement and must be approved by the School Board. Unused sabbatical leave may be carried forward to periods subsequent to that in which it is earned. Sabbatical leave does not vest.

Accumulated sabbatical leave for which payment is probable is accrued. That portion of accumulated sabbatical leave which is expected to be liquidated within one year with expendable available financial resources is accrued in the Governmental Fund Types, and the remainder is reported in the General Long-Term Debt Account Group. The amount of accumulated sabbatical leave at June 30, 1998 for which payment is probable was \$21,460,352, none of which met the condition for accrual in the Governmental Fund Types; hence, the entire amount is reported in the General Long-Term Debt Account Group.

Total Columns on Combined Statements - Total columns on the combined general purpose financial statements are captioned "Memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations and cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

New Accounting Pronouncements - The GASB has issued GASBS No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," in October 1997. GASBS No. 32 was issued in response to a change in Internal Revenue Code Section 457 on August 20, 1996. This Code Section now requires that all assets and income of the deferred compensation plans established under this code must be held in trust for the exclusive benefit of the participants and their beneficiaries. Existing plans are required to comply with this requirement by January 1, 1999. Once the School System's Deferred Compensation Plan is amended to be in conformity with the Code Section, the School System will no longer be required to present this fund as an Agency Fund in its financial statements.

The GASB has also issued GASB Technical Bulletin No. 98-1. "Disclosures about Year 2000 Issues." This technical bulletin was issued to address the type of disclosures that should be presented in the financial statements about compliance with year 2000 issues for a government's internal computer systems and other electronic equipment. Among other things, governments will be required to disclose any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant, and a general description of the year 2000 issue as it relates to their organization. This disclosure will include a description of the stages of work in process or completed as of the end of the government's reporting period, and the additional stages of work necessary. The provisions of this technical bulletin are effective for financial statements on which the auditor's report is dated after October 31, 1998, and the School System will, therefore, be required to adopt this technical bulletin in fiscal 1999.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

2. CASH AND INVESTMENTS

Deposits - In accordance with Louisiana Statutes, the School System maintains deposits at those depository banks authorized by the School Board. 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 \$28,137,061 (primary government only) at June 30, 1998 were insured or collateralized by securities held by the School System or its agent in the School System's name.

Investments

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

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

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

The School System's investments are categorized below to give an indication of the level of risk assumed at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School System or its agent in the School System's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School System's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the School System's name.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

EXHIBIT C-6
(Continued)

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 1998

Balances at June 30, 1998 were as follows:

Securities Type	Credit Risk Category			Carrying Value
	1	2	3	
U. S. Government	<u>\$80,022,311</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 80,223,111
Investment in deferred compensation mutual fund and insurance contracts				<u>4,018,352</u>
Total investments				84,241,463
Total deposits				<u>24,784,959</u>
Total cash and investments				<u>\$109,026,422</u>

3. GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 1997 (As Restated)	Additions	Deletions	Balance June 30, 1998
Land and improvements	\$ 14,482,459	\$ 1,133,550	\$ -	\$ 15,616,009
Buildings and improvements	216,493,931	20,181,899	15,949	236,659,881
Equipment	<u>32,977,994</u>	<u>8,396,993</u>	<u>4,493,708</u>	<u>36,881,279</u>
Total	<u>\$263,954,384</u>	<u>\$29,712,442</u>	<u>\$4,509,657</u>	<u>\$289,157,169</u>

See Note 15 for a description of the restatement made to the July 1, 1997 beginning balances.

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 1998 was formally levied on November 15, 1997 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

EXHIBIT C-6
(Continued)

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 1998

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

	No. of Mills
Maintenance and Operation	9.91
Debt Service	4.00

5. SALES AND USE TAX

For the year ended June 30, 1998, 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 October 3, 1992) for increasing salaries and benefits of school teachers and other employees, establishing guidance programs, payment of debt service, and instruction and maintenance expense

6. ISSUANCE AND DEFEASANCE OF BONDS

On April 21, 1998, the School System issued \$33,380,000 (Maturity Amount) in Sales Tax School Board Refunding Bonds - Series 1998, for the purpose of advance refunding \$5,814,732 of the remaining \$24,786,412 of 1980 1/4 Sales Tax Bonds - Series 1986A. The Refunding Bonds, which were issued at a deep discount, have an initial interest rate of 4.75%. Interest compounds semiannually but is not paid to bondholders until maturities begin in 2006. The Refunding Bonds require principal and interest payments on September 1 and March 1 of each year beginning September 1, 2006, and until which time that they mature on March 1, 2010. Principal and interest payments will be \$8,345,000 beginning in 2007 until final maturity in 2010. On the date of delivery of the Refunding Bonds, \$20,076,067 was deposited in escrow and \$196,975 was paid for issuance cost. The Refunding Bonds were issued with an underwriters discount of \$194,442. As a result of the Refunding, the School System will see a reduction in its debt service requirements of approximately \$130,000 per year until final maturity in 2010 and an overall economic gain of \$1.1 million on the refunding.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

**EXHIBIT C-6
(Continued)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

7. GENERAL LONG-TERM DEBT

The following is a summary of changes in general long-term debt for the year ended June 30, 1998 (in thousands of dollars):

	Compensated Absences	Claims and Judgments	Tax Bonds			Total
			Ad Valorem Tax Bonds	1954 Sales Tax Bonds	1980 Sales Tax Bonds	
Balance at July 1, 1997	\$ 37,236	\$ 295	\$ 6,795	\$ 132,095	\$ 28,335	\$ 204,756
Bonds issued					20,467	20,467
Bonds retired			(3,955)	(7,325)	(3,548)	(14,828)
Bonds called or refunded					(5,815)	(5,815)
Increase (decrease) in long-term portion of liability	(44)	25				(19)
Balance at June 30, 1998	<u>\$ 37,192</u>	<u>\$ 320</u>	<u>\$ 2,840</u>	<u>\$ 124,770</u>	<u>\$ 39,439</u>	<u>\$ 204,561</u>

Bonded debt at June 30, 1998 is comprised of the following serial bond issues:

Description	Interest Rates	Final Maturity Date	Range of Annual Principal Payments		Amount Outstanding
			From	To	
Ad valorem tax bonds:					
\$10,000,000 issue of 3/1/70	6.00	3/01/00	\$ 50,000	\$ 50,000	\$ 100,000
\$18,150,000 issue of 4/15/74, Series 1	4.50-6.00	4/15/99	1,265,000	1,340,000	1,340,000
\$14,080,000 issue of 4/15/74, Series 2	4.50-6.00	4/15/99	980,000	1,045,000	1,045,000
\$4,770,000 issue of 4/15/74, Series 3	4.50-6.00	4/15/99	330,000	355,000	355,000
Total					<u>2,840,000</u>
1954 1/2¢ sales tax bonds:					
\$70,000,000 refunding issue of 6/17/92	5.20-6.25	2/01/08	395,000	9,995,000	67,535,000
\$16,180,000 refunding issue of 1/1/94	3.80-4.45	2/01/00	4,425,000	5,480,000	9,905,000
\$50,000,000 issue of 1/19/96	4.75-6.00	2/01/07	1,660,000	4,280,000	47,330,000
Total					<u>124,770,000</u>
1980 1/4¢ sales tax bonds:					
\$53,645,264 refunding issue of 7/10/86, Series A	7.70-8.50	3/01/06	828,387	1,635,296	18,971,680
\$33,380,000 refunding issue of 4/21/98	4.75-5.10	3/01/10	4,676,738	5,558,609	20,467,485
Total					<u>39,439,165</u>
TOTAL					<u>\$ 167,049,165</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

EXHIBIT C-6
(Continued)

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 1998

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, 1998, there was \$2,330,321 available in the debt service funds for servicing of these bonds.

1954 1/2¢ Sales Tax Bonds - The Series 1992 bonds, Series 1994 bonds and Series 1995 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, 1998, \$21,417,522 was available in the debt service funds for servicing of these bonds.

1980 1/4¢ Sales Tax Bonds - The Series 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, 1998, \$13,244,057 was available in the debt service funds for servicing of these bonds.

The annual debt service requirements (including interest of \$114,319,013) to amortize all of the School System's outstanding bonds as of June 30, 1998 are as follows:

Year Ending June 30,	Ad Valorem Tax Bonds	1954 Sales Tax Bonds	1980 Sales Tax Bonds	Total
1999	\$2,919,300	\$ 14,739,495	\$ 8,330,000	\$ 25,988,795
2000	53,000	14,754,502	8,330,000	23,137,502
2001		14,761,253	8,330,000	23,091,253
2002		14,763,443	8,330,000	23,093,443
2003		14,763,560	8,330,000	23,093,560
2004-2008		73,970,125	41,710,000	115,680,125
2009-2010		30,593,500	16,690,000	47,283,500
Total	\$2,972,300	\$178,345,878	\$100,050,000	\$281,368,178

There are a number of limitations and restrictions contained in the various bond indentures. As of June 30, 1998, the School System was in compliance with all significant limitations and restrictions.

Certain outstanding Sales Tax Bonds of the School System have been defeased in prior years by placing the proceeds of refunding bonds into irrevocable escrow accounts held and managed by bank trustees and invested in U. S. Treasury obligations, the principal and interest on which would provide amounts sufficient to pay all future debt service requirements of the old bonds. Accordingly, the escrow accounts and the liability for the defeased bonds are not included in the School System's financial statements.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

**EXHIBIT C-6
(Continued)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

The defeased bonds outstanding at June 30, 1998 are as follows:

1954 1/2¢ Sales Tax Bonds:	
\$11,800,000 Series 1982C	\$ 5,220,000
\$32,250,000 Series 1983AB	11,660,000
\$15,000,000 Series 1983D	14,925,000
\$64,625,000 Series 1986A	<u>64,625,000</u>
 Total	 <u>96,430,000</u>
 1980 1/4¢ Sales Tax Bonds:	
\$45,000,000 Series 1981B	11,400,000
\$53,645,264 Series 1986A	<u>5,814,732</u>
	 <u>17,214,732</u>
 TOTAL	 <u>\$113,644,732</u>

8. INDIVIDUAL FUND DISCLOSURES

Excess of Expenditures Over Appropriations

Formal budgetary appropriations are adopted for the General Fund and two Special Revenue Funds. Expenditures are budgeted at the function level, which is the level at which expenditures may not legally exceed appropriations. During fiscal year 1998, the General Fund expenditures for instruction exceeded appropriations by \$1,724,625. Total budgeted revenues for the General Fund exceeded those amounts budgeted by \$128,273. The Community Education Fund expenditures for supporting and non-instruction services exceeded appropriations by \$30,691 and \$106,782, respectively; however, total revenues for the Community Education Fund exceeded those amounts budgeted by \$268,545. Additionally, during fiscal year 1998, the Adult Education Fund expenditures for supporting services exceeded appropriations by \$18,531. Total budgeted revenues for the Adult Education Fund exceeded actual amounts by \$29,281; however, at the fund level, revenues net of expenditures exceeded budget by \$80,310.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

Interfund Receivables and Payables

Individual fund interfund receivables and payables as of June 30, 1998 were as follows:

Fund	Interfund Receivables	Interfund Payables
General	<u>\$14,917,695.</u>	<u>\$ 9,277,406</u>
Special Revenue:		
Elementary and Secondary Education Act of 1965 (Title I)	101,722	2,664,551
Elementary and Secondary Education Act of 1965 (Title III)	278	211,108
Elementary and Secondary Education Act of 1965 (Title VII)	14	99,816
Individuals with Disabilities Education Act of 1990 - Part B	15,862	753,023
Vocational Education	96,169	191,518
Job Training Partnership Act	11,154	47,052
Education for Economic Security Act Title II	9,808	173,462
Indian Education Act		9,159
Drug Free Schools and Communities	12,173	739,256
Emergency Immigration Act		40,884
Title XIX School Nurse		35,673
Child Care and Development Block Grant		129,830
Adult Education		97,127
Community Education	55	834,319
State Programs	<u>911,273</u>	<u>5,927,327</u>
Total	<u>1,158,508</u>	<u>11,954,105</u>
Debt Service:		
Ad Valorem Tax Bond Sinking		
1954 1/2¢ Sales Tax Bond Sinking	4,366,467	15,307
1954 1/2¢ Sales Tax Bond Reserve		791,817
1980 1/4¢ Sales Tax Bond Sinking	2,494,524	
1980 1/4¢ Sales Tax Bond Reserve		<u>463,715</u>
Total	<u>6,860,991</u>	<u>1,270,839</u>
Capital Projects:		
Capital	2,000,000	2,739,465
Sales Tax	<u>6,819,090</u>	<u>5,605,459</u>
Total	<u>8,819,090</u>	<u>8,344,924</u>
Proprietary - Enterprise		<u>906,639</u>
Fiduciary - Agency		<u>2,371</u>
TOTAL	<u>\$31,756,284</u>	<u>\$31,756,284</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

**EXHIBIT C-6
(Continued)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

Primary Government/Component Unit Receivables and Payables

Receivables and payables between the primary government and its component unit at June 30, 1998 were as follows:

Primary Government:		
General Fund	\$61,391	
Component Unit:		
The Jefferson Community Charter School		\$61,391
TOTAL	\$61,391	\$61,391

Operating Transfers by Fund Type - Primary Government

A summary of operating transfers by fund type for the year ended June 30, 1998 is as follows:

Transfers To or From	Operating Transfers In	Operating Transfers Out
<u>General Fund</u>		
Special Revenue Funds	\$ 80,766	\$ 108,410
Capital Projects Funds		270,000
School Lunch Enterprise Fund		3,097,722
Total	<u>80,766</u>	<u>3,476,132</u>
<u>Special Revenue Funds</u>		
General Fund	108,410	80,766
Special Revenue Funds	633	633
Capital Projects Funds	513,023	
Total	<u>622,066</u>	<u>81,399</u>
<u>Debt Service Funds</u>		
Capital Projects Funds	482,484	1,968,299
Debt Service Funds	1,255,532	1,255,532
Total	<u>1,738,016</u>	<u>3,223,831</u>
<u>Capital Projects Funds</u>		
General Fund	270,000	
Special Revenue Funds		513,023
Debt Service Funds	1,968,299	482,484
Capital Projects Funds	831,332	831,332
Total	<u>3,069,631</u>	<u>1,826,839</u>
<u>School Lunch Enterprise Fund</u>		
General Fund	3,097,722	
TOTAL OPERATING TRANSFERS	\$ 8,608,201	\$ 8,608,201

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

Primary Government/Component Unit Transfers

Transfers between the primary government and its component unit at June 30, 1998 were as follows:

	Transfers In	Transfers Out
<u>General Fund/Primary Government</u>		
Component Unit: The Jefferson Community Charter School		\$ 450,000
<u>Component Unit</u>		
General Fund/Primary Government	<u>\$ 450,000</u>	_____
TOTAL PRIMARY GOVERNMENT/COMPONENT UNIT TRANSFERS	<u>\$ 450,000</u>	<u>\$ 450,000</u>

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, Louisiana 70804-9123
(504) 925-6446

Louisiana School Employees' Retirement System
Post Office Box 44516
Baton Rouge, Louisiana 70804-4516
(504) 924-6484

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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

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%	16.4%
Teachers' Plan B	5.00%	16.4%

The School System's contributions to TRS for the years ended June 30, 1998, 1997 and 1996 were \$26,916,756, \$24,353,218 and \$23,971,304, 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998

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 6.35% for participating employees and 6.00% for the School System.

