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JEFFERSON PARISH PUBLIC SCHOOL SYSTEM



Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2003

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

Release Date 2-4-04

501 MANHATTAN BOULEVARD
HARVEY, LOUISIANA 70058-4495

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM



Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2003

Prepared By
Business Services Department

501 MANHATTAN BOULEVARD
HARVEY, LOUISIANA 70058-4495

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2003

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INTRODUCTORY SECTION



DIANE M. ROUSSEL, Ph.D.
SUPERINTENDENT

SUPERINTENDENT'S OFFICE
JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

501 MANHATTAN BOULEVARD
HARVEY, LOUISIANA 70058-4495
(504) 349-7802
FAX: (504) 349-7960
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November 18, 2003

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

Members of the Board and Citizens of Jefferson Parish:

The comprehensive Annual Financial Report (CAFR) of the Jefferson Parish School System (School System) for the fiscal year ended June 20, 2003 is submitted herewith. The CAFR was prepared by the School System's Business Services Division. This report, conforms to generally accepted accounting principles and standards for financial reporting as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the School System. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the School System. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the School System's financial activities have been included.

The CAFR is presented in four sections: (1) introductory, (2) financial, (3) statistical, and (4) state reporting. The introductory section includes this transmittal letter, the School System's organizational chart, and a list of principal officials. The financial section includes management's discussion and analysis, the government-wide financial statements and the combining and individual fund financial statements and other supplemental information. The School System's independent certified public accountants, Deloitte & Touche, Rebowe & Company, and Hanford M. Harrison, have examined the accompanying financial statements, and their opinion is included in the financial section. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The state reporting section includes a review of financial and student data reported annually to the Louisiana Department of Education. The Management's Discussion and Analysis beginning on page 3 provides an overall review of the School System's activities for the year ended June 30, 2003. The School System is required to undergo an annual single audit in conformity with provisions of the Single Audit Act Amendments of 1996 and U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and independent auditors' reports on the internal control over financial reporting and on compliance with the requirements applicable to each major program and the internal control over compliance in accordance with A-133 are included in a separate report.

THE REPORTING ENTITY

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

The FY 2002/2003 student count was 49,931. The Jefferson Parish School System operates 85 schools located on both sides of the Mississippi River. Approximately 33,318 students are transported daily by a fleet of 312 buses. The School System employs 3,411 teachers.

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

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

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

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

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

The 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 grades who have been expelled from the parish public school system, to learn appropriate behavioral and academic skills enabling them to return as functioning, responsible participants in the public middle and high school.

MISSION

The School System's adopted mission is:

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

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

We, in the Jefferson Parish Public School System, recognize the challenges we face as we prepare students for the 21st century. The demands placed upon us as we begin the new millennium have increased. We must not only prepare our children to read, write, and do arithmetic, we must prepare them to live in a fast-changing, technologically- driven, globally competitive world. We must assist those who don't succeed academically since they will not find employment as unskilled laborers as those jobs have moved overseas or have 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 growing and changing with it.

To meet this very 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 employment by coordinating these *academies* with real work experiences. We offer academies in the field of banking, travel and tourism, restaurant management, law-related careers, education, and health services. A credit union has been established at one of the high schools where students are allowed to have actual bank accounts, deposit and withdraw their 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. The School System is a state-of-the-art system complete with an advanced technology department and its own television station furnished by the local cable provider. Each of our 85 schools has computers in the classrooms or computer labs that enhance the curriculum. All of our schools have Internet access through the libraries and most of our schools are wired for Internet access in the classrooms. Our students have created web sites, participated in electronic classrooms, and communicated via E-mail and the Internet with other students across the nation. The School System's website is an invaluable tool used to communicate important information to our students, parents, teachers, and the community. The school district 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 2003/2004 budget was adopted on July 2, 2003. Total expected budgeted expenditures for the General Fund are \$298,315,089. Projected revenues and other financing sources for the General Fund total \$299,265,089. The projected year-end fund balance for FY 2003/2004 is \$10,589,004.

ACCOMPLISHMENTS

Dr. Diane Roussel, Superintendent, was named one of New Orleans City Business' Women of the Year for 2003.

The Principals of the Year are as follows:

Sharon Little – Schneckenburger Elementary
Drue Dumas – Bunche Middle
Gary Barras – Ehret High

The Teachers of the Year are as follows:

Patcie Cunningham Runge – Catherine Strehle Elementary
Janet E. (Jaen) Mayberry – Truman Middle
Jamie F. Staub – Grace King High

Support Personnel of the Year are as follows:

Kitty Isemann (Parent Advisor) – Strehle Elementary
D'Andrea Franklin (Cafeteria Manager) – Bunche Middle
Merary Grubstein (Paraprofessional) – West Jefferson High

Students of the Year are as follows:

Brian Lam – Birney Elementary
Justin Sackett – Meisler Middle
Jessica Larche – West Jefferson High

Bureau of Governmental Research (BGR) Recipients

Rita Foster – Cuillier Career Center
Julie Berner – Ellis Elementary
Evelyn Soniat – Woods Elementary

\$16,355,618 in scholarships was offered to the Class of 2003.

64% of the Class of 2003 is attending college.

SAT scores continue to be well above the national average.

Grace King High School – 2003 National Winner of “We The People” competition.

West Jefferson High School has 31 consecutive years of National Recognition for its Junior ROTC Air Force Unit.

Jefferson Parish has one of the highest numbers of National Board Certified teachers in Louisiana.

Jefferson Parish students placed third in the National Tournament in the Propaganda Academic Games.

Twenty-nine academies (schools within schools that focus on careers in high demand throughout the labor market) have opened in the Jefferson Parish Public School System.

70% of schools made progress in meeting 2003 academic growth targets.

2002 District Responsibility Index of "Excellent":

School Improvement=Excellent. LEAP21 Passing Rate = Excellent

Summer School=Good. Certified Teachers=Very Good

Title I HOSTS (Help One Student to Succeed) Program experienced the highest results in the 2002-2003 school year since inception, with 87.2% of the participating fourth grade students passing the LEAP 21 TEST.

Fifth grade students at Bissonet have been the state winners in the Elementary Thinking Cap Quiz Bowl for the last two years.

The 2003 National Championship in Linguistic Academic Games (8 undefeated students in the Elementary Division).

INSTRUCTIONAL PROGRAM

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

The core curriculum addresses English, 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 the age of 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 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.

Title II Dwight D. Eisenhower Professional Development Program's major goal is to improve the teaching and learning of all students by helping to ensure that teachers, and where appropriate, other staff and administrators, have access to sustained and intensive high-quality professional development that is aligned to challenging state content standards and challenging state student performance standards, and to support the development and implementation of sustained and intensive high-quality professional development activities in the core academic subjects; and helping to ensure that teachers, and where appropriate, administrators, other staff, pupil services personnel, and parents, have access to professional development. The program requires that a minimum of 56% of the funds be devoted to professional development in mathematics and science.

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

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

Bilingual/ESOL Program – the English to Speakers of Other Languages program fulfills the school district's obligation to develop and implement an alternative program which teaches language minority students English, provides them parity of access to instruction, and moves them into the regular educational program within a reasonable length of time. The goal of this program is to develop students' academic and conversational proficiency in English so that they can effectively participate in the educational program conducted exclusively in English. It employs the use of two languages, one of which is English, an instruction to the extent necessary for students to function effectively in the content classes. Currently the English to Speaker of Other Languages Program is implemented in 32 schools, serving 2154 students, pre K-12, who represent 66 countries and speak 46 home languages other than English.

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

ECONOMIC CONDITIONS AND OUTLOOK

The school system has a tremendous financial impact on the community. It has in excess of 7,500 employees and an annual payroll in excess of \$191 million making it the second largest public employer in the parish. It also spends annually over \$50 million on goods and services. These funds are spent primarily with local businesses.

Jefferson Parish is the second most populated parish in Louisiana with the population showing a slight increase in 2003. Population has been stable over the past 10 years with slightly in excess of 450,000 citizens. Per capita income in Jefferson continues to be higher than the majority of Louisiana's parishes and the state as a whole.

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

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

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

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

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

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

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

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

Improvements to the Courthouse Complex located in Gretna began in early 1999 with groundbreaking for an addition to the existing jail complex. A new six-floor administrative building to house the Parish's administrative personnel is under construction with an expected completion in early 2004. In addition, a Fifth Circuit Court of Appeals Building, whose construction began in 1999, was occupied in early 2001. A new building for the District Attorney was started in 2000. It was heavily damaged by a fire in 2002 and was completed in the summer of 2003. The Gretna Courthouse Complex includes a high rise parking garage that was completed in 2002 and has provided relief for the parking problems in the area. Renovations are planned for the present Courthouse Annex that will house all divisions of the 24th Judicial District Court.

The number of events held at the Alario Center, a 75,000 square foot amateur sports complex, has exceeded projections since its completion. It is located on the West Bank on the edge of Bayou Segnette State Park, a 600 acre state park and wetland area and during 2003 accommodated regional, national and international amateur sporting events, as well as conferences, conventions, trade shows, Mardi Gras functions, and graduation ceremonies. The New Orleans Hornets, an NBA basketball team, uses the Alario Center for its practice facility. On the grounds of the Alario Center, a state of the art baseball stadium was constructed which will be available for high school tournaments and other amateur events. A major college in the area schedules a number of games at the baseball stadium.

The Bucktown Marina project on the East Bank continues to move forward. When completed, the marina will hold approximately 400 boats and feature a public park and retail facilities.

FINANCIAL INFORMATION

Accounting System and Budgetary Control

In developing and evaluating the School System's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concepts of reasonable assurance recognize that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the School System's internal accounting controls adequately safeguard assets and 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.

Cash Management

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

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

Risk Management

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

The Management's Discussion and Analysis section beginning on page 3 provides an overall review of the School System's financial operations for the year and its financial position.

OTHER INFORMATION

Independent Audit

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

Awards

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting, and the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Jefferson Parish Public School System for its comprehensive annual financial report for the fiscal year ended June 30, 2002. This was the 13th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

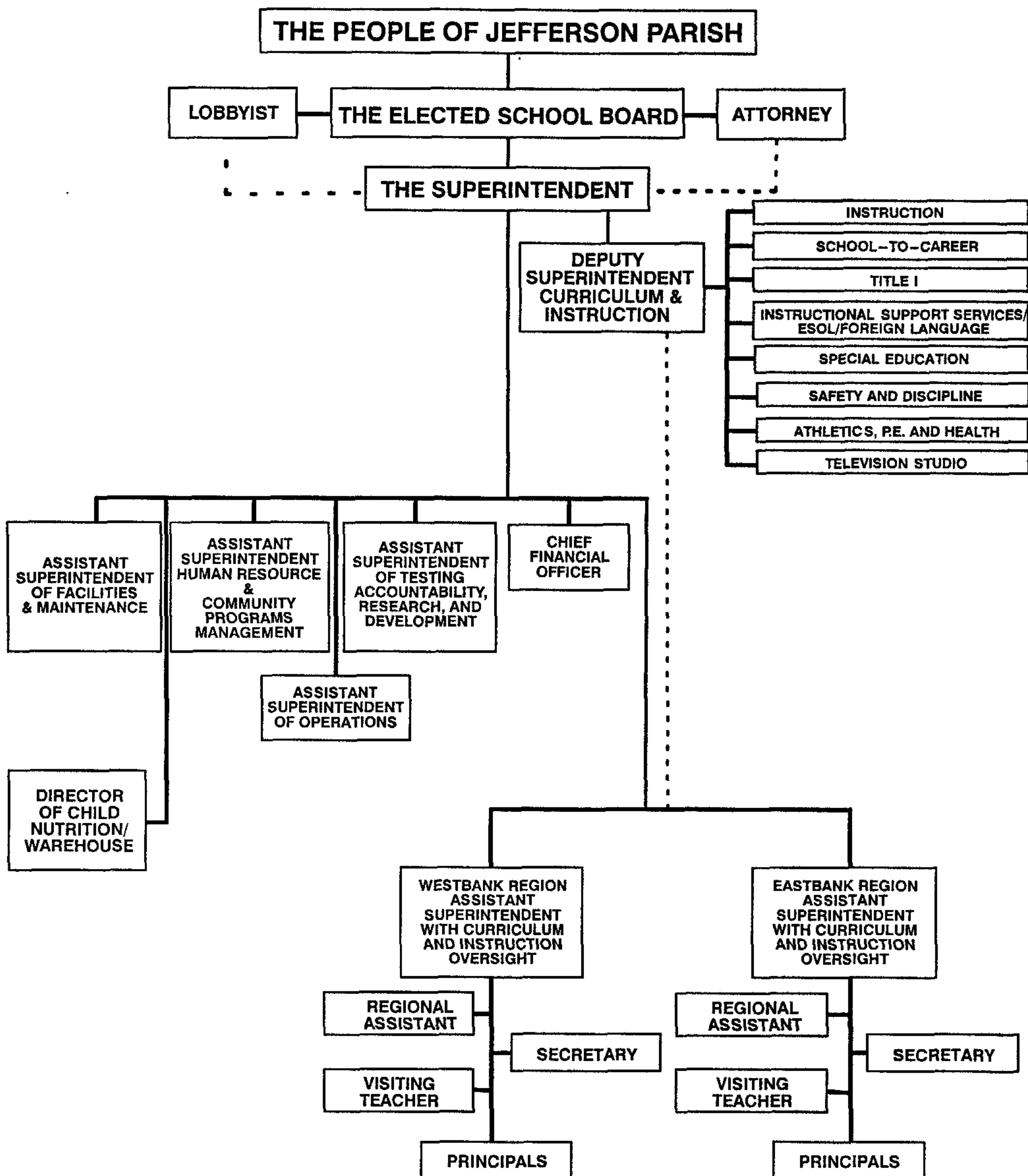
We also wish to thank the members of the School Board for their continued consideration and support, and for planning and conducting the financial operations of the School System in a responsible and progressive manner.



Diane Roussel, Ph.D
Superintendent



Raylyn Stevens
Chief Financial Officer



SCHOOL BOARD

NAME	LENGTH OF SERVICE	TERM EXPIRES	OCCUPATION
Libby Moran, President, District 7	8 years	December, 2006	Former Teacher/ Businesswoman
Judy Colgan, Vice President, District 8	3 years	December, 2006	Social/Political Activist
Chris Roberts Member, District 1	4 years	December, 2006	Businessman
Barry Bordelon, Member, District 2	16 years	December, 2006	Marketing Representative
Ray St.Pierre, Member, District 3	4 years	December, 2006	Retired Public School Administrator
Julie Quinn, Member, District 4	2 years	December, 2006	Attorney
Karen M. Barnes, Member, District 5	4 years	December, 2006	Former Teacher/ Reservist
Martin Marino, Member, District 6	22 years	December, 2006	Retired School Principal
Gene Katsanis, Member, District 9	9 years	December, 2006	Businessman

SCHOOL SYSTEM OFFICERS

Name	Position	Length of Service
Elton Lagasse	Superintendent	42 years
Raylyn Stevens	Chief Financial Officer	7 years
Dr. Diane Roussel	Executive Director, Instruction	29 years
Paul Emenes	Executive Director, East Bank Region	52 years
George Hebert	Executive Director, West Bank Region	36 years
Ronald Ceruti	Executive Director, Personnel Relations	33 years
Dr. Leigh Barton	Executive Director, Technology	31 years
Al Robichaux	Executive Director, Operations	35 years
David Taylor	Executive Director, Facilities	2 years



LIBBY L. MORAN
President, District 7



ELTON M. LAGASSE
Superintendent



JUDY M. COLGAN
Vice-President, District 9



CHRIS ROBERTS
District 1



BARRY BORDELON
District 2



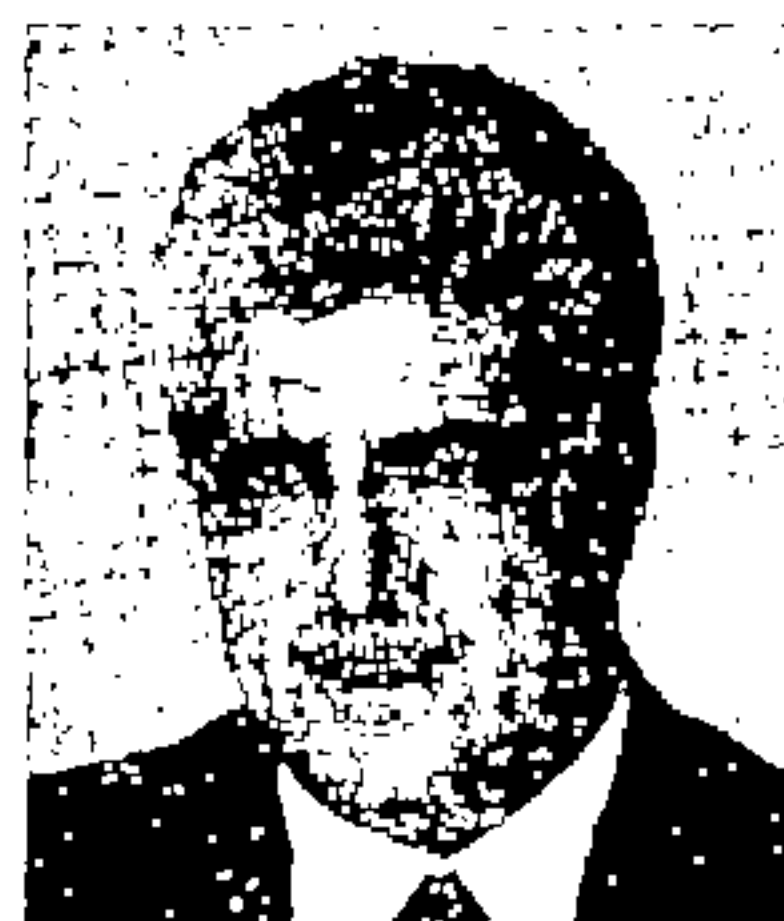
RAY ST. PIERRE
District 3



JULIE QUINN
District 4



KAREN M. BARNES
District 5



MARTIN B. MARINO
District 6



GENE KATSANIS
District 8

**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, 2002

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

President

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, 2002

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.



Edward Haney
President

Jeffrey R. Ennis
Executive Director

FINANCIAL SECTION

Deloitte & Touche LLP

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INDEPENDENT AUDITORS' REPORT

Members of the School Board of
Jefferson Parish, Louisiana:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Jefferson Parish Public School System as of June 30, 2003 and for the year then ended, which collectively comprise the Jefferson Parish Public School System's basic financial statements, as listed in the foregoing table of contents. These financial statements are the responsibility of the Jefferson Parish Public School System's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Jefferson Parish Public School System as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and Elementary and Secondary Education Act of 1965 (Title I) for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 19 through 20 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated October 17, 2003 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP Rebouche & Company Hartford M. Harrison LLC

October 17, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the Jefferson Parish Public School System's financial performance provides an overall review and an objective, easily readable analysis of the School System's financial activities for the fiscal year ended June 30, 2003. The intent of the MD&A is to look at the School System's overall financial performance and to assist readers in assessing the financial position as a result of the year's operations. Therefore, readers should read the MD&A in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal in the Introductory Section, and the School System's Financial Statements and the Notes to the Financial Statements which are contained in the Financial Section.

FINANCIAL HIGHLIGHTS

- The assets of the School System exceeded its liabilities at the close of 2003 by \$5.26 million. The deficiency of \$58.3 million of "Invested in capital assets, net of related debt" represents the School System's book value of its fixed assets (less accumulated depreciation) net of the current balances of debt incurred to acquire or improve the capital assets. It is the accumulation of years of investments in capital projects and related debt.

Over the past 20 years, the School System has issued debt exclusively for capital improvements. The School System has 85 school sites and a large percentage of the System's buildings are older and consequently are substantially depreciated. Most of the capital improvements in recent years have pertained to replacement of roofs, renovation of bathrooms and other routine renovations necessary to maintain aged facilities. In spite of the age of the School System's facilities, schools within the system are well maintained and are in a physical condition conducive to the educational process.

- The School System's total net assets increased by \$48.2 million in 2003. This can largely be attributed to the repayment of long-term debt of \$17.9 million and a refinement in the methodology used to estimate the liability for sabbatical liabilities resulting in a decrease in the liability of \$24.6 million.
- Gross Sales and use tax revenue collections decreased from the prior year's collections by \$207,572 or by .14%. Gross Sales and Use tax revenue amounted to \$146,097,664. This slight decline can be attributed to a stagnant local economy. A portion of the gross sales tax collections is dedicated for the purpose of debt service and capital improvements. The Jefferson Parish Public School System pays a 9.5% collection fee to the Jefferson Parish Sheriff's Office on general collections as set forth in the state constitution. Such fees are reported in supporting services expenses.
- Expenditures have decreased during the year ended June 30, 2003. Due to the second consecutive year of significant rises in Health Insurance, the School System implemented major budget cuts in the General Fund. It was the goal of the School System to provide the least impact on the educational process, however, the largest decrease in expenditures occurred in the area of instruction and was largely attributable to the reduction in the sabbatical liability.
- Property tax revenues increased over last year as a result of the Board "rolling forward" the millage rates from the prior year. This re-valuation increased the millage rates from FY 2001/2002 of 12.44 mills to FY 2002/2003 of 13.91 mills. Property tax revenues increased by \$3.8 million during the year ended June 30, 2003. The majority of the increase can be attributed to the re-valuation of the millage rate and the remaining increase is due to the increase in assessed property values.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 11-13 of this report.

Fund Financial Statements

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 14-20 of this report.

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

The proprietary fund financial statements can be found on pages 21-23 of this report.

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

The basic fiduciary fund financial statement can be found on page 24 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 25 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the School System, its total assets exceeded its liabilities by \$5.3 million at the close of the most recent fiscal year.

Table 1
Net Assets
(In Thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2003	2002	2003	2002	2003	2002
Current and other assets	\$ 154,429	\$ 151,450	\$ 2,356	\$ 3,593	\$ 156,785	\$ 155,043
Capital assets	<u>96,910</u>	<u>93,334</u>	<u>352</u>	<u>252</u>	<u>97,262</u>	<u>93,586</u>
Total assets	251,339	244,784	2,708	3,845	254,047	248,629
Long-term debt outstanding	158,679	179,734			158,679	179,734
Other liabilities	<u>88,432</u>	<u>108,409</u>	<u>1,680</u>	<u>3,403</u>	<u>90,112</u>	<u>111,812</u>
Total liabilities	247,111	288,143	1,680	3,403	248,791	291,546
Net assets						
Invested in capital assets, net of related debt	(58,663)	(73,433)	352	251	(58,311)	(73,182)
Restricted	32,812	38,345			32,812	38,345
Unrestricted	<u>30,078</u>	<u>(8,271)</u>	<u>676</u>	<u>191</u>	<u>30,754</u>	<u>(8,080)</u>
Total net assets	<u>\$ 4,227</u>	<u>\$ (43,359)</u>	<u>\$ 1,028</u>	<u>\$ 442</u>	<u>\$ 5,255</u>	<u>\$ (42,917)</u>

While the bonds payable are associated with the capital assets for purposes of categorizing net assets, the capital assets themselves are not a source of repayment of the bonds. The bonds are serviced primarily by dedicated sales taxes. In addition, debt service funds have accumulated \$30.6 million of net assets at June 30, 2003 to provide for the servicing of annual interest and principal payments on bonds.

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

Table 2
Changes in Net Assets
(In Thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2003	2002	2003	2002	2003	2002
Revenues:						
Program revenues:						
Charges for Services	\$ 7,484	\$ 6,084	\$ 2,905	\$ 2,945	\$ 10,389	\$ 9,029
Operating Grants and contributions	55,710	48,536	14,872	13,919	70,582	62,455
General revenues:						
Property taxes	27,150	23,376			27,150	23,376
Sales and use taxes, general	120,713	121,229			120,713	121,229
Sales and use taxes, debt service	18,991	8,726			18,991	8,726
Sales and use taxes, public improvement	6,394	16,350			6,394	16,350
State revenue sharing	2,134	1,978			2,134	1,978
Minimum foundation program (MFP)	134,409	128,629			134,409	128,629
Interest and investment earnings	1,946	1,826		1	1,946	1,827
Total revenues	374,931	356,734	17,777	16,865	392,708	373,599
Expenses:						
General government						
Instruction:						
Regular programs	108,377	125,461			108,377	125,461
Special programs	78,803	94,943			78,803	94,943
Vocational programs	11,164	6,018			11,164	6,018
All other programs	4,399	4,552			4,399	4,552
Support services:						
Student services	23,602	23,602			23,602	23,602
Instructional staff support	5,227	5,229			5,227	5,229
General administration	18,501	17,062			18,501	17,062
School administration	20,421	20,022			20,421	20,022
Business services	2,421	2,628			2,421	2,628
Operations maintenance services	21,913	20,923			21,913	20,923
Pupil transportation services	14,001	14,603			14,001	14,603
Central activity services	2,868	2,910			2,868	2,910
Interest on long-term debt	9,654	9,977			9,654	9,977
Other expenses	5,425	4,435			5,425	4,435
School Lunch			17,760	17,036	17,760	17,036
Total expenses	326,776	352,365	17,760	17,036	344,536	369,401
Increase in net assets before transfers	48,155	4,369	17	(171)	48,172	4,198
Transfers	(569)	(1,119)	569	569	0	(550)
Increase in net assets	47,586	3,250	586	398	48,172	3,648
Net assets - July 1	(43,359)	(46,609)	442	44	(42,917)	(46,565)
Net assets - June 30	\$ 4,227	\$ (43,359)	\$ 1,028	\$ 442	\$ 5,255	\$ (42,917)

Revenues exceeded expenses on a government-wide basis by \$48,172,300 in the year ended June 30, 2003.

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

	Amount	Percent of Total	Increase (Decrease) From 2001	Percentage Change
Sales tax	\$ 146,097,664	38.97 %	\$ (207,572)	(0.14)%
Ad Valorem tax	27,149,912	7.24 %	3,773,754	16.14 %
Minimum Foundation Program	134,409,500	35.85 %	5,780,800	4.49 %
Other state grants	12,509,441	3.34 %	733,620	6.23 %
Federal grants	41,967,849	11.19 %	5,933,228	16.47 %
All other	12,796,353	3.41 %	2,183,134	20.57 %
Total	<u>\$374,930,719</u>	<u>100.00 %</u>	<u>\$18,196,964</u>	<u>5.10 %</u>

As reported in the Statement of Activities on page 12, the cost of the School System's governmental activities for the year ended June 30, 2003 was \$263,581,863. The Statement of Activities shows the cost of program services net of the charges and grants offsetting some of the cost of such services.