The School System's contributions to SERS for the years ended June 30, 1998, 1997 and 1996 were \$605,809, \$573,107 and \$505,758, respectively, equal to the required contributions for each year.

10. DEFERRED COMPENSATION PLAN

The School System offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years, up to 33.3% of annual gross earnings not to exceed \$7,500. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, disability, death or in the event of an unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the School System subject only to the claims of the School System's general creditors. Amounts set aside under this plan are reported in Agency Funds. Participants' rights under the plan are equal to those of a general creditor of the government in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the School System's management that the government has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The School System believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. As indicated in Note 1, the Internal Revenue Code Section 457 has been amended and the School System's plan will be changed to clarify that all assets of this plan will be held in trust for the exclusive benefit of the participants and their beneficiaries.

Investments are managed by the plan's trustee under one of six investment options, or a combination thereof. The choice of the investment option(s) is made by the participants.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998

11. 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 \$517,600 at June 30, 1998, \$320,000 of which is reported in the General Long-Term Debt Account Group and \$197,600 of which is reported in the General Fund.

Changes in the claims payable liability for the years ended June 30, 1998 and 1997 were as follows:

	1998	1997
Claims payable, beginning of year	\$ 492,600	\$ 495,000
Add: Changes in estimates	25,000	(2,400)
Deduct: Claims payments	<u>-</u>	<u>-</u>
Claims payable, end of year	<u>\$ 517,600</u>	<u>\$ 492,600</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, 1998.

Changes in the workers' compensation claims payable liability for the years ended June 30, 1998 and 1997 were as follows:

	1998	1997
Workers' compensation claims payable, beginning of year	\$ 834,497	\$ 739,757
Add: Claims and changes in estimates	1,026,853	1,092,528
Deduct: Claims payments	<u>(1,021,169)</u>	<u>(997,788)</u>
Workers' compensation claims payable, end of year	<u>\$ 840,181</u>	<u>\$ 834,497</u>

Other Risk Management - The School System continues to carry commercial insurance for all other risks of loss, including general liability, automobile, and employee health insurance. There have been no significant changes in these insurance coverage amounts. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998

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.

These programs are governed by various statutory rules and regulations of the grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies.

12. RESERVATIONS AND DESIGNATIONS OF FUND BALANCES

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

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

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

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

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

Reserved for Specific Programs - This reserve represents amounts set aside primarily for in-school suspension programs.

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.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

EXHIBIT C-6
(Continued)

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 1998

The reserved and unreserved components of fund balances at June 30, 1998, consist of the following:

	General Fund	Special Revenue	Debt Service	Capital Projects	Total
Reserved for:					
Encumbrances	\$ 4,749,352			\$19,960,505	\$ 24,709,857
Prepaid items	2,055,201				2,055,201
Debt service			\$36,991,900		36,991,900
Specific programs				1,059,142	1,059,142
Total	<u>6,804,553</u>		<u>36,991,900</u>	<u>21,019,647</u>	<u>64,816,100</u>
Unreserved - designated for:					
Capital additions and improvements				25,541,741	25,541,741
Unreserved - undesignated	<u>4,344,139</u>	<u>\$3,138,164</u>		<u>302,086</u>	<u>7,784,389</u>
Total fund balance	<u>\$11,148,692</u>	<u>\$3,138,164</u>	<u>\$36,991,900</u>	<u>\$46,863,474</u>	<u>\$ 98,142,230</u>

On the budgetary basis, the reserved and unreserved components of the General Fund fund balance at June 30, 1998, consist of the following:

Reserved for:	
Encumbrances	\$4,749,352
Prepaid items	<u>2,055,201</u>
Total	6,804,553
Unreserved - undesignated deficit	<u>(405,213)</u>
Total fund balance on budgetary basis	<u>\$6,399,340</u>

The teachers of Jefferson Parish are unionized. In September 1997, the Board and the Jefferson Federation of Teachers (the Union) agreed to a new three year contract ending June 30, 2000. This contract calls for future increases to teachers' salaries and benefits of approximately \$9 million over a three year period of which approximately \$6.5 million were expended during fiscal 1998. In response to the new teachers' contract, the Board also granted non-bargaining unit employees a one-time 5% pay raise during fiscal year 1998 which resulted in increased payroll costs of approximately \$2.4 million. Projected increases in General Fund revenues were not sufficient to fund such salary adjustments and, therefore, the voters approved in July, 1998 a 4 mill property tax to provide approximately \$6 million per year in additional funding for operation and maintenance expenditures. Any remaining deficiency in operating revenues after collection of the new property taxes will be absorbed by reducing fund balances in the General Fund.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

13. 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, 3,141 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 1998, the School System contributed 71% 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 5,764 active and 2,003 retired participating employees amounted to \$11,292,255 for 1998. For 1998, the School System's cost of premiums paid for retirees totaled \$5,204,100.

14. COMPONENT UNIT DISCLOSURES

Cash

In accordance with Louisiana statutes, the School System maintains deposits at those depository banks authorized by the School Board. 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 \$331,459 at June 30, 1998 were insured or collateralized by securities held by the School System or its agent in the School System's name.

General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance July 1, 1997	Additions	Deletions	Balance June 30, 1998
Land and improvements	\$ 3,290	\$28,330	\$ -	\$ 31,620
Equipment	<u>92,154</u>	<u>31,464</u>	<u>-</u>	<u>123,618</u>
Total	<u>\$95,444</u>	<u>\$59,794</u>	<u>\$ -</u>	<u>\$155,238</u>

Other Revenues

Other revenues of \$446,310 included on the combined Statement of Revenues, Expenditures and Changes in Fund Balance primarily represent donations from the community.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998

15. PRIOR PERIOD ADJUSTMENT

The beginning balance of the General Fixed Asset Account Group has been reduced by \$4,065,880. This decrease represents items capitalized prior to June 30, 1997, that were under \$300 individually, the capitalization threshold at that time. The threshold was revised upward in fiscal 1998. During 1998, the School System removed these items from the General Fixed Asset Account Group.

* * * * *

GENERAL FUND

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.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE F-1

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1998**

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
REVENUES:			
Local sources:			
Property taxes	\$ 14,789,821	\$ 14,833,273	\$ (43,452)
Sales and use taxes	106,551,111	106,032,051	519,060
Tuition and other	699,963	837,000	(137,037)
Interest income	1,021,414	900,000	121,414
Other	3,139,056	3,376,818	(237,762)
State sources	132,677,935	133,173,044	(495,109)
Federal sources	944,613	800,000	144,613
Total revenues	<u>259,823,913</u>	<u>259,952,186</u>	<u>(128,273)</u>
EXPENDITURES:			
Instruction	175,045,515	173,320,890	(1,724,625)
Supporting services	87,636,083	88,129,329	493,246
Non-instruction	11,875	51,535	39,660
Total expenditures	<u>262,693,473</u>	<u>261,501,754</u>	<u>(1,191,719)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(2,869,560)</u>	<u>(1,549,568)</u>	<u>(1,319,992)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	80,766		80,766
Operating transfers out	(3,476,132)	(3,410,394)	(65,738)
Transfers to component unit	(450,000)		(450,000)
Total other financing sources (uses) - net	<u>(3,845,366)</u>	<u>(3,410,394)</u>	<u>(434,972)</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(6,714,926)</u>	<u>(4,959,962)</u>	<u>(1,754,964)</u>
ENCUMBRANCES OUTSTANDING AT YEAR END	4,749,352	4,749,352	
PRIOR YEAR ENCUMBRANCES EXPENDED IN CURRENT YEAR	(2,150,264)	(2,150,264)	
FUND BALANCE AT BEGINNING OF YEAR - GAAP BASIS	<u>15,264,530</u>	<u>16,117,032</u>	<u>(852,502)</u>
FUND BALANCE AT END OF YEAR - GAAP BASIS	<u>\$ 11,148,692</u>	<u>\$ 13,756,158</u>	<u>\$ (2,607,466)</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE F-2

GENERAL FUND

SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

YEAR ENDED JUNE 30, 1998

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
Local sources:			
Property taxes:			
Constitutional	\$ 4,342,917	\$ 4,356,533	\$ (13,616)
Special maintenance	10,446,904	10,476,740	(29,836)
Sheriff's contribution to teachers' retirement	1,466,048	1,501,818	(35,770)
Sales and use	106,551,111	106,032,051	519,060
Tuition and other	699,963	837,000	(137,037)
Interest income	1,021,414	900,000	121,414
Rent and royalties	286,770	100,000	186,770
Hospitalization	188,061	1,625,000	(1,436,939)
Other	1,198,177	150,000	1,048,177
Total	<u>126,201,365</u>	<u>125,979,142</u>	<u>222,223</u>
State sources:			
Equalization	125,495,680	125,816,516	(320,836)
Revenue sharing	2,064,613	1,893,000	171,613
Grants in aid	917,501	949,123	(31,622)
Professional improvement program	2,712,354	2,957,405	(245,051)
Transportation	1,487,787	1,557,000	(69,213)
Total	<u>132,677,935</u>	<u>133,173,044</u>	<u>(495,109)</u>
Federal sources:			
Recovery of indirect costs	577,800	525,000	52,800
Restricted grants in aid:			
Other	366,813	275,000	91,813
Total	<u>944,613</u>	<u>800,000</u>	<u>144,613</u>
TOTAL REVENUES	<u>\$259,823,913</u>	<u>\$259,952,186</u>	<u>\$ (128,273)</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)
YEAR ENDED JUNE 30, 1998

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
INSTRUCTION:			
Regular Programs:			
Salaries and benefits	\$100,544,518	\$102,450,692	\$ 1,906,174
Materials and supplies	7,434,012	6,068,231	(1,365,781)
Equipment	232,988	348,263	115,275
Other	1,120,990	1,230,351	109,361
Total	<u>109,332,508</u>	<u>110,097,537</u>	<u>765,029</u>
Special Programs:			
Salaries and benefits	56,271,288	53,991,651	(2,279,637)
Materials and supplies	430,381	186,009	(244,372)
Equipment	16,052	25,958	9,906
Other	78,735	79,925	1,190
Total	<u>56,796,456</u>	<u>54,283,543</u>	<u>(2,512,913)</u>
Vocational Programs:			
Salaries and benefits	5,334,444	5,248,371	(86,073)
Materials and supplies		81,995	81,995
Other	223	1,000	777
Total	<u>5,334,667</u>	<u>5,331,366</u>	<u>(3,301)</u>
Other Instructional Programs:			
Salaries and benefits	3,546,104	3,559,894	13,790
Materials and supplies	26,639	35,877	9,238
Other	1,597	2,087	490
Total	<u>3,574,340</u>	<u>3,597,858</u>	<u>23,518</u>
Adult Continuing Education Program:			
Salaries and benefits	7,544	10,586	3,042
Total	<u>7,544</u>	<u>10,586</u>	<u>3,042</u>
Total Instruction	<u>175,045,515</u>	<u>173,320,890</u>	<u>(1,724,625)</u>
SUPPORTING SERVICES:			
For Students:			
Salaries and benefits	9,628,320	9,369,392	(258,928)
Materials and supplies	1,592	17,000	15,408
Equipment	34,947	84,947	50,000
Other	78,062	80,350	2,288
Total	<u>9,742,921</u>	<u>9,551,689</u>	<u>(191,232)</u>
For Instructional Staff:			
Salaries and benefits	3,998,357	4,214,195	215,838
Materials and supplies	389,566	572,461	182,895
Equipment	25,319	32,160	6,841
Other	97,252	127,996	30,744
Total	<u>4,510,494</u>	<u>4,946,812</u>	<u>436,318</u>