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

Table 3
Total and Net Cost of Government Activities

	Total Cost of Services	Net cost of Services
Governmental activities:		
Instruction:		
Regular programs	\$ 108,376,681	\$ 103,530,626
Special programs	78,803,128	33,126,506
Vocational programs	11,164,128	2,472,217
All other programs	4,398,886	4,215,846
Support services:		
Student services	23,601,741	23,601,741
Instructional staff support	5,226,844	5,226,844
General administration	18,501,140	15,940,068
School administration	20,420,825	20,420,825
Business services	2,421,493	2,421,493
Operations maintenance services	21,913,049	21,913,049
Pupil transportation services	14,000,876	12,765,715
Central activity services	2,868,284	2,868,284
Interest on long-term debt	9,653,912	9,653,912
Other expenses	5,424,737	5,424,737
Total Governmental Activities	<u>\$326,775,724</u>	<u>\$263,581,863</u>

Business-Type Activities

The School Lunch Enterprise Fund reported an excess of revenues over expenses of \$585,990 for the year ended June 30, 2003. Included in the operating results is a mandatory transfer from the general fund of \$568,685. Management has broadened the food selection available to expand revenue and tightened control of staffing levels to control cost over the past three years. Before the operating transfer from the general fund, the enterprise fund experienced a profit from operations of \$17,305, an improvement of \$187,945 over last year.

At June 30, 2003, the Enterprise Fund had net assets of \$1,028,309. Considering the volatile nature of food and milk cost, and the variable commodity revenues, it is crucial for the School Lunch Enterprise Fund to maintain a "rainy day" fund for future years. By maintaining a fund balance of \$1 million, or 6% of total expenses, the School Lunch Enterprise Fund may be able to absorb unexpected cost and declines in projected revenues without additional subsidy from the General Fund.

Governmental Funds

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

As the School System's completed the fiscal year ended June 30, 2003 its combined fund balance was \$110,356,254 as compared to a combined fund balance of \$108,965,268 as of June 30, 2002. The majority of this increase is attributable to the General Funds' fund balance increase of \$7,332,841. This increase can be attributed to a decrease in expenses mainly as a result of an increase in the pupil teacher ratio which reduced salaries and benefits (regular and special education), reductions in contracted services, and a decrease in textbook expenses. In addition, MFP and Property Tax revenues experienced a favorable variance over the Adopted FY 2002/2003 Budget.

General Fund Budgetary Highlights

The School System's budget is prepared according to Louisiana law. During the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires the budget be revised if either expected revenues are less or anticipated expenditures are in excess of budgetary goals by 5% or more. The original budget for the School System was adopted on August 7, 2002 and the final revised budget was adopted on March 12, 2003.

A statement showing the School System's original and final budget compared with actual operating results is provided in this CAFR beginning on page 49. The School System's year-end actual results were better than had been budgeted, as conservative budgetary practices are customary. Revenues are forecasted conservatively and expenditures are budgeted in anticipation of all possible costs and projects. The General Fund actual revenues exceeded projections by \$1,778,257, or .61%, primarily due to the increase in Property Tax revenues. The General Fund actual expenditures showed a favorable variance of \$6,347,114, or 2.2%. This variance is due primarily to the increase in the pupil teacher ratio and the complexity of projecting the decreases in the number of teaching positions associated with staffing 85 schools. Special education salaries and benefits represent another major variance due to the merging of ED classes with generic classes. The remaining variance can be attributed to one-time grant revenues for summer school and the overall attempts by School System to utilize savings whenever possible in an

atmosphere of serious financial times. In attempts over the past two years to increase the insufficient General Fund Balance, the School System has implemented a projected \$12.1 million in cost reductions. With a combination of conservative spending, the dedication of the increase in Property Tax "roll forward" revenues, and a stable student enrollment, the General Fund is reporting a fund balance of \$14.9 million for year ended June 30, 2003. The fund balance of \$14.9 represents 5% of budgeted and actual expenditures, of which \$4 million is earmarked for future rises in Health Insurance. The remaining undesignated General Fund Balance of \$10.9 million, or 4% of budgeted and actual expenditures, may be less than adequate for a school system with a heavy dependence on a relatively flat sales tax base.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The largest single source of revenue to the School System is derived from the state funded MFP. The Minimum Foundation Program (MFP) is a block grant that establishes a standard of local support for each school system based on the state average local support relative to each individual school system's capacity to raise local funds. The MFP is partially predicated on student count and a decrease in students could affect MFP funding drastically. Student enrollment may be affected by the local economy, or an influx of students from surrounding parishes. These factors must be considered when forecasting MFP funds for the future budget year. Sales and Use Tax collections represent the largest local revenue source overall. When considering the volatile performance of the stock market, a national economy barely emerging from recession and the nation's involvement overseas, it is anticipated that Sales Tax receipts for the FY 2003/2004 will show little or negative growth for the second consecutive year. All other budget projections were budgeted using a conservative bias. These projected expenditures are not overstated, but rather, a best effort to estimate future costs associated with operating 85 schools.

In October 2003, the School System passed a 9 mills property tax dedicated for the sole purpose of teacher pay raises and the associated benefits.

CONTACTING THE SCHOOL SYSTEM'S FINANCIAL MANAGEMENT

While this CAFR is designed to provide full and complete disclosure of the financial condition and operations of the School System, citizens groups, taxpayers, parents, students, other parish officials, investors or creditors may need further details. To obtain such details, please contact Jefferson Parish Public School System, 501 Manhattan Boulevard, Harvey, Louisiana, 70058, or by calling (504) 349-7627 during regular office hours, Monday through Friday, 7:00 a.m. to 3:00 p.m., Central Standard Time.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATEMENT A

STATEMENT OF NET ASSETS JUNE 30, 2003

ASSETS	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		
Cash and cash equivalents	\$ 110,465,738	\$ 4,535,307	\$ 115,001,045	\$ 718,724
Receivables:				
Sales and use tax	22,518,185		22,518,185	
Other	989,252	97,441	1,086,693	
Due from fiduciary funds and component unit	714,918		714,918	
Internal balances	5,542,748	(5,542,748)	-	
Due from other governments	10,448,754	1,775,590	12,224,344	
Inventory		1,490,695	1,490,695	
Prepaid assets	3,019,357		3,019,357	
Deferred financing costs	730,000		730,000	
Capital assets (net of accumulated depreciation)	<u>96,909,773</u>	<u>352,055</u>	<u>97,261,828</u>	<u>176,882</u>
TOTAL ASSETS	<u>251,338,725</u>	<u>2,708,340</u>	<u>254,047,065</u>	<u>895,606</u>
LIABILITIES				
Accounts payable	8,335,652	106,926	8,442,578	
Retainages payable	349,245		349,245	
Accrued liabilities:				
Salaries, wages, payroll taxes and retirement contribution	31,997,018		31,997,018	
Claims and judgements	407,817		407,817	
Compensated absences	24,584,181	492,276	25,076,457	
Workers' compensation claims	2,244,278		2,244,278	
Due to primary government			-	714,918
Due to other governmental units	120,461		120,461	
Deferred revenue	108,227	1,080,829	1,189,056	
Accrued interest payable	2,700,000		2,700,000	
Bonds payable:				
Due within one year	17,585,368		17,585,368	
Due in more than one year	<u>158,679,106</u>		<u>158,679,106</u>	
TOTAL LIABILITIES	<u>247,111,353</u>	<u>1,680,031</u>	<u>248,791,384</u>	<u>714,918</u>
NET ASSETS				
Invested in capital assets, net of related debt	(58,663,282)	352,055	(58,311,227)	176,882
Restricted for:				
Capital projects	2,241,218		2,241,218	
Debt service	30,571,391		30,571,391	
Unrestricted	<u>30,078,045</u>	<u>676,254</u>	<u>30,754,299</u>	<u>3,806</u>
TOTAL NET ASSETS	<u>\$ 4,227,372</u>	<u>\$ 1,028,309</u>	<u>\$ 5,255,681</u>	<u>\$ 180,688</u>

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2003

FUNCTIONS/PROGRAMS	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Instruction:			
Regular programs	\$ 108,376,681	\$ 882,966	\$ 3,963,089
Special programs	78,803,128	6,601,302	39,075,320
Vocational programs	11,164,128		8,691,911
All other programs	4,398,886		183,040
Support services:			
Student services	23,601,741		
Instructional staff support	5,226,844		
General administration	18,501,140		2,561,072
School administration	20,420,825		
Business services	2,421,493		
Operations maintenance services	21,913,049		
Pupil transportation services	14,000,876		1,235,161
Central activity services	2,868,284		
Interest on long-term debt	9,653,912		
Other expenses	5,424,737		
Total governmental activities	<u>326,775,724</u>	<u>7,484,268</u>	<u>55,709,593</u>
Business-type activities:			
School Lunch	<u>17,760,412</u>	<u>2,905,828</u>	<u>14,871,889</u>
Total business-type activities	<u>17,760,412</u>	<u>2,905,828</u>	<u>14,871,889</u>
Total primary government	<u>\$ 344,536,136</u>	<u>\$ 10,390,096</u>	<u>\$ 70,581,482</u>
Component Unit:			
Jefferson Community Charter School	<u>\$ 747,959</u>	<u>\$</u>	<u>\$ 686,005</u>
Total component units	<u>\$ 747,959</u>	<u>\$</u>	<u>\$ 686,005</u>

General Revenues

Taxes:

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

Grants and contributions not restricted to specific purposes:

Minimum foundation program
Interest and investment earnings

Transfers

Total general revenues

Change in net assets

Net assets (deficiency) - July 1, 2002

Net assets - June 30, 2003

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

STATEMENT B

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (103,530,626)	\$ -	\$ (103,530,626)	\$
(33,126,506)		(33,126,506)	
(2,472,217)		(2,472,217)	
(4,215,846)		(4,215,846)	
(23,601,741)		(23,601,741)	
(5,226,844)		(5,226,844)	
(15,940,068)		(15,940,068)	
(20,420,825)		(20,420,825)	
(2,421,493)		(2,421,493)	
(21,913,049)		(21,913,049)	
(12,765,715)		(12,765,715)	
(2,868,284)		(2,868,284)	
(9,653,912)		(9,653,912)	
(5,424,737)		(5,424,737)	
(263,581,863)		(263,581,863)	
	17,305	17,305	
	17,305	17,305	
\$ (263,581,863)	\$ 17,305	\$ (263,564,558)	\$
			\$ (61,954)
			(61,954)
\$ 27,149,912		\$ 27,149,912	
120,713,141		120,713,141	
18,990,835		18,990,835	
6,393,688		6,393,688	
2,133,847		2,133,847	
134,409,500		134,409,500	
1,945,935		1,945,935	
(568,685)	\$ 568,685		
311,168,173	568,685	311,736,858	-
47,586,310	585,990	48,172,300	(61,954)
(43,358,938)	442,319	(42,916,619)	242,642
\$ 4,227,372	\$ 1,028,309	\$ 5,255,681	\$ 180,688

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**STATEMENT C**
Page 1 of 2**GOVERNMENTAL FUNDS - BALANCE SHEET**
JUNE 30, 2003

ASSETS	General	Elementary and Secondary Education Act of 1965 (Title 1)	Capital Projects - Dedicated Sales Tax	Other Governmental Funds	Total
ASSETS:					
Cash and investments (Notes 2 and 13)	\$ 1,514,517	\$ -	\$57,432,996	\$51,518,225	\$110,465,738
Receivables:					
Sales and use tax (Note 5)	22,518,185				22,518,185
Other accounts	609,517			379,735	989,252
Due from other funds (Note 8)	28,955,671	63,234	1,204,273	12,224,398	42,447,576
Due from other governmental units	192,104	4,025,191		6,231,459	10,448,754
Prepaid items (principally insurance)	<u>3,019,357</u>	<u> </u>	<u> </u>	<u> </u>	<u>3,019,357</u>
TOTAL ASSETS	<u>\$56,809,351</u>	<u>\$4,088,425</u>	<u>\$58,637,269</u>	<u>\$70,353,817</u>	<u>\$189,888,862</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATEMENT C
Page 2 of 2

GOVERNMENTAL FUNDS - BALANCE SHEET JUNE 30, 2003

LIABILITIES AND FUND BALANCES	General	Elementary and Secondary Education Act of 1965 (Title 1)	Capital Projects - Dedicated Sales Tax	Other Governmental Funds	Total
LIABILITIES:					
Accounts payable	\$ 2,713,060	\$1,698,570	\$ 1,297,613	\$ 2,626,409	\$ 8,335,652
Retainages payable			344,579	4,666	349,245
Accrued liabilities:					
Salaries, wages, payroll taxes and retirement contributions	31,997,018				31,997,018
Claims and judgments (Notes 6 and 10)	187,817				187,817
Workers' compensation claims (Note 10)	2,244,278				2,244,278
Due to other funds (Note 8)	4,718,901	2,389,855	11,584,606	17,496,548	36,189,910
Due to other governmental units				120,461	120,461
Deferred revenue				108,227	108,227
Total liabilities	<u>41,861,074</u>	<u>4,088,425</u>	<u>13,226,798</u>	<u>20,356,311</u>	<u>79,532,608</u>
FUND BALANCES:					
Fund balance (Note 11):					
Reserved	4,168,010		8,457,944	33,443,180	46,069,134
Unreserved:					
Designated for capital projects			36,952,527	11,028,547	47,981,074
Undesignated reported in:					
General Fund	10,780,267				10,780,267
Special Revenue				5,525,779	5,525,779
Total fund balances	<u>14,948,277</u>	<u>-</u>	<u>45,410,471</u>	<u>49,997,506</u>	<u>110,356,254</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$56,809,351</u>	<u>\$4,088,425</u>	<u>\$58,637,269</u>	<u>\$70,353,817</u>	<u>\$189,888,862</u>

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**STATEMENT D****RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2003**

Total Fund Balances at June 30, 2003 - Governmental Funds		<u>\$ 110,356,254</u>
Cost of capital assets at June 30, 2003	\$314,157,194	
Less - accumulated depreciation as of June 30, 2003:		
Buildings and improvements	(197,354,903)	
Furniture and equipment	<u>(19,892,518)</u>	<u>96,909,773</u>
Elimination of interfund assets and liabilities:		
Due from other funds	35,937,960	
Due to other funds	<u>(35,937,960)</u>	<u>-</u>
Deferred financing costs		<u>730,000</u>
Long-term liabilities at June 30, 2003:		
Claims and judgments	(220,000)	
Compensated absences	(24,584,181)	
Bonds payable	(176,264,474)	
Accrued interest payable	<u>(2,700,000)</u>	<u>(203,768,655)</u>
Net assets at June 30, 2003		<u>\$ 4,227,372</u>

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATEMENT E

GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2003

	General	Elementary and Secondary Education Act of 1965 (Title 1)	Capital Projects - Dedicated Sales Tax	Other Governmental Funds	Total
REVENUES:					
Local sources:					
Property taxes	\$ 27,149,912	\$ -	\$ -	\$ -	\$ 27,149,912
Sales and use taxes	120,713,141		2,393,688	22,990,835	146,097,664
Tuition and other	882,966			6,601,302	7,484,268
Interest income	341,481		911,069	693,385	1,945,935
Other (Note 13)	2,804,183			561,967	3,366,150
State sources	141,444,811			5,474,130	146,918,941
Federal sources	2,262,948	14,508,362		25,196,539	41,967,849
Total revenues	<u>295,599,442</u>	<u>14,508,362</u>	<u>3,304,757</u>	<u>61,518,158</u>	<u>374,930,719</u>
EXPENDITURES:					
Current:					
Instruction	185,051,700	10,275,960		21,467,832	216,795,492
Supporting services	97,669,854	2,628,079		10,354,840	110,652,773
Non-instruction	9,392	1,604,323		3,261,022	4,874,737
Capital outlay			9,358,564	3,127,551	12,486,115
Debt service:					
Principal retirement				14,468,019	14,468,019
Interest and fiscal charges				13,143,912	13,143,912
Total expenditures	<u>282,730,946</u>	<u>14,508,362</u>	<u>9,358,564</u>	<u>65,823,176</u>	<u>372,421,048</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>12,868,496</u>		<u>(6,053,807)</u>	<u>(4,305,018)</u>	<u>2,509,671</u>
OTHER FINANCING SOURCES (USES):					
Transfers in (Note 8)	17,980		872,048	4,004,186	4,894,214
Transfers out (Note 8)	(5,003,635)			(459,264)	(5,462,899)
Transfers to component unit (Note 8)	(550,000)				(550,000)
Total other financing sources (uses) - net	<u>(5,535,655)</u>		<u>872,048</u>	<u>3,544,922</u>	<u>(1,118,685)</u>
NET CHANGE IN FUND BALANCES	7,332,841		(5,181,759)	(760,096)	1,390,986
FUND BALANCES AT BEGINNING OF YEAR	<u>7,615,436</u>		<u>50,592,230</u>	<u>50,757,602</u>	<u>108,965,268</u>
FUND BALANCES AT END OF YEAR	<u>\$ 14,948,277</u>	<u>\$ -</u>	<u>\$ 45,410,471</u>	<u>\$ 49,997,506</u>	<u>\$ 110,356,254</u>

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**STATEMENT F****RECONCILIATION OF THE GOVERNMENTAL FUNDS -
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2003**

Total Net Changes in Fund Balance - Governmental Funds		\$ 1,390,986
Capital Assets:		
Capital outlays capitalized	\$ 10,192,355	
Depreciation expense for year ended June 30, 2003	<u>(6,617,142)</u>	3,575,213
Long Term Debt:		
Principal portion of debt service payments	14,468,019	
Reduction of liabilities for compensated absences due to refinement of estimation methodology	24,662,092	
Amortization of deferred bond issuance costs	(80,000)	
Excess of interest paid over interest accrued	100,000	
Reduction of interest expense related to current maturities of deep-discount debt	<u>3,470,000</u>	<u>42,620,111</u>
Change in Net Assets - Governmental Activities		<u>\$ 47,586,310</u>

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATEMENT G-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - GENERAL FUND YEAR ENDED JUNE 30, 2003

	Original Budget	Revised Budget	Actual on Budgetary Basis	Variance- Positive (Negative)
REVENUES:				
Local sources:				
Property taxes	\$ 22,771,612	\$ 25,972,110	\$ 27,149,912	\$ 1,177,802
Sales and use taxes	121,939,522	121,939,522	120,713,141	(1,226,381)
Tuition and other	666,967	666,967	882,966	215,999
Interest income	850,000	400,000	341,481	(58,519)
Other	2,650,000	3,125,000	2,804,183	(320,817)
State sources	136,717,572	140,437,586	141,444,811	1,007,225
Federal sources	<u>1,221,000</u>	<u>1,280,000</u>	<u>2,262,948</u>	<u>982,948</u>
Total revenues	<u>286,816,673</u>	<u>293,821,185</u>	<u>295,599,442</u>	<u>1,778,257</u>
EXPENDITURES:				
Instruction	187,302,849	191,783,556	184,626,515	7,157,041
Supporting services	96,136,117	96,787,357	97,745,911	(958,554)
Non-instruction	<u>315,014</u>	<u>158,019</u>	<u>9,392</u>	<u>148,627</u>
Total expenditures	<u>283,753,980</u>	<u>288,728,932</u>	<u>282,381,818</u>	<u>6,347,114</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>3,062,693</u>	<u>5,092,253</u>	<u>13,217,624</u>	<u>8,125,371</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,300,000	1,300,000	17,981	(1,282,019)
Transfers out	(3,568,685)	(3,568,685)	(5,003,636)	(1,434,951)
Transfers to component unit	<u>(550,000)</u>	<u>(550,000)</u>	<u>(550,000)</u>	
Total other financing uses - net	<u>(2,818,685)</u>	<u>(2,818,685)</u>	<u>(5,535,655)</u>	<u>(2,716,970)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 244,008</u>	<u>\$ 2,273,568</u>	7,681,969	<u>\$ 5,408,401</u>
ENCUMBRANCES OUTSTANDING AT YEAR END			1,148,653	
PRIOR YEAR ENCUMBRANCES EXPENDED IN CURRENT YEAR			(1,497,781)	
FUND BALANCES AT BEGINNING OF YEAR (GAAP BASIS)			<u>7,615,436</u>	
FUND BALANCES AT END OF YEAR (GAAP BASIS)			<u>\$ 14,948,277</u>	

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATEMENT G-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 (TITLE I) - SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2003

	Original Budget	Actual on Budgetary Basis	Variance Positive (Negative)
REVENUES:			
Federal sources	\$ 13,359,131	\$ 14,508,362	\$ 1,149,231
Total revenues	<u>13,359,131</u>	<u>14,508,362</u>	<u>1,149,231</u>
EXPENDITURES:			
Salaries	8,286,287	8,843,756	(557,469)
Benefits	1,850,945	2,074,383	(223,438)
Purchased professional and technical services	676,894	896,448	(219,554)
Purchased property services	128,786	117,591	11,195
Other purchased services	283,254	347,447	(64,193)
Supplies	820,978	1,206,488	(385,510)
Indirect cost	774,823	856,313	(81,490)
Property	<u>107,597</u>	<u>165,936</u>	<u>(58,339)</u>
Total expenditures	<u>12,929,564</u>	<u>14,508,362</u>	<u>(1,578,798)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	429,567		\$ <u>(429,567)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 429,567</u>	<u>\$ -</u>	

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**STATEMENT H****STATEMENT OF NET ASSETS****PROPRIETARY FUNDS****JUNE 30, 2003**

	Business-Type Enterprise Funds
	School Lunch
ASSETS	
CURRENT ASSET:	
Cash and cash equivalents	\$ 4,535,307
Receivables (net of allowances for uncollectibles)	97,441
Due from other funds	251,950
Due from other governments	1,775,590
Inventory	1,490,695
Total current assets	8,150,983
Capital assets (net of accumulated depreciation)	352,055
TOTAL ASSETS	8,503,038
LIABILITIES	
CURRENT LIABILITIES:	
Accounts, salaries, and other payables	106,926
Due to other funds	5,794,698
Deferred revenues	1,080,829
Total current liabilities	6,982,453
NON-CURRENT LIABILITIES -	
Compensated absences	492,276
TOTAL LIABILITIES	7,474,729
NET ASSETS	
Invested in capital assets, net of related debt	352,055
Unrestricted	676,254
TOTAL NET ASSETS	\$ 1,028,309

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**STATEMENT I****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPE - SCHOOL LUNCH ENTERPRISE FUND
YEAR ENDED JUNE 30, 2003**

OPERATING REVENUE -

Food service sales	<u>\$ 2,905,828</u>
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OPERATING EXPENSES:

Salaries and related benefits	7,908,514
Food costs	7,248,979
Material and supplies	806,960
Contractual services	476,613
Depreciation	140,448
Miscellaneous	29,648
Printing	32,934
Repairs and maintenance	489,607
Travel	16,783
Utilities	<u>609,926</u>

Total	<u>17,760,412</u>
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OPERATING LOSS	<u>(14,854,584)</u>
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NONOPERATING REVENUES:

Federal grants in aid:	
Donated commodities	814,821
School lunch and breakfast program	<u>14,057,068</u>

Total	<u>14,871,889</u>
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INCOME BEFORE TRANSFERS	17,305
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TRANSFERS FROM GENERAL FUND	<u>568,685</u>
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CHANGE IN NET ASSETS	585,990
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NET ASSETS, BEGINNING OF YEAR	<u>442,319</u>
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NET ASSETS, END OF YEAR	<u>\$ 1,028,309</u>
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The notes to financial statements are an integral part of this statement.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**STATEMENT J****STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
SCHOOL LUNCH ENTERPRISE FUND
YEAR ENDED JUNE 30, 2003**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from sales	\$ 3,607,811
Cash payments for personal services	(7,908,514)
Cash payments for contract services	(476,613)
Cash payments for material and supplies	(8,055,937)
Cash payments for repairs and maintenance	(489,607)
Cash payments for utilities	(609,926)
Cash payments for other expenses	<u>(79,365)</u>
Net cash used in operating activities	<u>(14,012,151)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Federal grants in aid	14,057,068
Advances from other funds	3,427,701
Transfers in	<u>568,685</u>
Net cash provided by noncapital financing activities	<u>18,053,454</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES -

Acquisition of capital assets	<u>(240,986)</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS 3,800,317

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 734,990

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 4,535,307

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

Operating loss	\$ (14,854,584)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	140,448
Donated commodities used	814,821
Change in assets and liabilities:	
Increase in accounts receivable	(35,731)
Increase in inventories	(289,422)
Increase in accounts payable	57,805
Increase in deferred revenue	<u>154,512</u>
Net cash used in operating activities	<u>\$ (14,012,151)</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Donated commodities received	\$ 1,020,193
Donated commodities used	<u>(814,821)</u>
Total noncash investing, capital, and financing activities - net	<u>\$ 205,372</u>

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**STATEMENT K****STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2003**

ASSETS	Agency Funds
Cash and cash equivalents	<u>\$4,393,040</u>
TOTAL ASSETS	<u>\$4,393,040</u>
LIABILITIES	
Due to student groups	\$2,175,971
Due to schools	2,164,618
Due to others	295
Due to photographers	37,499
Due to stadium clubs	7,934
Due to participants	<u>6,723</u>
TOTAL LIABILITIES	<u>\$4,393,040</u>

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

Governmental Fund Types

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

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

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

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

Proprietary Fund Type

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

Fiduciary Fund Type

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

Component Unit

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

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

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). As a general rule, the effect of interfund activity has been eliminated from these statements. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

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

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

The School System reports the following major governmental funds:

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

ESEA (Title I) is used to account on a project basis for funds allocated to programs for educationally disadvantaged children (Title I), children of migrant agriculture workers, and for the improvement of student achievement and quality of education (Title 2). This fund is the largest single fund in the special revenue fund group and comprises approximately 30% of special revenue fund revenues and expenditures.