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE F-3

Page 2 of 3

GENERAL FUND

**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)
YEAR ENDED JUNE 30, 1998**

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
SUPPORTING SERVICES - continued			
General Administration:			
Salaries and benefits	\$ 1,225,802	\$ 1,188,445	\$ (37,357)
Materials and supplies	47,430	60,996	13,566
Tax collection fees	10,795,653	10,145,770	(649,883)
Other	<u>1,567,900</u>	<u>2,541,880</u>	<u>973,980</u>
Total	<u>13,636,785</u>	<u>13,937,091</u>	<u>300,306</u>
School Administration:			
Salaries and benefits	18,684,976	18,068,636	(616,340)
Materials and supplies	47,928	49,364	1,436
Other	<u>991,376</u>	<u>1,099,309</u>	<u>107,933</u>
Total	<u>19,724,280</u>	<u>19,217,309</u>	<u>(506,971)</u>
Business Services:			
Salaries and benefits	1,700,480	1,846,073	145,593
Materials and supplies	91,546	113,964	22,418
Equipment	61,069	95,910	34,841
Other	<u>898,430</u>	<u>947,920</u>	<u>49,490</u>
Total	<u>2,751,525</u>	<u>3,003,867</u>	<u>252,342</u>
Operations Maintenance Services:			
Salaries and benefits	9,009,566	8,962,528	(47,038)
Materials and supplies	1,416,478	1,436,751	20,273
Equipment	37,926	40,117	2,191
Utilities	5,241,277	5,033,899	(207,378)
Other	<u>4,397,157</u>	<u>4,136,721</u>	<u>(260,436)</u>
Total	<u>20,102,404</u>	<u>19,610,016</u>	<u>(492,388)</u>
Pupil Transportation Services:			
Salaries and benefits	13,065,663	13,422,028	356,365
Materials and supplies	9,857	11,500	1,643
Equipment	24,750	32,404	7,654
Other	<u>1,284,889</u>	<u>1,298,548</u>	<u>13,659</u>
Total	<u>14,385,159</u>	<u>14,764,480</u>	<u>379,321</u>
Central Activity Services:			
Salaries and benefits	1,842,219	1,999,822	157,603
Materials and supplies	69,476	74,982	5,506
Equipment	207,956	261,723	53,767
Other	<u>662,864</u>	<u>761,538</u>	<u>98,674</u>
Total	<u>2,782,515</u>	<u>3,098,065</u>	<u>315,550</u>
Total Supporting Services	<u>87,636,083</u>	<u>88,129,329</u>	<u>493,246</u>

(Continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)
YEAR ENDED JUNE 30, 1998

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
NON-INSTRUCTION:			
Community Services:			
Salaries and benefits	2,376	1,091	(1,285)
Other	9,499	50,444	40,945
Total	<u>11,875</u>	<u>51,535</u>	<u>39,660</u>
Total non-instruction	<u>11,875</u>	<u>51,535</u>	<u>39,660</u>
TOTAL INSTRUCTION, SUPPORTING SERVICES AND NON-INSTRUCTION	<u>\$262,693,473</u>	<u>\$261,501,754</u>	<u>\$(1,191,719)</u>

(Concluded)

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for funds received from the 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. Activities included within these funds are as follows:

- ESEA (Title I) (1)
- ESEA (Title III) (2)
- ESEA (Title VII) (3)
- IDEA Part B (4)
- Vocational Education (5)
- JTPA (6)
- EESA Title II (7)
- Indian Education Act (8)
- Drug Free Schools and Communities (9)
- Emergency Immigration Act (10)
- Title XIX - School Nurse (11)
- Child Care and Development Block Grant (12)
- Adult Education (13)
- Community Education (14)
- State Programs (15)

- (1) Used to account on a project basis for funds allocated to programs for educationally disadvantaged children (Title I), children of migrant agriculture workers, and for the improvement of student achievement and quality of education (Title 2).
- (2) Used to account on a project basis for funds allocated to programs for development and implementation of comprehensive reform plans to improve the teachings and learning of all children (Project Goals 2000) and to support the development and implementation of systematic technology plans (Technology Literary Challenge).
- (3) Used to account on a project basis for funds allocated to programs for carrying out bilingual education (Project S.T.A.R.).
- (4) Used to account on a project basis for funds allocated to programs for children with disabilities under P.L. 101-476.
- (5) Used to account on a project basis for funds allocated to programs for purposes of vocational education, guidance, and counseling.
- (6) Used to account for funds allocated to programs for providing job training and related assistance to economically disadvantaged individuals and others who face significant employment barriers.
- (7) 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.
- (8) 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.

- (9) 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.
- (10) Used to account on a project basis for funds granted by P.L. 98-511 for programs for immigrant children enrolled in elementary and secondary schools.
- (11) Used to account on a project basis for funds allocated to providing schools with nurses.
- (12) Used to account for assistance to low-income families with child care services.
- (13) Used to account for continuing education programs designed to assist adults in obtaining their high school diploma equivalency.
- (14) Used to account for a wide variety of informal leisure learning classes and activities for Jefferson Parish residents.
- (15) Used to account for miscellaneous State grant programs.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 1998

	Elementary and Secondary Education Act of 1965 (Title I)	Elementary and Secondary Education Act of 1965 (Title III)	Federal Programs Elementary and Secondary Education Act of 1965 (Title VII)
ASSETS			
Cash and investments			\$ 27,159
Accounts receivable			
Due from other funds	\$ 101,722	\$ 278	14
Due from other governmental units	<u>2,570,705</u>	<u>215,344</u>	<u>72,643</u>
TOTAL ASSETS	<u>\$2,672,427</u>	<u>\$215,622</u>	<u>\$99,816</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 207		
Due to other funds	2,664,551	\$ 211,108	\$ 99,816
Due to other governmental units		4,514	
Deferred revenue	<u>7,669</u>		
Total liabilities	<u>2,672,427</u>	<u>215,622</u>	<u>99,816</u>
FUND BALANCE:			
Unreserved:			
Undesignated			
TOTAL LIABILITIES AND FUND BALANCE	<u>\$2,672,427</u>	<u>\$215,622</u>	<u>\$99,816</u>

SCHEDULE F-4
Page 1 of 2

Individuals with Disabilities Education Act of 1990- Part B	Vocational Education	Job Training Partnership Act	Education for Economic Security Act Title II
		\$ 6	
	\$ 197		
\$ 15,862	96,169	11,154	\$ 9,808
<u>737,161</u>	<u>96,975</u>	<u>36,950</u>	<u>165,012</u>
<u>\$753,023</u>	<u>\$193,341</u>	<u>\$48,110</u>	<u>\$174,820</u>
\$753,023	\$191,518	\$47,052	\$173,462
		540	
	<u>1,823</u>	<u>518</u>	<u>1,358</u>
<u>753,023</u>	<u>193,341</u>	<u>48,110</u>	<u>174,820</u>
<u>\$753,023</u>	<u>\$193,341</u>	<u>\$48,110</u>	<u>\$174,820</u>

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 1998

	Federal Programs		
	Indian Education Act	Drug Free Schools and Communities	Emergency Immigration Act
ASSETS			
Cash and investments			\$ 54,520
Accounts receivable			
Due from other funds		\$ 12,173	
Due from other governmental units	\$ 9,234	728,532	
TOTAL ASSETS	\$ 9,234	\$ 740,705	\$ 54,520
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable			
Due to other funds	\$ 9,159	\$ 739,256	\$ 40,884
Due to other governmental units			
Deferred revenue	75	1,449	13,636
Total liabilities	9,234	740,705	54,520
FUND BALANCE:			
Unreserved: Undesignated			
TOTAL LIABILITIES AND FUND BALANCE	\$ 9,234	\$ 740,705	\$ 54,520

Title XIX School Nurse	Child Care and Development Block Grant	Adult Education	Community Education	State Programs	Total
\$ 11,661		\$220,577	\$2,025,547	\$2,829,844	\$ 5,169,314
		153,584		471,407	625,188
			55	911,273	1,158,508
<u>25,783</u>	<u>\$ 129,830</u>	<u> </u>	<u> </u>	<u>3,413,467</u>	<u>8,201,636</u>
<u>\$ 37,444</u>	<u>\$ 129,830</u>	<u>\$374,161</u>	<u>\$2,025,602</u>	<u>\$7,625,991</u>	<u>\$15,154,646</u>
				\$ 30,528	\$ 30,735
\$ 35,673	\$129,830	\$ 97,127	\$ 834,319	5,927,327	11,954,105
				60	5,114
					<u>26,528</u>
<u>35,673</u>	<u>129,830</u>	<u>97,127</u>	<u>834,319</u>	<u>5,957,915</u>	<u>12,016,482</u>
<u>1,771</u>	<u> </u>	<u>277,034</u>	<u>1,191,283</u>	<u>1,668,076</u>	<u>3,138,164</u>
<u>\$ 37,444</u>	<u>\$ 129,830</u>	<u>\$374,161</u>	<u>\$2,025,602</u>	<u>\$7,625,991</u>	<u>\$15,154,646</u>

(Concluded)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1998

	Elementary and Secondary Education Act of 1965 (Title I)	Elementary and Secondary Education Act of 1965 (Title III)	Federal Elementary and Secondary Education Act of 1965 (Title VII)
REVENUES:			
Federal sources	\$11,872,434	\$391,153	\$281,134
State sources			
Tuition and other	103		
Total revenues	<u>11,872,537</u>	<u>391,153</u>	<u>281,134</u>
EXPENDITURES (All current):			
Instruction:			
Salaries and benefits	5,656,356	2,942	164,717
Supplies	716,267	15,690	28,415
Other	1,265,373		19,822
Total instruction	<u>7,637,996</u>	<u>18,632</u>	<u>212,954</u>
Supporting services:			
Salaries and benefits	2,467,611	197,609	9,552
Supplies	332,451	9,387	1,651
Other	651,912	157,807	7,760
Total supporting services	<u>3,451,974</u>	<u>364,803</u>	<u>18,963</u>
Non-instruction:			
Community services:			
Salaries and benefits	391,747		39,675
Supplies	12,569		
Other	18,252		337
Total community services	<u>422,568</u>		<u>40,012</u>
Other	374,066	7,762	9,205
Total non-instruction	<u>796,634</u>	<u>7,762</u>	<u>49,217</u>
Total expenditures	<u>11,886,604</u>	<u>391,197</u>	<u>281,134</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(14,067)</u>	<u>(44)</u>	
OTHER FINANCING SOURCES (USES):			
Operating transfers in	14,067	44	
Operating transfers out			
Total other financing sources (uses) - net	<u>14,067</u>	<u>44</u>	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES			
FUND BALANCES AT BEGINNING OF YEAR			
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE F-5

Page 1 of 2

Programs

Individuals with Disabilities Education Act of 1990- Part B	Vocational Education	Job Training Partnership Act	Education for Economic Security Act Title II
\$3,406,296	\$390,060	\$244,979	\$386,123 1,582
<u>3,406,296</u>	<u>390,060</u>	<u>244,979</u>	<u>387,705</u>
431,003	27,673	185,244	1,676
456,281	37,181		58,282
839,091	163,717	1,767	27,325
<u>1,726,375</u>	<u>228,571</u>	<u>187,011</u>	<u>87,283</u>
1,514,423	144,976	43,520	228,999
10,295		7,613	646
60,385	15,880	13,243	57,892
<u>1,585,103</u>	<u>160,856</u>	<u>64,376</u>	<u>287,537</u>
<u>95,715</u>	<u>633</u>		<u>12,885</u>
<u>95,715</u>	<u>633</u>		<u>12,885</u>
<u>3,407,193</u>	<u>390,060</u>	<u>251,387</u>	<u>387,705</u>
<u>(897)</u>		<u>(6,408)</u>	
897	633	6,408	
	<u>(633)</u>		
<u>897</u>		<u>6,408</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1998

	Federal		
	Indian Education Act	Drug Free Schools and Communities	Emergency Immigration Act
REVENUES:			
Federal sources	\$ 27,326	\$1,726,977	\$134,576
State sources			
Tuition and other		137	
Total revenues	<u>27,326</u>	<u>1,727,114</u>	<u>134,576</u>
EXPENDITURES (All current):			
Instruction:			
Salaries and benefits	20,016	19,674	6,380
Supplies	1,266	501,005	14,217
Other	3,467	1,096	12,529
Total instruction	<u>24,749</u>	<u>521,775</u>	<u>33,126</u>
Supporting services:			
Salaries and benefits		915,052	51,668
Supplies	193	4,137	4,475
Other	2,384	195,957	
Total supporting services	<u>2,577</u>	<u>1,115,146</u>	<u>56,143</u>
Non-instruction:			
Community services:			
Salaries and benefits		29,441	41,484
Supplies			
Other			
Total community services		<u>29,441</u>	<u>41,484</u>
Other		60,752	3,823
Total non-instruction		<u>90,193</u>	<u>45,307</u>
Total expenditures	<u>27,326</u>	<u>1,727,114</u>	<u>134,576</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
OTHER FINANCING SOURCES (USES):			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses) - net			
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES			
FUND BALANCES AT BEGINNING OF YEAR			
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Programs

Title XIX School Nurse	Child Care and Development Block Grant	Adult Education	Community Education	State Programs	Total
\$ 151,584	\$ 418,613	\$ 386,311		\$ 198,768	\$20,016,334
		498,104	\$2,894,545	6,528,294	7,026,398
		117,202		428,301	3,441,870
<u>151,584</u>	<u>418,613</u>	<u>1,001,617</u>	<u>2,894,545</u>	<u>7,155,363</u>	<u>30,484,602</u>
166,678	373,767	478,586	120,135	834,163	8,489,010
5,707	22,065	53,356	611,640	1,812,829	4,334,201
24,514	16,670	54,474		2,769,679	5,199,524
<u>196,899</u>	<u>412,502</u>	<u>586,416</u>	<u>731,775</u>	<u>5,416,671</u>	<u>18,022,735</u>
	6,111	307,830	183,280	1,624,349	7,694,980
		13,919	22,066	23,594	430,427
		9,205	62,345	257,138	1,491,908
	<u>6,111</u>	<u>330,954</u>	<u>267,691</u>	<u>1,905,081</u>	<u>9,617,315</u>
			1,672,768	9,600	2,184,715
			1,771		14,340
			62,134		80,723
			<u>1,736,673</u>	9,600	2,279,778
				854	565,695
			<u>1,736,673</u>	10,454	2,845,473
<u>196,899</u>	<u>418,613</u>	<u>917,370</u>	<u>2,736,139</u>	<u>7,332,206</u>	<u>30,485,523</u>
<u>(45,315)</u>		<u>84,247</u>	<u>158,406</u>	<u>(176,843)</u>	<u>(921)</u>
				600,017	622,066
<u>(80,766)</u>					<u>(81,399)</u>
<u>(80,766)</u>				<u>600,017</u>	<u>540,667</u>
(126,081)		84,247	158,406	423,174	539,746
<u>127,852</u>		<u>192,787</u>	<u>1,032,877</u>	<u>1,244,902</u>	<u>2,598,418</u>
<u>\$ 1,771</u>	<u>\$ -</u>	<u>\$ 277,034</u>	<u>\$1,191,283</u>	<u>\$1,668,076</u>	<u>\$ 3,138,164</u>

(Concluded)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE F-6

**SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - ADULT EDUCATION FUND
YEAR ENDED JUNE 30, 1998**

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
REVENUES:			
Federal sources	\$ 386,311	\$ 450,000	\$ (63,689)
State sources	498,104	452,898	45,206
Tuition and other	<u>117,202</u>	<u>128,000</u>	<u>(10,798)</u>
Total revenues	<u>1,001,617</u>	<u>1,030,898</u>	<u>(29,281)</u>
EXPENDITURES:			
Instruction	586,416	714,538	128,122
Supporting	<u>330,954</u>	<u>312,423</u>	<u>(18,531)</u>
Total expenditures	<u>917,370</u>	<u>1,026,961</u>	<u>109,591</u>
EXCESS OF REVENUES OVER EXPENDITURES	84,247	3,937	80,310
FUND BALANCE AT BEGINNING OF YEAR	<u>192,787</u>	<u>192,787</u>	<u> </u>
FUND BALANCE AT END OF YEAR	<u>\$ 277,034</u>	<u>\$ 196,724</u>	<u>\$ 80,310</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE F-7

**SPECIAL REVENUE FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - COMMUNITY EDUCATION FUND
 YEAR ENDED JUNE 30, 1998**

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
REVENUES:			
Tuition and other	<u>\$2,894,545</u>	<u>\$2,626,000</u>	<u>\$ 268,545</u>
Total revenues	<u>2,894,545</u>	<u>2,626,000</u>	<u>268,545</u>
EXPENDITURES:			
Instruction	731,775	759,109	27,334
Supporting	267,691	237,000	(30,691)
Non-instruction	<u>1,736,673</u>	<u>1,629,891</u>	<u>(106,782)</u>
Total expenditures	<u>2,736,139</u>	<u>2,626,000</u>	<u>(110,139)</u>
EXCESS OF REVENUES OVER EXPENDITURES	158,406		158,406
FUND BALANCE AT BEGINNING OF YEAR	<u>1,032,877</u>	<u>1,032,877</u>	_____
FUND BALANCE AT END OF YEAR	<u>\$1,191,283</u>	<u>\$1,032,877</u>	<u>\$ 158,406</u>

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.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

**DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1998**

	Ad Valorem Tax Bond Sinking	1954 1/2¢ Sales Tax Bond Sinking	1954 1/2¢ Sales Tax Bond Reserve
ASSETS			
Cash and investments	\$2,318,258	\$1,834,996	\$15,925,059
Interest receivable	137		110,191
Property tax receivable	11,926		
Due from other funds	<u> </u>	<u>4,366,467</u>	<u> </u>
TOTAL ASSETS	<u>\$2,330,321</u>	<u>\$6,201,463</u>	<u>\$16,035,250</u>
 LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable		\$ 12,067	
Due to other funds	<u> </u>	<u>15,307</u>	<u>\$ 791,817</u>
Total liabilities	<u> </u>	<u>27,374</u>	<u>791,817</u>
 FUND BALANCE:			
Reserved for debt service	<u>\$2,330,321</u>	<u>6,174,089</u>	<u>15,243,433</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$2,330,321</u>	<u>\$6,201,463</u>	<u>\$16,035,250</u>

SCHEDULE F-8

1980 1/4¢ Sales Tax Bond Sinking	1980 1/4¢ Sales Tax Bond Reserve	Total
\$2,009,809	\$9,164,013	\$31,252,135
37,998	1,428	149,754
		11,926
<u>2,494,524</u>	<u> </u>	<u>6,860,991</u>
<u>\$4,542,331</u>	<u>\$9,165,441</u>	<u>\$38,274,806</u>
		\$ 12,067
<u> </u>	<u>\$ 463,715</u>	<u>1,270,839</u>
<u> </u>	<u>463,715</u>	<u>1,282,906</u>
<u>\$4,542,331</u>	<u>8,701,726</u>	<u>36,991,900</u>
<u>\$4,542,331</u>	<u>\$9,165,441</u>	<u>\$38,274,806</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

DEBT SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1998

	Ad Valorem Tax Bond Sinking	1954 1/2¢ Sales Tax Bond Sinking	1954 1/2¢ Sales Tax Bond Reserve
REVENUES:			
<i>Local sources:</i>			
Property taxes	\$ 5,990,171		
Sales and use taxes		\$ 11,000,000	
Interest income	<u>157,253</u>	<u>51,069</u>	<u>\$ 813,156</u>
Total revenues	<u>6,147,424</u>	<u>11,051,069</u>	<u>813,156</u>
EXPENDITURES:			
<i>Current supporting services:</i>			
Miscellaneous	7,752	27,309	
Assessor's office expenditures	98,157		
Pension fund contributions	<u>176,946</u>		
Total	282,855	27,309	
<i>Debt service:</i>			
Principal retirement	3,955,000	7,325,000	
Interest and fiscal charges	<u>349,650</u>	<u>7,399,428</u>	
Total expenditures	<u>4,587,505</u>	<u>14,751,737</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,559,919</u>	<u>(3,700,668)</u>	<u>813,156</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in		791,817	
Operating transfers out		(1,968,299)	(791,817)
Payment to refunded bond escrow agent			
Proceeds of refunding bonds			
Bond issuance and other costs			
Total other financing sources (uses) - net		<u>(1,176,482)</u>	<u>(791,817)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	1,559,919	(4,877,150)	21,339
FUND BALANCES AT BEGINNING OF YEAR	<u>770,402</u>	<u>11,051,239</u>	<u>15,222,094</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,330,321</u>	<u>\$ 6,174,089</u>	<u>\$ 15,243,433</u>

SCHEDULE F-9

1980 1/4¢ Sales Tax Bond Sinking	1980 1/4¢ Sales Tax Bond Reserve	Total
		\$ 5,990,171
\$ 8,460,000		19,460,000
55,464	\$ 453,973	1,530,915
<u>8,515,464</u>	<u>453,973</u>	<u>26,981,086</u>
		35,061
		98,157
		<u>176,946</u>
		310,164
3,548,851		14,828,851
4,911,148		<u>12,660,226</u>
<u>8,459,999</u>		<u>27,799,241</u>
55,465	453,973	<u>(818,155)</u>
946,199		1,738,016
	(463,715)	(3,223,831)
(20,076,067)		(20,076,067)
20,467,484		20,467,484
<u>(391,417)</u>		<u>(391,417)</u>
<u>946,199</u>	<u>(463,715)</u>	<u>(1,485,815)</u>
1,001,664	(9,742)	(2,303,970)
<u>3,540,667</u>	<u>8,711,468</u>	<u>39,295,870</u>
<u>\$ 4,542,331</u>	<u>\$8,701,726</u>	<u>\$ 36,991,900</u>

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition or construction of major capital facilities. The School System maintains the following Capital Projects Funds:

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.

Sales Tax Fund is used to account for the proceeds of the various 1954, 1980 and 1995 sales tax bonds issued from 1981 through 1995 and that portion of the sales tax approved June 28, 1980 (1/4 cent) for making capital improvements.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE F-10

**CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1998**

	Capital	Sales Tax	Total
ASSETS			
Cash and investments	\$6,164,086	\$42,589,394	\$48,753,480
Receivables:			
Accounts	889		889
Interest		49,346	49,346
Due from other funds	<u>2,000,000</u>	<u>6,819,090</u>	<u>8,819,090</u>
TOTAL ASSETS	<u>\$8,164,975</u>	<u>\$49,457,830</u>	<u>\$57,622,805</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable		\$ 1,724,141	\$ 1,724,141
Retainages payable	\$ 690,266		690,266
Due to other funds	<u>2,739,465</u>	<u>5,605,459</u>	<u>8,344,924</u>
Total liabilities	<u>3,429,731</u>	<u>7,329,600</u>	<u>10,759,331</u>
FUND BALANCE:			
Reserved for encumbrances	1,647,078	18,313,427	19,960,505
Reserved for specific programs	1,059,142		1,059,142
Unreserved - designated for capital additions and improvements	1,726,938	23,814,803	25,541,741
Unreserved - undesignated	<u>302,086</u>		<u>302,086</u>
Total fund balance	<u>4,735,244</u>	<u>42,128,230</u>	<u>46,863,474</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$8,164,975</u>	<u>\$49,457,830</u>	<u>\$57,622,805</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE F-11

**CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1998**

	Capital	Sales Tax	Total
REVENUES:			
Local sources:			
Sales and use taxes	\$ 3,000,000	\$ 234,562	\$ 3,234,562
Interest income	422,733	2,692,523	3,115,256
Other	142,254	18,746	161,000
Total revenues	<u>3,564,987</u>	<u>2,945,831</u>	<u>6,510,818</u>
EXPENDITURES:			
Construction costs	5,529,359	15,157,692	20,687,051
Architect fees	850,932	1,464,132	2,315,064
Administrative and other	2,053,656	206,711	2,260,367
Total expenditures	<u>8,433,947</u>	<u>16,828,535</u>	<u>25,262,482</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(4,868,960)</u>	<u>(13,882,704)</u>	<u>(18,751,664)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	1,101,332	1,968,299	3,069,631
Operating transfers out	(513,023)	(1,313,816)	(1,826,839)
Total other financing sources (uses) - net	<u>588,309</u>	<u>654,483</u>	<u>1,242,792</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(4,280,651)</u>	<u>(13,228,221)</u>	<u>(17,508,872)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>9,015,895</u>	<u>55,356,451</u>	<u>64,372,346</u>
FUND BALANCES AT END OF YEAR	<u>\$ 4,735,244</u>	<u>\$ 42,128,230</u>	<u>\$ 46,863,474</u>

AGENCY FUNDS

Agency Funds are established to account for all monies held by the School System in an agency capacity. Expenditures 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 (1)*
- School Picture Fund (2)*
- Stadium Fund (3)*
- School System Event Fund (4)*
- Deferred Compensation Fund (5)*

- (1) *Used to account for revenues and expenditures for individual school purchases and student body activities, including minor fund raising, field trips and special events.*
- (2) *Used to account for security deposits received from school photographers.*
- (3) *Used to account for funds generated for the operation of the Yenni, Memptsas and Bonnabel Stadiums.*
- (4) *Used to account for the receipts and disbursements of employee athletic events.*
- (5) *Used to account for receipts and disbursements of the deferred compensation plan created in accordance with Internal Revenue Code Section 457.*

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE F-12

Page 1 of 2

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS

YEAR ENDED JUNE 30, 1998

	Balance July 1, 1997	Additions	Deductions	Balance June 30, 1998
SCHOOL AND STUDENT ACTIVITY FUNDS				
ASSETS:				
Cash and investments	<u>\$3,396,793</u>	<u>\$18,603,948</u>	<u>\$18,290,003</u>	<u>\$3,710,738</u>
LIABILITIES:				
Due to student groups	\$1,540,472	\$10,085,420	\$10,017,626	\$1,608,266
Due to schools	1,855,978	8,508,111	8,262,871	2,101,218
Due to others	<u>343</u>	<u>10,417</u>	<u>9,506</u>	<u>1,254</u>
TOTAL	<u>\$3,396,793</u>	<u>\$18,603,948</u>	<u>\$18,290,003</u>	<u>\$3,710,738</u>
SCHOOL PICTURE FUND				
ASSETS:				
Cash and investments	<u>\$ 43,371</u>	<u>\$ 1,704</u>	<u> </u>	<u>\$ 45,075</u>
LIABILITIES:				
Due to photographers	\$ 43,371	\$ 1,704	\$ 2,371	\$ 42,704
Due to other funds	<u> </u>	<u>2,371</u>	<u> </u>	<u>2,371</u>
TOTAL	<u>\$ 43,371</u>	<u>\$ 4,075</u>	<u>\$ 2,371</u>	<u>\$ 45,075</u>
STADIUM FUND				
ASSETS:				
Cash and investments	<u>\$ 25,427</u>	<u>\$ 86,077</u>	<u>\$ 89,932</u>	<u>\$ 21,572</u>
LIABILITIES:				
Due to stadium clubs	<u>\$ 25,427</u>	<u>\$ 86,077</u>	<u>\$ 89,932</u>	<u>\$ 21,572</u>
SCHOOL SYSTEM EVENT FUND				
ASSETS:				
Cash and investments	<u>\$ 6,446</u>	<u>\$ 2,845</u>	<u>\$ 4,278</u>	<u>\$ 5,013</u>
LIABILITIES:				
Due to participants	<u>\$ 6,446</u>	<u>\$ 2,845</u>	<u>\$ 4,278</u>	<u>\$ 5,013</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE F-12