Dedicated Sales Tax Fund is a capital projects fund used to account for the proceeds of the various 1954 and 1980 sales tax bonds issued from 1986 through 2002 and that portion of the sales tax approved June 28, 1980 (1/4 cent) dedicated for capital improvements. Funds not required for capital projects are typically transferred to debt service funds to cover principal and interest payments on debt secured by sales tax revenues. Approximately 75% of capital project expenditures flow through this fund.

The School System reports the following major proprietary fund:

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

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

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.

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

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

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

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

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

In accordance with Statement No. 20 of the Governmental Accounting Standards Board (GASB), "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the School System has elected to apply all applicable GASB pronouncements as well as all Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Under the provisions of GASB Statement No. 20, the School System has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

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

Formal budgetary integration is employed as a management control device during the year for the General Fund and the Special Revenue Funds. Budgetary control is exercised at the revenue and expenditure function level. Formal budgetary integration is not employed for the Debt Service and Capital Projects funds since their expenditures are controlled by contractual arrangements. Budgeted amounts reflected in the accompanying financial statements for the General Fund were adopted by the School Board on August 7, 2002, and include amendments, none of a significant nature, made through March 12, 2003. Special Revenue Funds budgets were adopted by the School Board on June 6, 2002. No amendments were made to the Special Revenue Funds budgets for the current fiscal year.

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

	General Fund
Excess (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	\$ 7,681,969
To reverse June 30, 2003 encumbrances recorded as expenditures on the budgetary basis	1,148,653
To add back prior year's encumbrances paid in 2003, but not recorded as expenditures in 2003	<u>(1,497,781)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ 7,332,841</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

Encumbrances - Commitments related to unperformed executory contracts for goods or services, such as outstanding purchase orders and uncompleted contracts, are recorded as encumbrances in order to reserve the applicable portion of the appropriation. Appropriations are valid for the year for which made, and any part of such appropriation which is not encumbered or expended lapses at the end of the year.

Encumbrances outstanding at year-end are reported as reservations of fund balances since they represent authority for expenditure in the subsequent year. Encumbrances do not constitute GAAP expenditures or liabilities. As materials are subsequently received, liabilities are recorded, and the related encumbrances are eliminated.

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

Investments - Investments are stated at fair value.

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

Prepaid Items - Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

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

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

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

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 GWFS. 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, 2003 applicable to Governmental Fund Types was \$16,400,586, none of which met the condition for accrual in the Governmental Fund Types; hence, the entire amount is reported in the GWFS.

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

Accumulated sabbatical leave for which payment is probable is accrued. 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 GWFS. The amount of accumulated sabbatical leave at June 30, 2003 for which payment is probable was \$8,183,595, none of which met the condition for accrual in the Governmental Fund Types; hence, the entire amount is reported in the GWFS. As indicated in Note 6, the methodology for estimating the sabbatical liability was refined in 2003 based on historical usage patterns.

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

2. CASH AND INVESTMENTS

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

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

At June 30, 2003, the carrying amount of the School System's (primary government only) deposits was \$115,001,045, and the bank balance was \$118,622,237. The School System's bank balance is categorized below to give an indication of the level of risk assumed by the School System at year end. Category 1 includes insured or collateralized cash with securities held by the School System or by its agent in the School System's name. Category 2 includes collateralized cash with securities held by the pledging financial institution's trust department or agent in the School System's name. Category 3 includes uncollateralized cash, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the School System's name.

	Category			Total
	1	2	3	
Bank balance:				
Cash	\$ 118,283,916	\$ -	\$ 338,321	\$ 118,622,237

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.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

- (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 had no investments outstanding at June 30, 2003.

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.

Balances at June 30, 2003 were as follows:

Securities Type	Credit Risk Category			Carrying Value
	1	2	3	
U. S. Government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	\$ -
Total deposits				<u>115,001,045</u>
Total cash and investments				<u>\$ 115,001,045</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

3. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	Balance June 30, 2002	Additions	Deletions	Balance June 30, 2003
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 19,969,005	\$ -	\$ -	\$ 19,969,005
Capital assets being depreciated:				
Buildings and improvements	260,420,678	8,631,400	-	269,052,078
Furniture and equipment	24,012,071	1,560,955	436,915	25,136,111
Total capital assets being depreciated	284,432,749	10,192,355	436,915	294,188,189
Less accumulated depreciation for:				
Buildings and improvements	193,040,399	4,314,504	-	197,354,903
Furniture and equipment	18,026,795	2,302,638	436,915	19,892,518
Total accumulated depreciation	211,067,194	6,617,142	436,915	217,247,421
Total capital assets being depreciated, net	73,365,555	3,575,213	-	76,940,768
Governmental activities capital assets, net	\$ 93,334,560	\$ 3,575,213	\$ -	\$ 96,909,773

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

	Balance June 30, 2002	Additions	Deletions	Balance June 30, 2003
Business-type Activities				
Capital assets being depreciated:				
Furniture and equipment	<u>\$ 5,647,938</u>	<u>\$ 240,985</u>	<u>\$ 116,344</u>	<u>\$ 5,772,579</u>
Less accumulated depreciation for:				
Furniture and equipment	<u>5,396,420</u>	<u>140,448</u>	<u>116,344</u>	<u>5,420,524</u>
Total accumulated depreciation	<u>5,396,420</u>	<u>140,448</u>	<u>116,344</u>	<u>5,420,524</u>
Total capital assets being depreciated, net	<u>251,518</u>	<u>100,537</u>	<u>-</u>	<u>352,055</u>
Business-type activities capital assets, net	<u>\$ 251,518</u>	<u>\$ 100,537</u>	<u>\$ -</u>	<u>\$ 352,055</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$5,232,356
Special	992,168
Vocational	12,011
Support services:	
Administration	<u>380,607</u>
	<u>\$6,617,142</u>

4. PROPERTY TAX

Property tax is due and becomes an enforceable lien on property on the first day of the month following the filing of the tax rolls by the assessor with the Louisiana Tax Commission (usually December 1). The tax is delinquent thirty days after the due date. The property tax assessment for fiscal 2003 was formally levied on November 15, 2002 based on property values determined by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 10% of its fair market value and other property at 15% of its market value. The tax is billed and collected by the Jefferson Parish Sheriff's Office which receives certain millage for its services. Most of the property taxes are received by the School System in the month of January; however, delinquent property taxes are received throughout the year and are recognized as revenue primarily when they are received except at year-end when they are accrued for a period not exceeding 60 days.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

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

	No. of Mills
Maintenance and Operation	11.31
Constitutionally authorized	2.60

5. SALES AND USE TAX

For the year ended June 30, 2003, 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

The 1/2% sales tax approved on October 3, 1992 was scheduled to expire in 2002. In July, 2001 the voters of Jefferson Parish voted to extend the tax for an additional ten-year period.

6. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2003 (in thousands of dollars):

Governmental Activities	Compensated Absences	Claims and Judgments	Tax Bonds			Total
			Ad Valorem Tax Bonds	1954 Sales Tax Bonds	1980 Sales Tax Bonds	
Balance at July 1, 2002	\$ 49,739	\$ 414	\$ 15,685	\$ 91,630	\$ 86,888	\$ 244,356
Bonds retired			(2,315)	(9,620)	(2,533)	(14,468)
Unamortized yield adjustment due to refunding				(70)		(70)
Discount accretion					(3,400)	(3,400)
Payments		(6)				(6)
Increase (decrease) in estimate	(25,155)					(25,155)
Balance at June 30, 2003	<u>\$ 24,584</u>	<u>\$ 408</u>	<u>\$ 13,370</u>	<u>\$ 81,940</u>	<u>\$ 80,955</u>	<u>\$ 201,257</u>
Due within one year	<u>\$ 3,494</u>	<u>\$ 5</u>	<u>\$ 2,425</u>	<u>\$ 12,789</u>	<u>\$ 2,371</u>	<u>\$ 21,084</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

As a result of changes in State law in 2000, the number of eligible employees electing to take sabbaticals for other than professional development has declined significantly. During 2003, the School System refined its analysis of the estimated liability for sabbaticals by studying the pattern of sabbatical usage over the previous seven years with particular emphasis on the pattern exhibited since the law was changed. As a result of this refinement in estimation methodology, the liability for compensated absences was reduced by approximately \$25 million.

The beginning balance of 1980 sales tax bonds outstanding has been increased by \$25.6 million to recognize the cumulative interest accretion on deep discount bonds in order to comply with the new reporting model mandated by GASB 34.

Bonded debt at June 30, 2003 is comprised of the following serial bond issues:

Description	Interest Rates	Final Maturity Date	Range of Annual Principal Payments		Amount Outstanding
			From	To	
<i>Ad valorem tax bonds:</i>					
\$22,000,000 issue of 3/1/99	3.8-4.125	3/01/08	\$ 2,425,000	\$ 2,935,000	<u>\$ 13,370,000</u>
Subtotal					<u>13,370,000</u>
<i>1954 1/2¢ sales tax bonds:</i>					
\$52,055,000 refunding issue of 12/1/01	5.00-5.25	2/01/08	7,905,000	9,675,000	43,810,000
Cumulative interest accretion on related bond discount					330,000
\$50,000,000 issue of 1/19/96	4.75-6.00	2/01/15	2,220,000	4,280,000	<u>37,800,000</u>
Subtotal					<u>81,940,000</u>
<i>1980 1/4¢ sales tax bonds:</i>					
\$53,645,264 refunding issue of 7/10/86, Series A	8.25-8.50	3/01/06	8,460,000	8,460,000	5,596,990
Cumulative interest accretion on related bond discount					16,800,000
\$33,380,000 refunding issue of 4/21/98	4.75-5.10	3/01/10	2,297,377	2,819,586	20,467,484
Cumulative interest accretion on related bond discount					5,400,000
\$33,000,000 issue of 3/1/02	4.40-7.00	3/01/22	335,000	2,930,000	<u>32,690,000</u>
Subtotal					<u>80,954,474</u>
TOTAL					<u>\$ 176,264,474</u>

Ad Valorem Tax Bonds - The ad valorem tax bonds are payable solely from, and secured by, a special tax imposed and collected annually in excess of all other taxes on all of the property subject to taxation within the territorial limits of School District No. 1 of the Parish of Jefferson, Louisiana. At June 30, 2003, there was \$417,621 available in the debt service funds for servicing of these bonds.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

1954 1/2¢ Sales Tax Bonds - The Series 1996 bonds and Series 2001 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, 2003, \$15,121,759 was available in the debt service funds for servicing of these bonds.

1980 1/4¢ Sales Tax Bonds - The Series 2002, 1998 and 1986A bonds are payable solely from, and secured by, an irrevocable pledge and dedication of the proceeds of a special one-fourth percent (1/4%) sales and use tax authorized to be levied in the parish pursuant to an election held therein on June 28, 1980. At June 30, 2003, \$15,032,011 was available in the debt service funds for servicing of these bonds. The Series 1986 and 1998 bonds were issued as discounted bonds with all principal and interest due at maturity. The discount is being accreted and reported as interest expense over the terms of the bonds.

The annual debt service requirements to amortize all of the School System's outstanding bonds as of June 30, 2003 are as follows:

Year Ending June 30,	Principal Portion	Interest Portion	Total
2004	\$ 17,585,368	\$ 10,574,285	\$ 28,159,653
2005	22,964,169	5,126,372	28,090,541
2006	22,907,454	5,131,745	28,039,199
2007	22,323,978	5,879,321	28,203,299
2008	22,507,022	5,649,289	28,156,311
2009-2013	37,801,483	12,372,771	50,174,254
2014-2018	19,270,000	5,091,400	24,361,400
2019-2023	<u>10,905,000</u>	<u>1,422,175</u>	<u>12,327,175</u>
Total	<u>\$ 176,264,474</u>	<u>\$ 51,247,358</u>	<u>\$ 227,511,832</u>

There are a number of limitations and restrictions contained in the various bond indentures. As of June 30, 2003, the School System was in compliance with all significant limitations and restrictions.

On March 1, 2002, the School System issued \$33,000,000 of bonds for capital outlays. These bonds bear interest at 4.40% to 7.00% and are due in annual installments of \$310,000 to \$2,930,000 between 2003 and 2022. The bonds were issued on parity with other bonds secured by the 1980 1/4¢ sales tax. No additional bonds were issued during the year ended June 30, 2003.