Page 2 of 2

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS

YEAR ENDED JUNE 30, 1998

	Balance July 1, 1997	Additions	Deductions	Balance June 30, 1998
DEFERRED COMPENSATION FUND				
ASSETS:				
Cash and investments	<u>\$2,057,748</u>	<u>\$ 2,108,304</u>	<u>\$ 147,700</u>	<u>\$4,018,352</u>
LIABILITIES:				
Due to employees for deferred compensation	<u>\$2,057,748</u>	<u>\$ 2,108,304</u>	<u>\$ 147,700</u>	<u>\$4,018,352</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS:				
Cash and investments	<u>\$5,529,785</u>	<u>\$20,805,249</u>	<u>\$18,534,284</u>	<u>\$7,800,750</u>
LIABILITIES:				
Due to student groups	\$1,540,472	\$10,085,420	\$10,017,626	\$1,608,266
Due to schools	1,855,978	8,508,111	8,262,871	2,101,218
Due to others	343	10,417	9,506	1,254
Due to photographers	43,371	1,704	2,371	42,704
Due to other funds		2,371		2,371
Due to stadium clubs	25,427	86,077	89,932	21,572
Due to participants	6,446	2,845	4,278	5,013
Due to employees for deferred compensation	<u>2,057,748</u>	<u>2,108,304</u>	<u>147,700</u>	<u>4,018,352</u>
TOTAL	<u>\$5,529,785</u>	<u>\$20,805,249</u>	<u>\$18,534,284</u>	<u>\$7,800,750</u>

GENERAL FIXED ASSET ACCOUNT GROUP

General Fixed Asset Account Group is used to account for fixed assets used in Governmental Fund Type operations, rather than in governmental funds.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE F-13

**GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
JUNE 30, 1998**

FUNCTION AND ACTIVITY	Land	Buildings	Equipment	Total
INSTRUCTION:				
Kindergarten	\$ 61,760	\$ 2,181,097	\$ 672,885	\$ 2,915,742
Elementary	7,987,288	98,450,865	15,650,859	122,089,012
Middle	4,345,790	69,456,992	6,369,432	80,172,214
High	<u>2,135,782</u>	<u>59,634,380</u>	<u>8,347,516</u>	<u>70,117,678</u>
Total instruction	<u>14,530,620</u>	<u>229,723,334</u>	<u>31,040,692</u>	<u>275,294,646</u>
SUPPORTING SERVICES:				
Administration	<u>1,085,389</u>	<u>6,936,547</u>	<u>5,840,587</u>	<u>13,862,523</u>
TOTAL GENERAL FIXED ASSETS	<u>\$15,616,009</u>	<u>\$236,659,881</u>	<u>\$36,881,279</u>	<u>\$289,157,169</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE F-14

GENERAL FIXED ASSET ACCOUNT GROUP
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
 YEAR ENDED JUNE 30, 1998

FUNCTION AND ACTIVITY	Balance July 1, 1997	Prior Period Adjustment	Adjusted Balance July 1, 1997	Additions	Deletions	Balance June 30, 1998
INSTRUCTION:						
Kindergarten	\$ 2,428,058	\$ 27,135	\$ 2,455,193	\$ 520,275	\$ 59,726	\$ 2,915,742
Elementary	110,636,868	(1,593,464)	109,043,404	13,984,618	939,010	122,089,012
Middle	74,665,338	265,934	74,931,272	5,766,210	525,268	80,172,214
High	63,418,930	79,068	63,497,998	8,177,713	1,558,033	70,117,678
Total instruction	<u>251,149,194</u>	<u>(1,221,327)</u>	<u>249,927,867</u>	<u>28,448,816</u>	<u>3,082,037</u>	<u>275,294,646</u>
SUPPORTING SERVICES:						
Administration	<u>16,871,070</u>	<u>(2,844,553)</u>	<u>14,026,517</u>	<u>1,263,626</u>	<u>1,427,620</u>	<u>13,862,523</u>
TOTAL GENERAL FIXED ASSETS	<u>\$268,020,264</u>	<u>\$ (4,065,880)</u>	<u>\$263,954,384</u>	<u>\$29,712,442</u>	<u>\$4,509,657</u>	<u>\$289,157,169</u>

OTHER SUPPLEMENTAL INFORMATION

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE FS-1

**SCHEDULE OF INVESTMENTS - ALL FUNDS
JUNE 30, 1998**

Description	Date Acquired	Interest Rate	Maturity Date	Carrying Value
U.S. Government securities:				
U.S. Treasury Note Series S - 1998	6/30/98	4.75	9/30/98	\$ 6,000,372
U.S. Treasury Note Series S - 1998	6/30/98	4.75	9/30/98	1,000,062
U.S. Treasury Note Series J - 1999	6/30/98	5.00	1/31/99	2,300,548
U.S. Treasury Bill	2/20/98	N/A	7/02/98	1,833,633
U.S. Treasury Note Series Q - 1998	1/12/98	5.25	7/31/98	4,472,000
U.S. Treasury Bill	1/12/98	N/A	7/09/98	4,346,778
U.S. Treasury Bill	1/12/98	N/A	7/02/98	6,043,791
U.S. Treasury Note Series J - 1992	6/30/98	5.00	1/31/99	1,002,345
U.S. Treasury Note Series S - 1998	6/30/98	4.75	9/30/98	5,000,310
U.S. Treasury Bill	6/30/98	N/A	7/16/98	2,000,037
U.S. Treasury Bill	2/20/98	N/A	7/02/98	5,089,982
U.S. Treasury Bill	6/30/98	N/A	8/06/98	6,029,359
U.S. Treasury Note Series S - 1998	6/30/98	4.75	9/30/98	5,999,038
U.S. Treasury Bill	4/30/98	N/A	7/02/98	5,040,992
U.S. Treasury Bill	6/30/98	N/A	7/09/98	10,022,137
U.S. Treasury Note Series R - 1999	6/04/98	4.75	8/31/98	3,000,000
U.S. Treasury Note Series Q - 1998	2/29/98	5.25	7/31/98	2,000,000
U.S. Treasury Note Series AB - 1999	6/30/98	5.875	1/31/99	9,041,727
				80,223,111
Investments in deferred compensation mutual funds and insurance contracts	Various	Various	Various	4,018,352
TOTAL				\$84,241,463
				Share At Cost
SPECIAL REVENUE FUND:				
Adult Education				\$ 1,000,062
DEBT SERVICE FUNDS:				
Ad Valorem Tax Bond Sinking				2,300,548
1954 1/2¢ Sales Tax Bond Sinking				1,833,633
1954 1/2¢ Sales Tax Bond Reserve				15,864,914
1980 1/4¢ Sales Tax Bond Sinking				2,000,000
1980 1/4¢ Sales Tax Bond Reserve				9,041,727
				31,040,822
CAPITAL PROJECTS FUNDS:				
Capital				6,000,372
1980 1/4¢ Sales Tax				42,181,855
				48,182,227
AGENCY FUNDS:				
Deferred Compensation Fund				4,018,352
TOTAL				\$84,241,463

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE FS-2

SCHEDULE OF OPERATING TRANSFERS
YEAR ENDED JUNE 30, 1998

		Operating Transfers In	Operating Transfers Out
GENERAL FUND			
	Elementary and Secondary Education Act of 1965 (Title I)		\$ 14,067
	Elementary and Secondary Education Act of 1965 (Title III)		44
	Individuals with Disabilities Education Act of 1990 - Part B		897
	Job Training Partnership Act		6,408
	Title XIX School Nurse	\$ 80,766	
	State Programs		86,994
	Capital Fund		270,000
	School Lunch Enterprise Fund		<u>3,097,722</u>
	Total	<u>80,766</u>	<u>3,476,132</u>
SPECIAL REVENUE FUNDS			
Elementary and Secondary Education Act of 1965 (Title I)	General Fund	14,067	
Elementary and Secondary Education Act of 1965 (Title III)	General Fund	44	
Individuals with Disabilities Education Act of 1990 - Part B	General Fund	897	
Vocational Education	Vocational Education	633	633
Job Training Partnership Act	General Fund	6,408	
Title XIX School Nurse	General Fund		80,766
State Programs	General Fund	86,994	
	Capital Fund	<u>513,023</u>	
	Total	<u>622,066</u>	<u>81,399</u>

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE FS-2

**SCHEDULE OF OPERATING TRANSFERS
YEAR ENDED JUNE 30, 1998**

		Transfers To or From	Operating Transfers In	Operating Transfers Out
DEBT SERVICE FUNDS				
1954 1/2¢ Sales Tax Bond Sinking	1954 1/2¢ Sales Tax Bond Reserve		791,817	
	Sales Tax Fund			1,968,299
1954 1/2¢ Sales Tax Bond Reserve	1954 1/2¢ Sales Tax Bond Sinking			791,817
1980 1/4¢ Sales Tax Bond Sinking	1980 1/4¢ Sales Tax Bond Reserve		463,715	
	Sales Tax Fund		482,484	
1980 1/4¢ Sales Tax Bond Reserve	1980 1/4¢ Sales Tax Bond Sinking			463,715
	Total		<u>1,738,016</u>	<u>3,223,831</u>
CAPITAL PROJECTS FUNDS				
Capital Fund	General Fund		270,000	
	State Programs			513,023
	Sales Tax Fund		831,332	
Sales Tax Fund	1954 1/2¢ Sales Tax Bond Sinking		1,968,299	
	1980 1/4¢ Sales Tax Bond Sinking			482,484
	Capital Fund			831,332
	Total		<u>3,069,631</u>	<u>1,826,839</u>
SCHOOL LUNCH ENTERPRISE FUND				
	General Fund		<u>3,097,722</u>	
	Total		<u>3,097,722</u>	
	TOTAL OPERATING TRANSFERS		<u>\$ 8,608,201</u>	<u>\$ 8,608,201</u>
PRIMARY GOVERNMENT/COMPONENT UNIT TRANSFERS				
GENERAL FUND/PRIMARY GOVERNMENT	Component Unit			\$ 450,000
COMPONENT UNIT	General Fund		<u>\$ 450,000</u>	
The Jefferson Community Charter School				
	TOTAL COMPONENT UNIT TRANSFERS		<u>\$ 450,000</u>	<u>\$ 450,000</u>

(Concluded)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE FS-3

**SCHEDULE OF COMPENSATION PAID TO SCHOOL BOARD MEMBERS
YEAR ENDED JUNE 30, 1998**

Board Member	Number of Days Served	Compensation
Barry Bordelon	365	\$ 9,600
Cedric Floyd	365	9,600
O. H. Guidry	365	9,600
Gene Katsanis	365	9,600
Martin B. Marino	365	9,600
Libby Moran	365	10,300
Laurie Rolling	365	10,100
Dr. Polly Thomas	365	9,600
Robert Wolfe	365	<u>9,600</u>
TOTAL		<u>\$ 87,600</u>



STATISTICAL SECTION

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 1

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

Fiscal Year	Instruction	Supporting Services	Non Instruction	Interest(2)	Capital Projects	Debt Service	Total
1989	\$ 124,474,773	\$ 62,602,759	\$ 714,255	\$ 1,432,098	\$ 3,761,101	\$ 26,211,241	\$ 219,196,227
1990	146,357,367	65,442,924	1,112,257	410,112	4,684,779	25,648,064	243,655,503
1991	152,539,312	66,909,133	1,003,974	385,226	3,296,010	25,827,986	249,961,641
1992	161,076,774	65,783,000	276,891	309,835	2,321,022	28,884,642	258,652,164
1993	168,062,402	67,861,345	90,880	193,932	3,474,421	24,866,703	264,549,683
1994 (3)	166,647,301	82,099,917	2,825,569	-	7,587,858	25,589,267	284,749,912
1995	175,123,226	85,776,283	2,635,220	-	10,098,100	102,286,266 (4)	375,919,095
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

NOTES:

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

(2) Includes General Fund only.

(3) In fiscal 1994, the State Department of Education changed its mandated chart of accounts for reporting purposes.

(4) Includes approximately \$70 million of debt retired during fiscal 1996 on a refinancing which originated during fiscal 1992.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 2

GENERAL 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
1989	\$ 82,839,547	\$ 568,163	\$ 14,929,767	\$ 98,337,477	\$ 105,350,876	\$ 11,282,943	\$ 214,971,296
1990	87,112,235	700,916	17,928,689	105,741,840	121,992,482	11,427,917	239,162,239
1991	90,243,768	700,581	18,704,173	109,648,522	128,027,537	11,532,444	249,208,503
1992	89,117,342	777,313	16,295,920	106,190,575	133,071,036	13,690,622	252,952,233
1993	104,995,867	908,563	21,512,987	127,417,417	132,559,904	15,163,071	275,140,392
1994	125,391,906	951,302	23,501,810	149,845,018	132,552,584	16,517,516	298,915,118
1995	133,151,019	950,656	50,559,213 (3)	184,660,888	135,186,399	18,195,985	338,043,272
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

NOTES:

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

(2) Includes penalty collections and other judgments.

(3) Includes approximately \$32 million of interest income on a guaranteed investment contract.

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)
1989	\$18,180,650	\$17,135,070	94.25	\$977,774
1990	20,063,862	19,101,125	95.20	606,599
1991	19,428,288	17,921,491	92.24	753,298
1992	15,198,544	14,724,330	96.88	811,417
1993	17,475,550	16,596,850	94.97	635,627
1994	16,596,138	15,576,482	93.86	696,202
1995	16,980,867	15,876,457	93.50	515,579
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

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.

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

TABLE 3

Total Cash Collections (2)	Percent of Total Collections to Tax Levy	Outstanding Delinquent Taxes (3)	Percent of Delinquent Taxes to Tax Levy
\$18,112,844	99.63	\$1,081,749	5.95
19,707,724	98.22	668,127	3.33
18,674,789	96.12	823,853	4.24
15,535,747	102.22	511,366	3.36
17,232,477	98.61	664,738	3.80
16,272,684	98.05	405,240	2.44
16,392,086	96.53	381,791	2.25
17,677,933	95.43	361,151	1.95
18,351,588	96.14	336,837	1.76
19,802,934	95.23	311,569	1.50

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	%
1989	\$1,468,876,201	78	\$288,367,266	15	\$138,781,790	7
1990	1,478,811,052	77	296,755,383	16	137,260,870	7
1991	1,410,410,590	76	308,355,889	16	144,279,030	8
1992	1,398,391,467	75	314,981,901	17	150,233,440	8
1993	1,414,993,100	75	322,595,835	17	147,831,850	8
1994	1,402,928,000	75	328,634,000	17	150,954,000	8
1995	1,440,022,891	73	364,135,874	18	171,358,058	9
1996	1,564,855,075	73	438,154,011	20	154,277,510	7
1997	1,595,029,436	72	472,388,103	21	149,245,410	7
1998	1,631,708,266	72	493,452,914	22	145,438,910	6

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 4

Total Assessed	%	Homestead Exempt	Taxable Value
\$1,896,025,257	100	\$649,066,923	\$1,246,958,334
1,912,827,305	100	655,693,498	1,257,133,807
1,863,045,509	100	634,148,992	1,228,896,517
1,863,606,808	100	637,170,252	1,226,436,556
1,885,420,785	100	642,492,250	1,242,928,535
1,882,516,000	100	648,005,000	1,234,511,000
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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 5

**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	Debt Service	Total			
1989	0.57	0.39	0.96	1.31	0.41	2.68
1990	0.66	0.39	1.05	1.51	0.41	2.97
1991	0.83	0.21	1.04	1.21	0.47	2.72
1992	0.58	0.24	0.82	1.34	0.65	2.81
1993	0.68	0.25	0.93	1.38	0.65	2.96
1994	0.65	0.24	0.89	1.43	0.64	2.96
1995	0.66	0.29	0.95	1.39	0.65	2.99
1996	0.69	0.31	1.00	1.40	0.65	3.05
1997	0.62	0.27	0.89	1.26	0.66	2.81
1998	0.73	0.30	1.03	1.31	0.69	3.03

Source: Jefferson Parish, Louisiana December 31, 1997 CAFR.

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
1989	\$1,896,025	\$40,600,000	\$2,515,406	\$38,084,594	2.01
1990	1,912,827	36,788,000	4,127,131	32,660,869	1.71
1991	1,863,046	32,785,000	5,499,954	27,285,046	1.46
1992	1,863,607	28,575,000	2,918,031	25,656,969	1.38
1993	1,885,421	24,158,000	1,949,753	22,208,247	1.18
1994	1,882,516	19,925,000	855,950	19,069,050	1.01
1995	1,975,517	15,500,000	-	15,500,000	0.78
1996	2,157,287	11,275,000	195,948	11,079,052	0.51
1997	2,216,663	6,795,000	770,402	6,024,598	0.27
1998	2,270,600	2,840,000	2,287,773	552,227	0.00

NOTE:

(1) Estimates based on data from Louisiana Tech University, obtained from Jefferson Parish, Louisiana December 31, 1997 CAFR.

(2) Includes only Ad Valorem Tax Bonds.

TABLE 6

Parish Population (1)	Net Bonded Debt Per Capita	Assessed Valuation Per Capita
468,509	\$ 81	\$4,047
465,624	70	4,108
448,306	61	4,156
451,543	57	4,127
456,389	49	4,131
457,069	42	4,119
457,481	34	4,318
458,456	24	4,706
455,741	13	4,864
453,160	1	5,011

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 7

COMPUTATION OF LEGAL DEBT MARGIN JUNE 30, 1998

1998 total appraised valuation for school tax purposes (1)		\$2,270,600,090
Debt limit percentage		<u>10 %</u>
Legal debt limit		227,060,009
Total bonded debt	\$ 2,840,000	
Less (plus) - Reserve (deficit) for retirement of bonded debt	<u>2,287,773</u>	
Net bonded debt applicable to debt limit		<u>552,227</u>
Legal debt margin		<u>\$ 226,507,782</u>

NOTE:

(1) The 1998 tax year appraised value is used for fiscal year 1998 tax purposes.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 8

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)
JUNE 30, 1998**

	Net Bonded Debt	Percentage Applicable to the System	System Share of Debt
Jefferson Parish Public School System	\$ 552,227	100	\$ 552,227
Jefferson Parish	82,500,000	100	82,500,000
West Jefferson Levee District	1,420,000	100	1,420,000
City of Kenner	<u>1,785,000</u>	100	<u>1,785,000</u>
Total direct and overlapping debt	<u>\$86,257,227</u>		<u>\$ 86,257,227</u>
Taxable assessed valuation			\$1,561,184,330
Ratio of direct and overlapping debt to taxable assessed valuation			5.53 %
Direct and overlapping debt per capita			\$ 190

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 9

**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
1989	\$4,190,000	\$2,311,689	\$6,501,689	\$219,196,227	3.0
1990	3,812,000	2,106,939	5,918,939	243,655,503	2.4
1991	4,003,000	1,910,005	5,913,005	249,961,641	2.4
1992	4,210,000	1,705,907	5,915,907	258,652,164	2.3
1993	4,417,000	1,493,974	5,910,974	264,549,683	2.2
1994	4,233,000	1,271,392	5,504,392	284,749,912	1.9
1995	4,425,000	1,050,699	5,475,699	375,919,095	1.5
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

NOTE:

(1) Per Table 1.

(2) Includes only Ad Valorem Tax Bonds.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 10

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Parish Population (1)	Average Daily Membership (2)	Average Daily Attendance (2)	Percent of Attendance
1989	468,509	57,040	53,076	93.1
1990	465,624	56,591	52,482	92.7
1991	448,306	57,971	53,682	92.6
1992	451,543	61,593	56,195	91.2
1993	456,389	55,241	49,042	88.8
1994	457,069	57,638	53,489	92.8
1995	457,481	57,022	52,984	92.9
1996	458,456	52,008	48,960	94.1
1997	455,741	52,024	49,018	94.2
1998	453,160	52,032	49,128	94.4

NOTES:

(1) Estimates based on data from Louisiana Tech University, obtained from Jefferson Parish, Louisiana December 31, 1997 CAFR.

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS LAST TEN FISCAL YEARS

Fiscal Year	Assessed Property Value	Residential Construction			
		Single Family Units	Value	Multi Family Units	Value
1989	\$1,896,025,257	500	\$26,935,087	6	\$ 162,356
1990	1,912,827,305	487	27,647,498	30	12,902,653
1991	1,863,045,509	409	24,723,976	1	10,440,516
1992	1,863,606,808	521	31,427,031	0	0
1993	1,885,420,785	593	34,763,428	13	755,284
1994	1,882,516,000	600	35,803,000	160	5,175,000
1995	1,975,516,823	600	39,128,000	23	9,080,000
1996	2,157,286,596	556	35,644,000	348	8,719,000
1997	2,216,662,949	494	32,575,000	211	7,206,000
1998	2,270,600,090	492	30,847,000	24	887,000

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

TABLE 11

Commercial Public Buildings and Other Construction Value	Total Permit Valuation	Jefferson Parish Bank Deposits
\$ 82,689,290	\$109,786,733	\$1,787,711,000
91,729,239	132,279,390	1,803,591,000
89,102,698	124,267,190	2,192,567,000
109,030,212	140,457,243	2,501,285,614
68,586,076	104,104,788	2,692,906,803
92,330,000	133,308,000	2,936,122,000
118,262,000	166,470,000	3,316,570,000
150,432,000	194,795,000	3,917,592,000
118,833,000	158,614,000	3,925,036,000
106,391,000	138,125,000	4,270,500,000

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 12

PRINCIPAL TAXPAYERS

Name of Taxpayer	Type of Business	1997 Assessed Valuation (Amounts in thousands)	Percent of Total Assessed Valuation
Entergy Services Inc.	Electric Utility	\$ 57,734	2.60 %
BellSouth	Telephone Utility	45,824	2.07
First National Bank of Commerce	Financial Institution	16,136	.73
Hibernia National Bank	Financial Institution	12,402	.56
Louisiana Gas Service	Gas Utility	12,170	.55
Avondale Shipyards, Inc.	Shipbuilding	11,763	.53
Whitney National Bank	Financial Institution	8,874	.40
Lakeside Shopping Center	Shopping Mall	7,352	.33
Louisiana CGSA Inc.	Telecommunications	7,322	.33
Southwest Airlines Co.	Airline	6,664	.30
		<u>\$ 186,241</u>	<u>8.40 %</u>

Source: Jefferson Parish Assessor's Office.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 13

MISCELLANEOUS INFORMATION

COMPARATIVE AVERAGE COST PER PUPIL:

Year	Total Expenditures(1)	Daily Membership	Cost Per Pupil
1989	\$219,196,227	57,040	\$3,843
1990	243,655,503	56,591	4,306
1991	249,961,641	57,971	4,312
1992	258,652,164	61,593	4,199
1993	264,549,683	55,241	4,789
1994	284,749,912	57,638	4,940
1995	305,844,095 (2)	57,022	5,364
1996	302,225,713	52,008	5,811
1997	308,424,857	52,024	5,929
1998	343,641,631	52,032	6,604

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

(2) Does not include \$70,075,000 debt retired during fiscal 1995 on a refinancing which originated during fiscal 1992.

STATISTICAL INFORMATION BASED ON AVERAGE DAILY MEMBERSHIP:

	1998	1997	1996	1995	1994
Average daily membership	52,032	52,024	52,008	57,022	57,638
Cost per pupil	\$ 6,604	\$ 5,929	\$ 5,811	\$ 5,364	\$ 4,940
State and federal funds	3,087	2,891	2,885	2,690	2,586
Local funds received	3,135	3,019	3,151	2,941	2,600
Tax levied	399	370	356	298	288
Outstanding bonds	2,846	3,214	3,480	2,514	5,114

MISCELLANEOUS STATISTICS:

Schools:

Senior High Schools	9
Junior High Schools	5
Middle Schools	11
Elementary	52
Kindergarten	3
Special	3
Career Center	1
	<hr/>
	84

Staff:

Total employees	7,325
Teachers	3,493

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

97-1-10-11-12

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, 1998

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

Release Date _____

TABLE OF CONTENTS

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

**INDEPENDENT AUDITORS' REPORTS AND INFORMATION REQUIRED BY THE
SINGLE AUDIT ACT AND *GOVERNMENT AUDITING STANDARDS*
JUNE 30, 1998**

	<u>Page</u>
Reports Related To The Entity	
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit Of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Reports and Information Required Under the Single Audit Act:	
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	3
Schedule of Expenditures of Federal Awards.....	5
Footnotes to the Schedule of Expenditures of Federal Awards.....	13
Summary of Audit Results and Status of Prior Year's Findings	14
Status of Prior Year's Findings	14

701 Poydras Street
Suite 3700
New Orleans, Louisiana 70139
(504) 581-2727

3501 N. Causeway Boulevard
Suite 810
Metairie, Louisiana 70002
(504) 837-0123

1027 Whitney Avenue
Gretna, Louisiana 70056
(504) 368-2501

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING 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 Jefferson Parish Public School System as of and for the year ended June 30, 1998, and have issued our report thereon dated October 16, 1998. We conducted our audit in accordance with 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.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jefferson Parish Public School System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the School Board, management, the State of Louisiana Legislative Auditor, and officials of applicable federal and state agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Deloitte & Touche LLP Pelouze & Company Hanford in Harrison

October 16, 1998

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

INDEPENDENT AUDITOR'S 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
Jefferson Parish, Louisiana

We have audited the compliance of Jefferson Parish Public School System with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1998. Jefferson Parish Public School System's major federal programs are identified in the accompanying Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Jefferson Parish School System's management. Our responsibility is to express an opinion on Jefferson Parish Public School System's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 Jefferson Parish Public 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 Jefferson Parish Public School System's compliance with those requirements.

In our opinion, Jefferson Parish Public 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, 1998.