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

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

The defeased bonds outstanding at June 30, 2003 are as follows:

1954 1/2¢ Sales Tax Bonds:	
\$70,000,000 Series 1992	\$ 51,830,000
\$15,000,000 Series 1983D	12,940,000
\$64,625,000 Series 1986A	<u>43,555,000</u>
	<u>108,325,000</u>
 1980 1/4¢ Sales Tax Bonds:	
\$53,645,264 Series 1986A	<u>5,605,095</u>
 TOTAL	<u>\$ 113,930,095</u>

7. INDIVIDUAL FUND DISCLOSURES

Excess of Expenditures Over Appropriations

Formal budgetary appropriations are adopted for the General Fund and the Special Revenue Funds. Except for the Title I Special Revenue Fund budget, expenditures are budgeted at the function level, which is the level at which expenditures may not legally exceed appropriations. During fiscal year 2003, the General Fund expenditures for supporting services exceeded appropriations by \$958,554. Additionally, during fiscal year 2003, the Community Education Fund expenditures for instruction exceeded appropriations by \$219,296; however, total revenues for the Community Education Fund exceeded these amounts budgeted by \$96,431 and total expenditures were less than budget by \$145,965. The Adult Education Fund expenditures did not exceed the amounts budgeted for any of the functional levels; however, total revenues for the Adult Education Fund were less those amounts budgeted by \$191,673. Expenditures for the Title I program are budgeted by object code. Title I expenditures exceeded budgeted amounts for salaries, benefits, purchased professional and technical services, other purchase services, supplies, indirect cost, and property by \$557,469; \$223,438; \$219,554; \$64,193; \$385,510; \$81,490; and \$58,339, respectively. Total revenues for the Title I program exceeded budgeted amounts by \$1,149,231. Substantially all other Special Revenue Funds are expenditure driven funds for which available revenues equal expenditures. While budgets are adopted for each of these Special Revenue Funds, budget to actual comparisons are not meaningful due to the expenditure driven nature of the funds.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

8. INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivables and payables as of June 30, 2003 were as follows:

Fund	Interfund Receivables	Interfund Payables
General	<u>\$ 28,955,671</u>	<u>\$ 4,718,901</u>
Special Revenue:		
Elementary and Secondary Education Act of 1965 (Title I)	63,234	2,389,855
Elementary and Secondary Education Act of 1965 (Title III)		101,180
Elementary and Secondary Education Act of 1965 (Title VII)		46,038
Individuals with Disabilities Education Act of 1990 - Part B	183,810	7,062,969
Vocational Education		106,182
Temporary Assistance for Needy Families	642,446	2,800,441
Education for Economic Security Act Title II		925,064
Refugee and Entrant Assistance		20,919
Indian Education Act		8,274
Drug Free Schools and Communities	6,830	210,905
Title XIX School Nurse		120,057
After School Learning Center		38,103
Tuition Preschool	150,684	213,119
Adult Education		423,934
Community Education		519,754
State Programs	<u>2,089,833</u>	<u>3,296,677</u>
Total	<u>3,136,837</u>	<u>18,283,471</u>
Debt Service:		
Ad Valorem Tax Bond Sinking		
1954 1/2¢ Sales Tax Bond Sinking	4,879,050	399
1980 1/4¢ Sales Tax Bond Sinking	<u>2,763,412</u>	
Total	<u>7,642,462</u>	<u>399</u>
Capital Projects:		
Capital	1,508,333	1,602,533
Sales Tax	<u>1,204,273</u>	<u>11,584,606</u>
Total	<u>2,712,606</u>	<u>13,187,139</u>
Proprietary Fund Type	<u>251,950</u>	<u>5,794,698</u>
Component Unit		<u>714,918</u>
TOTAL	<u>\$ 42,699,526</u>	<u>\$ 42,699,526</u>

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

Transfers by Fund Type - Primary Government

A summary of transfers by fund type for the year ended June 30, 2003 is as follows:

Transfers To or From	Transfers In	Transfers Out
<u>General Fund</u>		
Special Revenue Funds	\$ 17,980	\$ 562,902
Debt Service Funds		3,000,000
School Lunch Enterprise Fund - Regular Transfer		568,685
Capital Projects Fund		872,048
Total	17,980	5,003,635
<u>Special Revenue Funds</u>		
Special Revenue Funds	141,284	141,284
General Fund	562,902	17,980
Total	704,186	159,264
<u>Debt Service Funds</u>		
General Fund	3,000,000	
Debt Service Funds	300,000	300,000
Total	3,300,000	300,000
<u>Capital Projects Funds</u>		
General Fund	872,048	
Total	872,048	
<u>School Lunch Enterprise Fund</u>		
General Fund	568,685	
TOTAL OPERATING TRANSFERS	\$ 5,462,899	\$ 5,462,899

The general fund transfers funds to the special revenue funds to cover expenditures after the program has ended.

The general fund transfers ad valorem taxes to the debt service funds for repayment of the associated debt.

The general fund transfers funds to the School Lunch Enterprise Fund as per Legislative Act R.S. 17d:192. The Child Nutrition department is to receive 12½% of the MFP formula for 1987-1988. Also, the State mandated raises in 1997 of \$350 per employee.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

The general fund transfers sales taxes to the capital projects funds to fund capital projects.

Primary Government/Component Unit Operating Transfers

Operating transfers between the primary government and its component unit at June 30, 2003 were as follows:

	Transfers In	Transfers Out
<u>General Fund/Primary Government</u>		
Component Unit:		
The Jefferson Community Charter School	\$ -	\$ 550,000
<u>Component Unit</u>		
General Fund/Primary Government	<u>550,000</u>	<u> </u>
TOTAL PRIMARY GOVERNMENT/COMPONENT UNIT OPERATING TRANSFERS	<u>\$ 550,000</u>	<u>\$ 550,000</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
(225) 925-6446

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

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%	13.1%
Teachers' Plan B	5.00%	13.1%

The School System's contributions to TRS for the years ended June 30, 2003, 2002 and 2001 were \$20,995,192, \$20,905,626 and \$24,843,622, 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.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

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

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

2. *Contributions Required and Made* - Covered employees and the School System are required by State statute to contribute fixed percentages of employees' gross earnings to the pension plans. Current contribution rates for the plans are 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, 2003, 2002 and 2001 were \$-0-, \$-0- and \$-0-, respectively, equal to the required contributions for each year.

Due to the passage of House Bill 2174, the difference between the minimum employer contribution and the actuarially required employer contribution will be determined at the end of each fiscal year. The difference shall accumulate in an Employer Credit Account and earn interest at the actuarial rate of return earned by the Louisiana School Employees' Retirement System (LSERS). In previous fiscal years, the minimum employer contribution for LSERS has been greater than the LSERS actuarially required employer contribution; therefore, an employer credit currently exists. Based on this employer credit from previous years, the School System was not required to remit employer contributions to LSERS for the 2002/2003 fiscal year.

10. COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The insurance companies which insured the School System for workers' compensation and bus driver accidents during the two years ended December 31, 1981 and for general liability and automobile/bus driver accidents during the two years ended April 30, 1992 subsequently went bankrupt. As a result, the School System became liable for the outstanding claims which were being paid by the insurance companies on behalf of the School System. Total outstanding claims and judgments, including the claims discussed above, approximated \$407,817 at June 30, 2003, \$220,000 of which is considered long-term and \$187,817 of which is reported in the General Fund. The entire balance of \$407,817 is included in the GWFS and paid through the general fund.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

Changes in the claims payable liability for the years ended June 30, 2003 and 2002 were as follows:

	2003	2002
Claims payable, beginning of year	\$ 414,504	\$ 944,544
Add (subtract): Changes in estimates		(530,040)
Deduct: Claims payments	<u>(6,687)</u>	<u></u>
Claims payable, end of year	<u>\$ 407,817</u>	<u>\$ 414,504</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, 2003.

Changes in the workers' compensation claims payable liability for the years ended June 30, 2003 and 2002 were as follows:

	2003	2002
Workers' compensation claims payable, beginning of year	\$2,371,900	\$1,819,663
Add: Claims and changes in estimates	690,590	1,185,852
Deduct: Claims payments	<u>(818,212)</u>	<u>(633,615)</u>
Workers' compensation claims payable, end of year	<u>\$2,244,278</u>	<u>\$2,371,900</u>

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

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.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

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

11. RESERVATIONS AND DESIGNATIONS OF FUND BALANCES

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

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

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

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

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

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

The reserved and unreserved components of fund balances at June 30, 2003, consist of the following:

	General Fund	Special Revenue	Debt Service	Capital Projects	Total
Reserved for:					
Encumbrances	\$ 1,148,653	\$ -	\$ -	\$ 8,457,944	\$ 9,606,597
Prepaid items	3,019,357				3,019,357
Debt service			30,571,391		30,571,391
Specific programs		1,493,020			1,493,020
Total	<u>4,168,010</u>	<u>1,493,020</u>	<u>30,571,391</u>	<u>8,457,944</u>	<u>44,690,365</u>
Unreserved - designated for:					
Capital additions and improvements				38,331,296	38,331,296
Total				<u>38,331,296</u>	<u>38,331,296</u>
Unreserved - undesignated	<u>10,780,267</u>	<u>5,525,779</u>		<u>11,028,547</u>	<u>27,334,593</u>
Total fund balance	<u>\$ 14,948,277</u>	<u>\$ 7,018,799</u>	<u>\$ 30,571,391</u>	<u>\$ 57,817,787</u>	<u>\$ 110,356,254</u>

On the budgetary basis, the reserved and unreserved components of the General Fund fund balance at June 30, 2003, consist of the following:

Reserved for:	
Encumbrances	\$ 1,148,653
Prepaid items	<u>3,019,357</u>
Total	4,168,010
Unreserved - undesignated fund balance	<u>9,631,614</u>
Total fund balance on budgetary basis	<u>\$ 13,799,624</u>

12. POSTEMPLOYMENT HEALTH CARE BENEFITS

In accordance with State statutes, the School System provides certain continuing health care benefits for its retired employees. Substantially all of the School System's employees become eligible for these benefits if they reach normal retirement age while working for the School System. Currently, 3,828 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 2003, the School System contributed 75% of the total premium for health care insurance provided to the retirees. The School System recognizes the cost of providing these benefits (the School System's portion of premiums) as an expenditure on a pay-as-you-go basis when the monthly premiums are due. The School System's net cost of providing all health care benefits to the approximately 4,260 active and 2,480 retired participating employees amounted to \$18,601,909 for 2003. For 2003, the School System's cost of premiums paid for retirees totaled \$11,963,019.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2003

13. COMPONENT UNIT DISCLOSURES

Cash

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

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

Bank balances of \$718,724 at June 30, 2003 were insured or collateralized by securities held by the School System or its agent in the School System's name. The carrying amount of the deposits were \$718,724.

Capital Assets

A summary of changes in capital assets follows:

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
Land and improvements	\$ 31,620	\$ -	\$ -	\$ 31,620
Equipment	<u>134,173</u>	<u>11,089</u>	<u>-</u>	<u>145,262</u>
Total	<u>\$ 165,793</u>	<u>\$ 11,089</u>	<u>\$ -</u>	<u>\$ 176,882</u>

Other Revenues

Other revenues of \$136,005 included on the Statement of Activities (Statement B) primarily represent donations from the community.

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JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

GENERAL FUND

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

YEAR ENDED JUNE 30, 2003

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
Local sources:			
Property taxes:			
Constitutional	\$ 5,679,245	\$ 5,439,251	\$ 239,994
Special maintenance	21,470,667	20,532,859	937,808
Sheriff's contribution to teachers' retirement	2,006,820	1,800,000	206,820
Sales and use taxes	120,713,141	121,939,522	(1,226,381)
Tuition and other	882,966	666,967	215,999
Investment income	341,481	400,000	(58,519)
Rent and royalties	101,232	85,000	16,232
Hospitalization	311,305	300,000	11,305
Other	384,826	940,000	(555,174)
Total	<u>151,891,683</u>	<u>152,103,599</u>	<u>(211,916)</u>
State sources:			
Equalization	134,409,500	134,409,500	-
Revenue sharing	2,133,847	2,063,517	70,330
Grants in aid	2,002,049	896,520	1,105,529
Professional improvement program	1,664,254	1,750,000	(85,746)
Transportation	1,235,161	1,318,049	(82,888)
Total	<u>141,444,811</u>	<u>140,437,586</u>	<u>1,007,225</u>
Federal sources:			
Recovery of indirect costs	1,733,071	800,000	933,071
Restricted grants in aid:			
Other	529,877	480,000	49,877
Total	<u>2,262,948</u>	<u>1,280,000</u>	<u>982,948</u>
TOTAL REVENUES	<u>\$295,599,442</u>	<u>\$293,821,185</u>	<u>\$ 1,778,257</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Page 1 of 3

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS) YEAR ENDED JUNE 30, 2003

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
INSTRUCTION:			
Regular Programs:			
Salaries and benefits	\$ 108,334,511	\$ 110,920,005	\$ 2,585,494
Materials and supplies	4,747,330	6,033,944	1,286,614
Equipment	314,415	210,000	(104,415)
Other	1,164,486	1,354,950	190,464
Total	<u>114,560,742</u>	<u>118,518,899</u>	<u>3,958,157</u>
Special Programs:			
Salaries and benefits	59,711,644	62,176,934	2,465,290
Materials and supplies	151,599	167,349	15,750
Equipment	18,557	30,398	11,841
Other	70,692	68,550	(2,142)
Total	<u>59,952,492</u>	<u>62,443,231</u>	<u>2,490,739</u>
Vocational Programs:			
Salaries and benefits	5,024,485	5,263,409	238,924
Materials and supplies	57,803	57,661	(142)
Total	<u>5,082,288</u>	<u>5,321,070</u>	<u>238,782</u>
Other Instructional Programs:			
Salaries and benefits	5,003,506	5,396,783	393,277
Materials and supplies	24,000	98,422	74,422
Other	2,173	5,050	2,877
Total	<u>5,029,679</u>	<u>5,500,255</u>	<u>470,576</u>
Adult Continuing Education Program:			
Salaries and benefits	1,314	101	(1,213)
Total	<u>1,314</u>	<u>101</u>	<u>(1,213)</u>
Total Instruction	<u>184,626,515</u>	<u>191,783,556</u>	<u>7,157,041</u>
SUPPORTING SERVICES:			
For Students:			
Salaries and benefits	10,935,944	10,234,591	(701,353)
Materials and supplies	1,713	1,500	(213)
Other	58,314	76,850	18,536
Total	<u>10,995,971</u>	<u>10,312,941</u>	<u>(683,030)</u>
For Instructional Staff:			
Salaries and benefits	4,913,499	4,694,922	(218,577)
Materials and supplies	359,589	404,769	45,180
Equipment	3,451	14,000	10,549
Other	122,059	119,950	(2,109)
Total	<u>5,398,598</u>	<u>5,233,641</u>	<u>(164,957)</u>