Internal Control over Compliance

The management of Jefferson Parish Public 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 Jefferson Parish Public 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 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 general-purpose financial statements of Jefferson Parish Public School System as of and for the year ended June 30, 1998 and have issued our report thereon dated October 16, 1998. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Rebowe & Company

October 16, 1998

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

For the Year Ended June 30, 1998

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/Expenditures
<u>U.S. Department of Education</u>					
Direct Programs:					
Elementary and Secondary Education Act of 1965 - Title VII					
Project CAPE 96-97	84.289P	T289P50024	110,479	\$ 11,741	\$ 11,741
Project Star Bilingual 96-97	84.290U	T290U50227	250,000	19,680	19,680
Project Star Bilingual 97-98	84.290U	T290U50227	250,000	242,097	242,097
Middle School Bilingual 97-98	84.289P	T289P50023	110,000	7,616	7,616
				<u>281,134</u>	<u>281,134</u>
<u>Indian Education Act (P.L.100-297) - Title IX</u>					
Indian Education 96-97	84.060A	S060A20968-96	33,008	1,586	1,586
Indian Education 97-98	84.060A	S060A50968-97	32,817	25,740	25,740
				<u>27,326</u>	<u>27,326</u>
				<u>308,460</u>	<u>308,460</u>
<u>Total Direct Programs</u>					
<u>Passed-Through State Department of Education:</u>					
Elementary and Secondary Education Act of 1965 - Title I					
Even Start 96-97	84.213C	97-ESEL	229,821	2,000	2,000
Even Start 97-98	84.213C	98-ESEL	219,095	219,095	219,095
				<u>221,095</u>	<u>221,095</u>

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

For the Year Ended June 30, 1998

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/Expenditures
U.S. Department of Education - Continued					
Passed Through State Department of Education:					
Elementary and Secondary Education Act of 1965 - Title IV (P.L.100-297)					
Emergency Immigrant Education Program 96-97	84.162	-	68,081	\$ 28,064	\$ 28,064
Emergency Immigrant Education Program 97-98	84.162	-	120,148	106,512	106,512
				<u>134,576</u>	<u>134,576</u>
Elementary and Secondary Education Act of 1965 - Title I					
Title I - Educationally Deprived Children 96-97	84.010	(1) 97-046-26	10,411,388	103,306	106,633
Title I - Educationally Deprived Children 97-98	84.010	(1) 98-046-26	11,996,417	9,336,579	9,336,657
Title I - Educationally Deprived Children 97-98.c/o	84.010	(1) 98-046-26c/o	1,458,833	1,458,833	1,458,833
				<u>10,898,718</u>	<u>10,902,123</u>
Title I - Capital Expense 97-98	84.216	95-063-26	71,193	71,193	64,074
Title I - Homeless Children and Youth 96-97	84.096	-	70,000	17,866	17,866
Title I - Homeless Children and Youth 97-98	84.096	-	60,000	43,308	43,308
				<u>61,174</u>	<u>61,174</u>
School Improvement 97-98	84.218	-	85,000	78,187	78,187
School Support 97-98	84.218	-	16,800	12,701	12,701
				<u>90,888</u>	<u>90,888</u>
Elementary and Secondary Education Act of 1965, Title III					
Challenge Grants for Technology in Education 96-97	84.303A	R303A50235-97	131,190	95,189	95,189
Challenge Grants for Technology in Education 97-98	84.303A	R303A50235-98	130,151	65,111	65,111
Technology Literacy Challenge Grant 97-98	84.318	-	365,427	52,102	52,102
				<u>212,402</u>	<u>212,402</u>

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

For the Year Ended June 30, 1998

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/Expenditures
<u>U.S. Department of Education - Continued</u>					
Passed-Through State Department of Education:					
Title VI - Improving School Programs 96-97	84.151	28-96-0026-2	231,521	\$ 12,992	\$ 12,992
Title VI - Improving School Programs 97-98	84.151	28-97-0026-6	238,703	232,258	232,258
Title VI - Improving School Program 96-97c/o	84.151	28-97-0026-2c/o	98,129	48	48
Title VI - Improving School Programs 97-98c/o	84.151	28-98-0026-2c/o	127,601	<u>125,693</u>	<u>125,693</u>
				<u>370,991</u>	<u>370,991</u>
Educate America Act - Title III					
Goals 2000- Professional Development 97-98	84.276A	-	50,000	17,943	17,943
Goals 2000 - Professional Development 96-97	84.276A	-	29,000	44	44
Goals 2000 - Teacher Grants 97-98	84.276A	-	10,583	6,073	6,073
Goals 2000 - Teacher Grants 97-98	84.276A	-	10,708	9,573	9,573
Goals 2000 - Local Improvement 97-98	84.276A	-	267,012	<u>145,163</u>	<u>145,163</u>
				<u>178,796</u>	<u>178,796</u>
Migrant Recruiter 97-98	84.011A	98-M-28-26-1	220,000	<u>167,499</u>	<u>167,499</u>
				<u>167,499</u>	<u>167,499</u>
Individual With Disabilities Education Act of 1990 - Part B (P.L.101-476)					
IDEA-B Flow Through 96-97	84.027A	97-FT-26	2,415,200	306,699	307,525
IDEA-B Carryover 96-97	84.027A	97-FT-26c/o	154,181	21,145	21,172
IDEA-B Flow Through 97-98	84.027A	98-FT-26	3,245,650	2,705,076	2,705,076
IDEA-B Discretionary 97-98	84.027A	98-D-26	4,981	4,875	4,875
IDEA-B Due Process	84.027A	-	-	<u>7,997</u>	<u>7,997</u>
				<u>3,045,792</u>	<u>3,046,645</u>

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

For the Year Ended June 30, 1998

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/ Expenditures
<u>U.S. Department of Education - Continued</u>					
Passed-Through State Department of Education:					
Individual With Disabilities Education Act of 1990 - Part B (P.L.101-476)					
IDEA-B Preschool 96-97	84.173A	97-PF-28	255,751	27,711	27,755
IDEA-B Preschool 97-98	84.173A	98-PF-26	284,500	255,458	255,458
IDEA-B Preschool 97-98c/o	84.173A	98-PF-26c/o	31,289	31,257	31,257
IDEA-B Preschool 97-98	84.173A	97-CPD-26	6,000	4,936	4,936
			<u>319,362</u>	<u>319,362</u>	<u>319,406</u>
Individual With Disabilities Education Act of 1990 Part H (P.L.91-230)					
Infants and Toddlers 96-97	84.181	96-CIT3-26	22,200	21,627	21,627
Infants and Toddlers 97-98	84.181	97-CIT3-26	25,272	25,272	25,272
IDEA-Part H 97-98	84.181	97-CIT3-26	22,200	2,241	2,241
			<u>49,140</u>	<u>49,140</u>	<u>49,140</u>
Drug Free Schools and Communities Act of 1986 (P.L.99-570)					
Drug Free Schools 96-97	84.186	28-96-7026-D	850,698	48,063	48,200
Drug Free Schools 97-98	84.186	28-97-7026-O	1,721,867	1,404,895	1,404,895
Drug Free Schools 96-97c/o	84.186	28-96-7026-Dc/o	336,477	4,828	4,828
Drug Free Schools 97-98c/o	84.186	28-97-7026-Dc/o	269,190	269,190	269,190
			<u>1,726,976</u>	<u>1,726,976</u>	<u>1,727,113</u>

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

For the Year Ended June 30, 1998

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>U.S. Department of Education - Continued</u> Passed-Through State Department of Education: Education for Economic Security Act - Title II (P.L.98-377)						
84.164	28-97-5026-11	251,717	(8,513)	(8,097)		
State Grants for Strengthening the Skills of Teachers and the Quality Instruction in Mathematics and Science 96-97						
84.164	28-98-5026-II	277,519	275,126	276,291		
State Grants for Strengthening the Skills of Teachers and the Quality Instruction in Mathematics and Science 97-98						
84.164	28-97-5026-IIc/o	60,280	36,422	36,422		
State Grants for Strengthening the Skills of Teachers and the Quality Instruction in Mathematics and Science 96-97c/o						
84.164	28-98-5026-IIc/o	106,458	83,089	83,089		
State Grants for Strengthening the Skills of Teachers and the Quality Instructions in Mathematics and Science 97-98c/o						
			<u>386,124</u>	<u>387,705</u>		

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

For the Year Ended June 30, 1998

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/Expenditures
<u>U.S. Department of Education - Continued</u>					
Passed-Through State Department of Education:					
Carl D. Perkins Vocational and Applied Technology Education Act - Title II					
Basic Grant 97-98	84.048	28-98-BB-2-B/BG	588,536	281,297	281,908
Basic Grant 96-97c/o	84.048	28-98-26-2B/BG-97c/o	107,527	107,519	108,152
				<u>388,816</u>	<u>390,060</u>
Adult Education Act of 1966	84.002	-	263,590	<u>234,026</u>	<u>234,026</u>
Adult Education Program					
Total Pass-Through State Department of Education				<u>\$ 18,557,568</u>	<u>\$ 18,557,713</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				<u>\$ 18,866,028</u>	<u>\$ 18,866,173</u>
<u>U.S. Department of Health and Human Services</u>					
Passed-Through State Department of Health and Hospitals:					
Title XIX - Early and Periodic Screening, Diagnosis, Treatment School Nurse Program 97-98	93.778	-	-	151,584	277,665
Medical Assistance Program (Medicaid)	93.778	-	-	190,771	109,734
				<u>342,355</u>	<u>387,399</u>

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

For the Year Ended June 30, 1998

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services - Continued</u>					
Passed-Through State Department of Social Services:					
Social Security Act - Title IV Job Opportunities and Basic Skills Training (JOBS)	93.561	-	375,404	152,285	152,285
Starting Points	93.575	-	424,779	418,613	418,613
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
U.S. Department of Labor					
Passed-Through State Department of Labor/ Parish of Jefferson:					
Job Training Partnership Act Job Placement and Training Program for the Handicapped Student Jobs for Louisiana Graduates	17.250 17.250	- -	82,781 134,892	78,106 166,873	84,514 166,873
TOTAL U.S. DEPARTMENT OF LABOR					
U.S. Department of Agriculture					
Passed-Through State Department of Education:					
Food Distribution (Commodities) School Breakfast Program Free and Reduced Price Meals National School Lunch Program Free and Reduced Price Meals Summer Food Service Program for Children	10.550 10.553 10.555 10.559	(1) (1) (1) (1)	- - - -	1,115,765 2,780,440 9,546,793 -	985,477 2,780,440 9,546,793 116,857
TOTAL U.S. DEPARTMENT OF AGRICULTURE					
				\$ 244,979	\$ 251,387
				\$ 913,253	\$ 958,297
				\$ 13,442,998	\$ 13,429,567

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

For the Year Ended June 30, 1998

Schedule of Expenditures of Federal Awards					
Federal Grantor/Pass-Through Grantor/Program Title	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)	-	-	-	366,806	366,806
TOTAL FEDERAL ASSISTANCE				<u>\$ 33,834,064</u>	<u>\$ 33,872,230</u>

- (1) Represents a major program.
- (2) This amount represents the value of Commodities received by the School System during the year ended June 30, 1998.
- (3) This amount represents the value of Commodities used by the School System during the year ended June 30, 1998.
- (4) This amount represents the cash subsidy received by the School System during the year ended June 30, 1998.

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
FOOTNOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 1998

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 Board 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 presented in, or used in the preparation of, the general-purpose financial statements.

Accrued and Deferred Reimbursement

Various reimbursement procedures are used for federal awards received by the School Board. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year-end represent 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
SUMMARY OF AUDIT RESULTS AND STATUS OF PRIOR YEAR'S FINDINGS
For the Year Ended June 30, 1998

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general-purpose financial statements of the Jefferson Parish Public School System.
2. No reportable conditions relating to the audit of the financial statements of Jefferson Parish Public School System were noted during the audit.
3. No instances of noncompliance material to the financial statements of Jefferson Parish Public School System were noted during the audit.
4. No reportable conditions relating to the audit of the major federal award programs is reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance* in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Jefferson Parish Public School System expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for Jefferson Parish Public School System, accordingly there is no *Schedule of Findings and Questioned Cost*.
7. The programs tested as major programs include:
 - A. Elementary and Secondary Education Act of 1965-Title I CFDA No. 84-010
 - B. Department National School Lunch Program CFDA No.10-553
8. The threshold for distinguishing between type A and type B programs was \$1,016,167.
9. Jefferson Parish Public School System was determined to be a low-risk auditee.

STATUS OF PRIOR YEAR'S FINDINGS

The School System has taken corrective action on all findings from our prior year audit report dated October 17, 1997.

Deloitte & Touche LLP Rebowe & Company APC Hanford M. Harrison, CPA

701 Poydras Street
Suite 3700
New Orleans, Louisiana 70139
(504) 581-2727

3501 N. Causeway Boulevard
Suite 810
Metairie, Louisiana 70002
(504) 837-0123

1027 Whitney Avenue
Gretna, Louisiana 70056
(504) 368-2501

October 16, 1998

Jefferson Parish School Board
4600 River Road
Marrero, Louisiana 70072

Dear Members of the Board:

In planning and performing our audit of the general purpose financial statements of the Jefferson Parish Public School System (School System) for the year ended June 30, 1998 (on which we have issued our report dated October 16, 1998), 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. A description of the responsibility of management for establishing and maintaining internal control, and of the objectives of and inherent limitations of internal control, is set forth in the attached Appendix, and should be read in conjunction with this letter. Our comments are presented in Exhibit I and are listed in the table of contents thereto.

This report is intended for the information of the School Board, management, the State of Louisiana Legislative Auditor, and officials of applicable federal and State agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Yours truly,

Deloitte & Touche LLP Rebowe & Company Hanford M Harrison

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE OF CONTENTS

	Page
<u>ACCOUNTING, ADMINISTRATIVE AND OPERATING MATTERS</u>	
Fixed Assets	1
Year 2000	2
Maintenance Department Controls	2
School Lunch Meal Prices	4
Sabbatical Leave Policy	5
Stadium Accounts - Pre-signed Checks	5
New Accounting Pronouncements:	
GASB Technical Bulletin No. 98-1	6
GASB Statement No. 32	6

ACCOUNTING, ADMINISTRATIVE AND OPERATING MATTERS

FIXED ASSETS

Program Software

Observation

The School System's fixed asset accounting system does not adequately account for all assets in the General Fixed Asset Account Group ("GFAAG").

Background

The School System continues to use its internally developed fixed asset accounting system which is not interfaced with the general ledger accounting system and, therefore, requires extensive reconciliation.

Recommendation

We recommended in the prior year that the School System replace the old fixed asset accounting system with a new accounting system that is compatible with its general ledger system and that it raise its capitalization threshold policy. In 1997/1998, the School System raised its capitalization threshold to \$300 but did not upgrade its accounting system. We recommend that it do so.

Management's Response

The Jefferson Parish School System did in fact look at new software to handle the property control process during fiscal year 1997/98. Unfortunately, we were not able to find a software package that met our needs. We have recently engaged Lockheed, our external contracted service vendor for mainframe operations, to review the current property control process and to recommend appropriate changes to align a new system with our general ledger system. This is an on-going process. In the meantime, an outside contractor is modifying our current software to allow for cross reference of equipment purchases and the General Fixed Asset Account Group ledger. Further, we are moving back to a more centralized system. Some years ago we decentralized the system in the belief that the school site could best handle additions and deletions. This process has proved to be over burdensome to the few school site clerical persons. However, we do believe that the current process allows for adequate control of the assets of the School System albeit a manual labor intensive system.

Charter School

Observation

The Jefferson Community Charter School has not established a capitalization policy for its capital purchases. While a fixed asset tracking system has been established, the School is not following a capitalization policy.

Recommendation

The Charter School should have a General Fixed Asset Account Group, similar to that of the School System. It should also establish a capitalization policy and follow such policy for all property additions.

Management's Response

All purchases of equipment, no matter the cost, will be reviewed by the Jefferson Parish Accounting office. Those qualifying under the dollar limitation will be included in the General Fixed Asset Account Group. Up to this point all purchases are being included.

YEAR 2000

Observation

In our letter to you dated October 16, 1998, we informed you that (1) we made limited inquiries of management regarding their activities to address the year 2000, (2) our audit of Jefferson Parish Public School System's financial statements for the year ended June 30, 1998, does not provide any assurances nor did we express any opinion, that the School System's systems or any other systems, such as those of School System's vendors, service providers or other third parties are year 2000 compliant, and (3) we are not engaged to perform, nor did we perform as part of our audit engagement, any procedures to test whether the School System's systems or any other systems are year 2000 compliant or whether the plans and activities of the School System or any other third parties are sufficient to address and correct system or any other problems that might arise because of the year 2000, nor will we express any opinion or provide any other assurances with regard to these matters.

Recommendation

The School System should continue to diligently address the year 2000 problem.

Management's Response

The Jefferson Parish School System continues to aggressively attack the Y2K situation. We have purchased new hardware which is being run parallel with our old system. The new hardware should be on-line by January 1999. We have also engaged Lockheed to convert all personnel, payroll and accounting systems. This process is well underway and scheduled for completion by September 1999. We believe we have the Y2K situation under control.

MAINTENANCE DEPARTMENT CONTROLS

To assist the School System in testing the effectiveness of the internal control procedures implemented in May 1997, we selected 51 maintenance invoices to review. One of the key control procedures implemented in the revised policies requires the preparation by the contractor and sign-off by School System personnel of a "Job Verification Form" upon leaving the site of the work performed. There were approximately 200 Job Verification Forms included in the maintenance invoices reviewed. The following summarizes the results of our tests of the invoices:

- Two (2) of the 51 invoices reviewed did not have the daily hours worked totaled on the Job Verification Form.
- Six (6) of the 51 invoices were paid despite no signature in and out for lunch. Policy requires contractors to sign in and out. Failure to do so is to result in a one hour reduction in pay. The resulting overpayment to one contractor was \$528 for failure to sign in and out. However, all full days worked were reduced for a one-half hour lunch break except in one instance resulting in an overpayment of \$20. This contract had not been renewed for the 1998 year. In discussion with Maintenance Department personnel, it appears that there is inconsistency in the implementation of the lunch break policy among personnel responsible for processing contractor invoices.

- Two (2) of the approximately 200 Job Verification Forms did not have all of the unused portions of the form lined out as required.
- One (1) of the 51 invoices did not have the required certification stamp as required.
- Of the 51 maintenance invoices reviewed, we noted one (1) invoice where parts and materials in excess of \$50 were invoiced without adequate supporting documentation. Total unsupported parts and materials invoiced was \$339 for one contractor whose contract was not renewed for 1998.
- Four (4) of the 51 invoices did not have both the school copy and contractor copy for the Job Verification Forms that are to be compared as part of the review of a payment request. Invoices related to these forms totaled \$11,645.
- During testing of bid quotations for seven (7) invoices paid, we noted that all of those invoices were paid without having undergone the quotation procedures as required. Checks totaling \$13,116 were issued to pay for the goods/services provided.
- We reviewed how the maintenance department verifies the reasonableness of materials and supplies costs charged to the School System by the contractors. Department personnel call other suppliers for prices on supply costs that appear unusual to determine whether costs being charged are within industry standards. However, no documentation is prepared indicating the results of such inquiries.

Based upon our review, we observed some requirements of the policy and procedures manual that may need *further clarification to improve compliance and consistency among maintenance contract invoice processing*. Specifically noted under the current review were those procedures related to a normal work day and the requirement for documenting lunch breaks. Additionally, since there have been no revisions to the manual during the year, matters needing clarification that were noted in the prior year are still in need of attention. Such matters include the following:

- The definition of skilled labor for the purpose of determining whether the four (4) hour minimum guarantee applies.
- Clarification as to whether the four (4) hour minimum guarantee applicable to skilled laborers also applies to their helpers.
- Clarification as to whether the delivery of limestone and sand requires the completion of a Job Verification Form.
- Clarification as to whether equipment rates include the labor of the equipment operators.
- Documentation requirements added for cost analysis performed by maintenance personnel.

Recommendation

The Maintenance Department personnel should continue to review the Job Verification Forms and vendor invoices. Additionally, the School System administration should attempt to clarify areas identified as *problematic in order to reduce the instances of non-compliance with School System policies by personnel entrusted to implement those policies and procedures*.

Management's Response

The Jefferson Parish School System Maintenance operations continues to exert maximum effort in the review and analysis of all work performed by service contractors to insure that the public trust is protected. We believe we have made major strides in our endeavors and will continue to try to achieve zero exceptions of policy and procedures. In May of 1999, the Jefferson Parish School Board Construction Committee (as approved at the Committee meeting of October 7, 1998) will review the policy and procedures of service contracts and will seek new proposal on all service contracts. Currently, the service contracts have been in force for one year and on October 7, 1998, were extended for one year with a new proposal scheduled sometime soon after the May 1999 committee meeting. Service contracts are evaluated monthly and problems are dealt with immediately. We believe, notwithstanding the findings of the 1997/98 external audit, that the process is credible, verifiable and protects the public trust.

SCHOOL LUNCH MEAL PRICES

Observation

During our testing of meal prices, we determined that the price charged for lunches for adults and students is \$2.50 and the average cost for lunch including commodities is \$2.58. Guidelines, established by the Department of Education, requires that the price charged for full prices lunches/breakfast should be sufficient to cover the cost for the meal.

As part of our analysis of student lunch/breakfast pricing and cost, we performed an analysis of the average cost of meals for the previous three years. Our analysis indicates that the cost of meals has increased for each of the previous three years as follows:

FYE94 to FYE95 showed an increase of 1.0%
FYE95 to FYE96 showed an increase of 1.9%
FYE96 to FYE97 showed an increase of 5.3%

Recommendation

We recommend that the School Board monitor meal prices charged for lunch to students and adults and maintain a level sufficient to cover the cost of the meal. The retained earnings balance in the Child Nutrition Fund approximates the loss realized during FY98 indicating that additional subsidies from the General Fund may be required over the next two years.

Management's Response

The Jefferson Parish School Board, as part of the adoption of the fiscal year 1998/99 Child Nutrition Budget, raised the price of children meals (breakfast/lunch) by \$0.25 and the price of adult breakfast and lunch by \$0.50. As a routine matter, the Jefferson Parish School System reviews the meal sales prices vs. cost of production annually and makes appropriate changes necessary to comply with the law.

The Jefferson Parish School System as a routine part of the General Fund and the Child Nutrition Fund annual budget adoption process reviews the cost of meal production. In fact, the Director of Child Nutrition, within the last fiscal year, reported to the School Board that due to changing federal meal guidelines, a movement to low-fat, low-sodium meals, the cost of meals would be increasing and that the increase would be greater than in previous years.

SABBATICAL LEAVE POLICY

Observation

We tested the procedures for applying for sabbatical leave as established in the JPPSS Personnel Policy Manual (as revised 1994) to ensure that policies related to sabbatical leave were followed and that leaves were properly monitored and approved. We randomly selected 10 employees who recently completed sabbatical and noted the following:

- In 3 instances, the applications for leave for purposes of rest and recuperation were not mailed 30 days preceding the effective date of the leave.
- In all 10 instances, the employee was not interviewed following completion of leave.
- In 3 instances, the applicant did not receive written notification of their acceptance or rejection of sabbatical leave within 30 days after filing the application.
- In 4 instances, the written notification of acceptance of sabbatical leave was not on file.

Recommendation

The School Board should follow the established guidelines for sabbatical leave.

Management's Response

The Jefferson Parish School System is in the process of updating the entire personnel manual of which sabbatical leave is a part. The change in the sabbatical leave policy will recognize the fact that not all sabbatical leaves can be pre-planned due to sudden illness or some other dire circumstance necessitating sabbatical leave. We believe that our current practices, in so far as routine sabbaticals are concerned, mirror our policy.

STADIUM ACCOUNTS - PRE-SIGNED CHECKS

Observation

We noted that there were numerous pre-signed checks in the Stadium Account checkbook. This defeats the purpose of the dual signing procedure implemented for signing Stadium Account checks. The Stadium Account is an agency fund of the School System.

Recommendation

We strongly recommend that the individuals responsible for signing the checks do not pre-sign any checks. Also, the individuals signing checks should review the reason for issuing the check before signing the check. This will help prevent any checks being issued for incorrect and inappropriate items.

Management's Response

This practice has never been sanctioned within the School System. The administrator and secretary responsible for the process have been instructed to cease and desist immediately and they have. This will continue to be an area of internal audit interest in the future.

GASB TECHNICAL BULLETIN NO. 98-1

Observation

In October 1998 the Governmental Accounting Standard Board (GASB) issued GASB Technical Bulletin No. 98-1, "Disclosures about Year 2000 Issues." This technical bulletin was issued to address the type of disclosures that should be presented in the financial statements about compliance with year 2000 issues for a government's internal computer systems and other electronic equipment. Among other things, governments will be required to disclose any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant, and a general description of the year 2000 issue as it relates to their organization. This disclosure will include a description of the stages of work in process or completed as of the end of the government's reporting period, and the additional stages of work necessary.

The provisions of this Technical Bulletin are effective for financial statements on which the auditor's report is dated after October 31, 1998, and the School System will therefore be required to adopt this technical bulletin in fiscal year 1999.

Recommendation

Management should evaluate the impact of GASB Technical Bulletin No. 98-1 on the School System's financial statements.

Management's Response

Management will consult with the auditors in the coming months to assess the impact of GASB Technical Bulletin No. 98-1 on our financial presentation.

GASB STATEMENT NO. 32

Observation

GASB has also issued Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," in October 1997. GASBS No. 32 was issued in response to a change in Internal Revenue Code Section 457 on August 20, 1996. This Code Section now requires that all assets and income of the Deferred Compensation Plans established under Code Section 457 must be held in trust for the exclusive benefit of the participants and their beneficiaries. Existing plans are required to comply with this requirement by January 1, 1999.

Recommendation

Management should evaluate the impact of GASBS No. 32 on the School System's Deferred Compensation Plan. The plan will have to be amended to comply with the change in the Code. When the plan is amended so that the assets and income are held in trust for the exclusive benefit of the participants and their beneficiaries, the plan will no longer be included in the School System's financial statements as an Agency Fund.

Management's Response

The Deferred Compensation Plan will be amended to conform with recent amendments to the Internal Revenue Code by January 1, 1999.

APPENDIX

MANAGEMENT'S RESPONSIBILITY FOR, AND THE OBJECTIVES AND LIMITATIONS OF, INTERNAL CONTROL

The following comments concerning management's responsibility for internal control and the objectives and inherent limitations of internal control are adapted from the Statements on Auditing Standards of the American Institute of Certified Public Accountants.

Management's Responsibility

Management is responsible for establishing and maintaining internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls.

Objectives

The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Limitations

Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Deloitte & Touche LLP Rebowe & Company APC Hanford M. Harrison, CPA

701 Poydras Street
Suite 3700
New Orleans, Louisiana 70139
(504) 581-2727

3501 N. Causeway Boulevard
Suite 810
Metairie, Louisiana 70002
(504) 837-0123

1027 Whitney Avenue
Gretna, Louisiana 70056
(504) 368-2501

October 16, 1998

Jefferson Parish School Board
4600 River Road
Marrero, Louisiana 70072

Dear Members of the Board:

The approach of the year 2000 presents significant issues for many financial, information, and operational systems. Many systems in use today may not be able to interpret dates after December 31, 1999 appropriately, because such systems allow only two digits to indicate the year in a date. As a result, such systems are unable to distinguish January 1, 2000, from January 1, 1900, which could have adverse consequences on the operations of the entity and the integrity of information processing, causing safety, operational, and financial issues.

Our audit of Jefferson Parish Public School System's (School System's) financial statements for the year ended June 30, 1998, does not provide any assurances that the School System's systems or any other systems, such as those of the School System's vendors, service providers, customers, or other third parties, including the Department of Education, are year 2000 compliant, nor does our audit provide any assurances regarding the year 2000. In addition, we were not engaged to perform, nor did we perform, any procedures to test whether the School System's systems or any other systems are year 2000 compliant or whether the plans and activities of the School System are sufficient to address and correct system or any other problems that might arise because of the year 2000. Accordingly, we do not express any opinion or provide any other assurances regarding the year 2000.

However, during audit field work in the period ended October 16, 1998, we made limited inquiries about the School System's activities to address the year 2000 issue. We have not performed any procedures to test the accuracy or completeness of the responses to our inquiries, but we have noted that the School System has contracted an external company, Lockheed Martin, to provide year 2000 conversion services. Additionally, we have noted that the School System's management does have a year 2000 compliance committee that meets regularly to discuss the progress of the year 2000 conversion process. Because year 2000 activities are currently in process, we may have had additional observations had we made inquiries after the date of this letter. Accordingly, we encourage management and the Board to continue their oversight of School System's year 2000 activities.

This report is intended solely for the information of the School Board, management, the State of Louisiana Legislative Auditor, and officials of applicable federal and state agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Yours truly,

Deloitte & Touche LLP Rebowe & Company Hanford M Harrison