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2003

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
SUPPORTING SERVICES - continued			
General Administration:			
Salaries and benefits	\$ 2,078,620	\$ 2,312,995	\$ 234,375
Materials and supplies	231,498	30,151	(201,347)
Tax collection fees	15,750,955	14,790,463	(960,492)
Total	18,061,073	17,133,609	(927,464)
School Administration:			
Salaries and benefits	19,721,576	18,537,915	(1,183,661)
Materials and supplies	46,812	48,063	1,251
Other	1,329,305	1,383,803	54,498
Total	21,097,693	19,969,781	(1,127,912)
Business Services:			
Salaries and benefits	1,549,261	1,589,872	40,611
Materials and supplies	49,462	56,630	7,168
Equipment	90,240	119,203	28,963
Other	812,790	1,139,498	326,708
Total	2,501,753	2,905,203	403,450
Operations Maintenance Services:			
Salaries and benefits	8,946,671	8,941,634	(5,037)
Materials and supplies	994,097	1,014,789	20,692
Equipment	11,620	30,000	18,380
Utilities	6,151,991	7,025,000	873,009
Insurance	1,643,635	1,300,000	(343,635)
Other	4,534,161	4,946,181	412,020
Total	22,282,175	23,257,604	975,429
Pupil Transportation Services:			
Salaries and benefits	13,517,773	13,794,646	276,873
Materials and supplies	24,809	20,525	(4,284)
Equipment	6,887	15,400	8,513
Other	915,905	1,194,113	278,208
Total	14,465,374	15,024,684	559,310
Central Activity Services:			
Salaries and benefits	2,365,077	2,243,043	(122,034)
Materials and supplies	202,069	238,851	36,782
Equipment	159,235	179,600	20,365
Other	216,893	288,400	71,507
Total	2,943,274	2,949,894	6,620
Total Supporting Services	97,745,911	96,787,357	(958,554)

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2003

	Actual on Budgetary Basis	Revised Budget	Variance - Favorable (Unfavorable)
NON-INSTRUCTION:			
Food Services:			
Salaries and benefits		13	13
Other	<u>9,392</u>	<u>158,006</u>	<u>148,614</u>
Total	<u>9,392</u>	<u>158,019</u>	<u>148,627</u>
Total Non-Instruction	<u>9,392</u>	<u>158,019</u>	<u>148,627</u>
TOTAL INSTRUCTION, SUPPORTING SERVICES AND NON-INSTRUCTION	<u>\$ 282,381,818</u>	<u>\$ 288,728,932</u>	<u>\$ 6,347,114</u>

NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

Special Revenue Funds are used to account for funds received from other governmental agencies that are legally restricted to expenditure for specified purposes. These funds also account for receipt and expenditure of resources transferred from the General Fund when these funds are inadequate to finance the specified activities. The Title I Fund as described on page 42 has been identified as a major fund. Activities included within the non-major special revenue funds are as follows:

ESEA (Title III)

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

ESEA (Title VII)

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

IDEA Part B

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

Vocational Education

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

Temporary Assistance for Needy Families

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

ESEA Title II

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

Refugee and Entrant Assistance

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

Class Size Reduction

Used to help schools improve student learning by hiring additional, highly qualified teachers so that children can attend smaller classes.

Indian Education Act

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

Drug Free Schools and Communities

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

Emergency Immigration Act

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.

Title XIX - School Nurse

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

After School Learning Center

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

Tuition Preschool

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

Adult Education

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

Community Education

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

State Programs

Used to account for miscellaneous State grant programs.

DEBT SERVICE FUNDS

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

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

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

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

CAPITAL PROJECTS FUNDS

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

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2003

	Total Non-Major Special Revenue	Total Non-Major Debt Service	Capital Projects - Capital Fund	Total
ASSETS				
Cash and investments	\$ 16,079,715	\$ 22,929,328	\$ 12,509,182	\$ 51,518,225
Accounts receivable	379,735			379,735
Due from other funds	3,073,603	7,642,462	1,508,333	12,224,398
Due from other governmental units	<u>6,231,459</u>	<u></u>	<u></u>	<u>6,231,459</u>
TOTAL ASSETS	<u>\$ 25,764,512</u>	<u>\$ 30,571,790</u>	<u>\$ 14,017,515</u>	<u>\$ 70,353,817</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ 2,623,409	\$ -	\$ 3,000	\$ 2,626,409
Retainages payable			4,666	4,666
Due to other funds	15,893,616	399	1,602,533	17,496,548
Due to other governmental units	120,461			120,461
Deferred revenue	<u>108,227</u>	<u></u>	<u></u>	<u>108,227</u>
Total liabilities	<u>18,745,713</u>	<u>399</u>	<u>1,610,199</u>	<u>20,356,311</u>
FUND BALANCE:				
Reserved	1,493,020	30,571,391	1,378,769	33,443,180
Unreserved:				
Designated			11,028,547	11,028,547
Undesignated	<u>5,525,779</u>	<u></u>	<u></u>	<u>5,525,779</u>
Total fund balance	<u>7,018,799</u>	<u>30,571,391</u>	<u>12,407,316</u>	<u>49,997,506</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 25,764,512</u>	<u>\$ 30,571,790</u>	<u>\$ 14,017,515</u>	<u>\$ 70,353,817</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE

COMBINING BALANCE SHEET

JUNE 30, 2003

	Elementary and Secondary Education Act of 1965 (Title III)	Elementary and Secondary Education Act of 1965 (Title VII)	Individuals with Disabilities Education Act of 1990- Part B	Vocational Education	Temporary Assistance for Needy Families
ASSETS					
Cash and investments	\$ -	\$ -	\$ 4,606,142	\$ -	\$2,774,774
Accounts receivable				20,881	19,189
Due from other funds			183,810		642,446
Due from other governmental units	<u>107,598</u>	<u>108,895</u>	<u>2,403,637</u>	<u>413,199</u>	<u>574,685</u>
TOTAL ASSETS	<u>\$ 107,598</u>	<u>\$ 108,895</u>	<u>\$ 7,193,589</u>	<u>\$ 434,080</u>	<u>\$4,011,094</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	\$ 6,418	\$ 62,857	\$ 500	\$ 327,247	\$ 948
Due to other funds	101,180	46,038	7,062,969	106,182	2,800,441
Due to other governmental units			113,653	651	6,157
Deferred revenue	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>107,598</u>	<u>108,895</u>	<u>7,177,122</u>	<u>434,080</u>	<u>2,807,546</u>
FUND BALANCE:					
Reserved			16,467		1,203,548
Unreserved:					
Designated					
Undesignated	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u> </u>	<u> </u>	<u>16,467</u>	<u> </u>	<u>1,203,548</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 107,598</u>	<u>\$ 108,895</u>	<u>\$ 7,193,589</u>	<u>\$ 434,080</u>	<u>\$4,011,094</u>

Education for Economic Security Act Title II	Refugee and Entrant Assistance	Class Size Reduction	Indian Education Act	Drug Free Schools and Communities	Emergency Immigration Act	Title XIX School Nurse
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 393,062
5,627				6,830		
<u>959,385</u>	<u>22,004</u>	<u> </u>	<u>14,670</u>	<u>232,708</u>	<u> </u>	<u> </u>
<u>\$ 965,012</u>	<u>\$ 22,004</u>	<u>\$ -</u>	<u>\$14,670</u>	<u>\$ 239,538</u>	<u>\$ -</u>	<u>\$ 393,062</u>
\$ 39,948	\$ 1,085	\$ -	\$ 6,396	\$ 28,633	\$ -	\$ -
925,064	20,919		8,274	210,905		120,057
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>965,012</u>	<u>22,004</u>	<u> </u>	<u>14,670</u>	<u>239,538</u>	<u> </u>	<u>120,057</u>
						273,005
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>273,005</u>
<u>\$ 965,012</u>	<u>\$ 22,004</u>	<u>\$ -</u>	<u>\$14,670</u>	<u>\$ 239,538</u>	<u>\$ -</u>	<u>\$ 393,062</u>

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE

COMBINING BALANCE SHEET

JUNE 30, 2003

	After School Learning Center	Tuition Preschool	Adult Education	Community Education	State Programs	Total
ASSETS						
Cash and investments	\$ -	\$ 67,348	\$ 552,524	\$ 2,539,733	\$ 5,146,132	\$ 16,079,715
Accounts receivable			94,409		239,629	379,735
Due from other funds		150,684			2,089,833	3,073,603
Due from other governmental units	<u>49,565</u>	<u> </u>	<u> </u>	<u> </u>	<u>1,345,113</u>	<u>6,231,459</u>
TOTAL ASSETS	<u>\$ 49,565</u>	<u>\$ 218,032</u>	<u>\$ 646,933</u>	<u>\$ 2,539,733</u>	<u>\$ 8,820,707</u>	<u>\$ 25,764,512</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES:						
Accounts payable	\$ 11,462	\$ -	\$ -	\$ 365,315	\$ 1,772,600	\$ 2,623,409
Due to other funds	38,103	213,119	423,934	519,754	3,296,677	15,893,616
Due to other governmental units						120,461
Deferred revenue	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>108,227</u>	<u>108,227</u>
Total liabilities	<u>49,565</u>	<u>213,119</u>	<u>423,934</u>	<u>885,069</u>	<u>5,177,504</u>	<u>18,745,713</u>
FUND BALANCE:						
Reserved						1,493,020
Unreserved:						
Undesignated	<u> </u>	<u>4,913</u>	<u>222,999</u>	<u>1,654,664</u>	<u>3,643,203</u>	<u>5,525,779</u>
Total fund balance	<u> </u>	<u>4,913</u>	<u>222,999</u>	<u>1,654,664</u>	<u>3,643,203</u>	<u>7,018,799</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 49,565</u>	<u>\$ 218,032</u>	<u>\$ 646,933</u>	<u>\$ 2,539,733</u>	<u>\$ 8,820,707</u>	<u>\$ 25,764,512</u>

(Concluded)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE

COMBINING BALANCE SHEET

JUNE 30, 2003

	Ad Valorem Tax Bond Sinking	1954 1/2¢ Sales Tax Bond Sinking	1954 1/2¢ Sales Tax Bond Reserve	1980 1/4¢ Sales Tax Bond Sinking	1980 1/4¢ Sales Tax Bond Reserve	Total
ASSETS						
Cash and investments	\$ 417,621	\$ 89,225	\$ 10,153,883	\$ 285,614	\$ 11,982,985	\$ 22,929,328
Due from other funds		<u>4,879,050</u>		<u>2,763,412</u>		<u>7,642,462</u>
TOTAL ASSETS	<u>\$ 417,621</u>	<u>\$ 4,968,275</u>	<u>\$ 10,153,883</u>	<u>\$ 3,049,026</u>	<u>\$ 11,982,985</u>	<u>\$ 30,571,790</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES:						
Due to other funds	\$ -	<u>399</u>	\$ -	\$ -	\$ -	<u>399</u>
Total liabilities		<u>399</u>				<u>399</u>
FUND BALANCE:						
Reserved	<u>417,621</u>	<u>4,967,876</u>	<u>10,153,883</u>	<u>3,049,026</u>	<u>11,982,985</u>	<u>30,571,391</u>
Total fund balance	<u>417,621</u>	<u>4,967,876</u>	<u>10,153,883</u>	<u>3,049,026</u>	<u>11,982,985</u>	<u>30,571,391</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 417,621</u>	<u>\$ 4,968,275</u>	<u>\$ 10,153,883</u>	<u>\$ 3,049,026</u>	<u>\$ 11,982,985</u>	<u>\$ 30,571,790</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2003

	Total Non-Major Special Revenue	Total Non-Major Debt Service	Capital Projects - Capital Fund	Total
REVENUES:				
Local sources:				
Sales and use taxes	\$ -	\$ 18,990,835	\$ 4,000,000	\$ 22,990,835
Tuition and other	6,601,302			6,601,302
Interest Income		500,885	192,500	693,385
Other	220,024	20,889	321,054	561,967
Federal sources	25,196,539			25,196,539
State sources	5,474,130			5,474,130
Total revenues	37,491,995	19,512,609	4,513,554	61,518,158
EXPENDITURES:				
Current:				
Instruction:				
Salaries and benefits	13,677,876			13,677,876
Supplies	4,084,845			4,084,845
Other	3,705,111			3,705,111
Total instruction	21,467,832			21,467,832
Supporting services:				
Salaries and benefits	8,386,628			8,386,628
Supplies	222,191			222,191
Other	1,745,995	26		1,746,021
Total supporting services	10,354,814	26		10,354,840
Non-instruction:				
Community services:				
Salaries and benefits	2,321,213			2,321,213
Other	96,555			96,555
Total community services	2,417,768			2,417,768
Other	843,254			843,254
Total non-instruction	3,261,022			3,261,022
Capital Outlay:				
Construction costs			2,666,478	2,666,478
Architect fees			41,474	41,474
Administrative and other			419,599	419,599
Total capital outlay			3,127,551	3,127,551

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2003

	Total Non-Major Special Revenue	Total Non-Major Debt Service	Capital Projects - Capital Fund	Total
Debt Service:				
Principal retirement		14,468,019		14,468,019
Interest and fiscal charges		13,143,912		13,143,912
Total debt service		27,611,931		27,611,931
Total expenditures	35,083,668	27,611,957	3,127,551	65,823,176
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,408,327	(8,099,348)	1,386,003	(4,305,018)
OTHER FINANCING SOURCES (USES):				
Transfers in	704,186	3,300,000		4,004,186
Transfers out	(159,264)	(300,000)		(459,264)
Total other financing sources (uses) - net	544,922	3,000,000		3,544,922
NET CHANGE IN FUND BALANCE	2,953,249	(5,099,348)	1,386,003	(760,096)
FUND BALANCES AT BEGINNING OF YEAR	4,065,550	35,670,739	11,021,313	50,757,602
FUND BALANCES AT END OF YEAR	\$ 7,018,799	\$ 30,571,391	\$ 12,407,316	\$ 49,997,506

(Concluded)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2003

	Elementary and Secondary Education Act of 1965 (Title III)	Elementary and Secondary Education Act of 1965 (Title VII)	Individuals with Disabilities Education Act of 1990- Part B	Vocational Education	Temporary Assistance for Needy Families
REVENUES:					
Local sources:					
Tuition and other	\$ -	\$ -	\$ -	\$ -	\$ 186,217
Other				8,968	211,056
Federal sources	391,894	362,001	8,532,997	903,138	7,384,943
State sources					
Total revenues	<u>391,894</u>	<u>362,001</u>	<u>8,532,997</u>	<u>912,106</u>	<u>7,782,216</u>
EXPENDITURES (All current):					
Instruction:					
Salaries and benefits	173,518	96,083	3,691,620		4,087,506
Supplies	16,036	141,610	758,134	171,436	968,520
Other	<u>61,592</u>	<u>28,539</u>	<u>730,487</u>	<u>535,431</u>	<u>936,244</u>
Total instruction	<u>251,146</u>	<u>266,232</u>	<u>5,180,241</u>	<u>706,867</u>	<u>5,992,270</u>
Supporting services:					
Salaries and benefits	96,610	30,895	2,845,023	138,486	117,247
Supplies		2,614	597		
Other			<u>38,396</u>	<u>66,753</u>	<u>2,259</u>
Total supporting services	<u>96,610</u>	<u>33,509</u>	<u>2,884,016</u>	<u>205,239</u>	<u>119,506</u>
Non-instruction:					
Community services:					
Salaries and benefits	31,785	40,657			358,813
Supplies					
Other					<u>65,820</u>
Total community services	<u>31,785</u>	<u>40,657</u>			<u>424,633</u>
Other	<u>12,353</u>	<u>21,603</u>	<u>454,775</u>		
Total non-instruction	<u>44,138</u>	<u>62,260</u>	<u>454,775</u>		<u>424,633</u>
Total expenditures	<u>391,894</u>	<u>362,001</u>	<u>8,519,032</u>	<u>912,106</u>	<u>6,536,409</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			<u>13,965</u>		<u>1,245,807</u>

Education for Economic Security Act Title II	Refugee and Entrant Assistance	Class Size Reduction	Indian Education Act	Drug Free Schools and Communities	Emergency Immigration Act	Title XIX School Nurse
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,068,728	63,948	172,993	49,174	965,295	17,803	362,808
<u>4,068,728</u>	<u>63,948</u>	<u>172,993</u>	<u>49,174</u>	<u>965,295</u>	<u>17,803</u>	<u>362,808</u>
2,985,698		147,796	28,750		1,522	
42,612	990	1,712	4,258	37,506	606	
212,124	1,337	2,837	11,807	30,503	531	
<u>3,240,434</u>	<u>2,327</u>	<u>152,345</u>	<u>44,815</u>	<u>68,009</u>	<u>2,659</u>	
562,180	57,712	17,940	752	854,846	10,218	262,425
			1,683			1,559
9,957				12,136		67,120
<u>572,137</u>	<u>57,712</u>	<u>17,940</u>	<u>2,435</u>	<u>866,982</u>	<u>10,218</u>	<u>331,104</u>
					4,265	
					4,265	
256,157	3,909	2,708	1,924	30,304	661	
<u>256,157</u>	<u>3,909</u>	<u>2,708</u>	<u>1,924</u>	<u>30,304</u>	<u>4,926</u>	
<u>4,068,728</u>	<u>63,948</u>	<u>172,993</u>	<u>49,174</u>	<u>965,295</u>	<u>17,803</u>	<u>331,104</u>
						31,704

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2003

	After School Learning Center	Tuition Preschool	Adult Education	Community Education	State Programs	Total
REVENUES:						
Local sources:						
Tuition and other	\$ -	\$ 311,562	\$ 220,688	\$ 3,033,328	\$ 2,849,507	\$ 6,601,302
Other						220,024
Federal sources	970,098		540,807	409,023	889	25,196,539
State sources			465,637		5,008,493	5,474,130
Total revenues	970,098	311,562	1,227,132	3,442,351	7,858,889	37,491,995
EXPENDITURES (All current):						
Instruction:						
Salaries and benefits	697	105,562	588,525	122,781	1,647,818	13,677,876
Supplies	146,628		174,099	784,446	836,252	4,084,845
Other	223,893	40,679	119,998		769,109	3,705,111
Total instruction	371,218	146,241	882,622	907,227	3,253,179	21,467,832
Supporting services:						
Salaries and benefits	540,015	160,513	435,582	232,680	2,023,504	8,386,628
Supplies				7,639	208,099	222,191
Other	5	199,188	39,548	148,195	1,162,438	1,745,995
Total supporting services	540,020	359,701	475,130	388,514	3,394,041	10,354,814
Non-instruction:						
Community services:						
Salaries and benefits				1,873,479	12,214	2,321,213
Other				30,735		96,555
Total community services				1,904,214	12,214	2,417,768
Other	58,860					843,254
Total non-instruction	58,860			1,904,214	12,214	3,261,022
Total expenditures	970,098	505,942	1,357,752	3,199,955	6,659,434	35,083,668
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		(194,380)	(130,620)	242,396	1,199,455	2,408,327

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2003

	Elementary and Secondary Education Act of 1965 (Title III)	Elementary and Secondary Education Act of 1965 (Title VII)	Individuals with Disabilities Education Act of 1990- Part B	Vocational Education	Temporary Assistance for Needy Families
OTHER FINANCING SOURCES (USES):					
Transfers in			2,502		
Transfers out					(141,431)
Total other financing sources (uses) - net			2,502		(141,431)
NET CHANGE IN FUND BALANCES			16,467		1,104,376
FUND BALANCES AT BEGINNING OF YEAR					99,172
FUND BALANCES AT END OF YEAR	\$ -	\$ -	\$ 16,467	\$ -	\$ 1,203,548

Education for Economic Security Act Title II	Refugee and Entrant Assistance	Class Size Reduction	Indian Education Act	Drug Free Schools and Communities	Emergency Immigration Act	Title XIX School Nurse
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
						31,704
_____	_____	_____	_____	_____	_____	241,301
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273,005</u>

(Continued)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2003

	After School Learning Center	Tuition Preschool	Adult Education	Community Education	State Programs	Total
OTHER FINANCING SOURCES (USES):						
Transfers in		141,284			560,400	704,186
Transfers out					(17,833)	(159,264)
Total other financing sources (uses) - net		141,284			542,567	544,922
NET CHANGE IN FUND BALANCES		(53,096)	(130,620)	242,396	1,742,022	2,953,249
FUND BALANCES AT BEGINNING OF YEAR		58,009	353,619	1,412,268	1,901,181	4,065,550
FUND BALANCES AT END OF YEAR	\$ -	\$ 4,913	\$ 222,999	\$ 1,654,664	\$ 3,643,203	\$ 7,018,799

(Concluded)

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

NON-MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2003

	Ad Valorem Tax Bond Sinking	1954 1/2¢ Sales Tax Bond Sinking	1954 1/2¢ Sales Tax Bond Reserve	1980 1/4¢ Sales Tax Bond Sinking	1980 1/4¢ Sales Tax Bond Reserve	Total
REVENUES:						
Local sources:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and use taxes		10,004,050		8,986,785		18,990,835
Interest income	16,103	67,375	206,813	6,823	203,771	500,885
Other		20,889				20,889
Total revenues	<u>16,103</u>	<u>10,092,314</u>	<u>206,813</u>	<u>8,993,608</u>	<u>203,771</u>	<u>19,512,609</u>
EXPENDITURES:						
Supporting services:						
Salaries and benefits						
Supplies						
Other			16		10	26
Total supporting services			<u>16</u>		<u>10</u>	<u>26</u>
Debt Service:						
Principal retirement	2,315,000	9,620,000		2,533,019		14,468,019
Interest and fiscal charges	616,729	4,698,597		7,828,586		13,143,912
Total debt service	<u>2,931,729</u>	<u>14,318,597</u>		<u>10,361,605</u>		<u>27,611,931</u>
Total expenditures	<u>2,931,729</u>	<u>14,318,597</u>	<u>16</u>	<u>10,361,605</u>	<u>10</u>	<u>27,611,957</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,915,626)</u>	<u>(4,226,283)</u>	<u>206,797</u>	<u>(1,367,997)</u>	<u>203,761</u>	<u>(8,099,348)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	3,000,000		300,000			3,300,000
Transfers out		(300,000)				(300,000)
Total other financing sources (uses) - net	<u>3,000,000</u>	<u>(300,000)</u>	<u>300,000</u>			<u>3,000,000</u>
NET CHANGE IN FUND BALANCES	84,374	(4,526,283)	506,797	(1,367,997)	203,761	(5,099,348)
FUND BALANCE AT BEGINNING OF YEAR	<u>333,247</u>	<u>9,494,159</u>	<u>9,647,086</u>	<u>4,417,023</u>	<u>11,779,224</u>	<u>35,670,739</u>
FUND BALANCE AT END OF YEAR	<u>\$ 417,621</u>	<u>\$ 4,967,876</u>	<u>\$ 10,153,883</u>	<u>\$ 3,049,026</u>	<u>\$ 11,982,985</u>	<u>\$ 30,571,391</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - ADULT EDUCATION FUND

YEAR ENDED JUNE 30, 2003

	Original Budget	Actual on Budgetary Basis	Variance from Budget Positive (Negative)
REVENUES:			
Federal sources	\$ 645,294	\$ 540,807	\$ (104,487)
State sources	429,216	465,637	36,421
Tuition and other	344,295	220,688	(123,607)
Total revenues	<u>1,418,805</u>	<u>1,227,132</u>	<u>(191,673)</u>
EXPENDITURES:			
Instruction	884,985	882,622	2,363
Supporting	533,820	475,130	58,690
Total expenditures	<u>1,418,805</u>	<u>1,357,752</u>	<u>61,053</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		(130,620)	(130,620)
FUND BALANCE AT BEGINNING OF YEAR	<u>353,619</u>	<u>353,619</u>	<u> </u>
FUND BALANCE AT END OF YEAR	<u>\$ 353,619</u>	<u>\$ 222,999</u>	<u>\$ (130,620)</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - COMMUNITY EDUCATION FUND YEAR ENDED JUNE 30, 2003

	Original Budget	Actual on Budgetary Basis	Variance from Budget Positive (Negative)
REVENUES:			
Federal	\$ -	\$ 409,023	\$ 409,023
Tuition and other	<u>3,345,920</u>	<u>3,033,328</u>	<u>(312,592)</u>
Total revenues	<u>3,345,920</u>	<u>3,442,351</u>	<u>96,431</u>
EXPENDITURES:			
Instruction	998,974	907,227	91,747
Supporting	169,218	388,514	(219,296)
Non-instruction	<u>2,177,728</u>	<u>1,904,214</u>	<u>273,514</u>
Total expenditures	<u>3,345,920</u>	<u>3,199,955</u>	<u>145,965</u>
EXCESS OF REVENUES OVER EXPENDITURES		242,396	242,396
FUND BALANCE AT BEGINNING OF YEAR	<u>1,412,268</u>	<u>1,412,268</u>	<u> </u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,412,268</u>	<u>\$ 1,654,664</u>	<u>\$ 242,396</u>

AGENCY FUNDS

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

School and Student Activity Funds

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

School Picture Fund

Used to account for security deposits received from school photographers.

Stadium Fund

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

School System Event Fund

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

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AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN NET ASSETS - ALL AGENCY FUNDS

YEAR ENDED JUNE 30, 2003

	Balance June 30, 2002	Additions	Deductions	Balance June 30, 2003
SCHOOL AND STUDENT ACTIVITY FUNDS				
ASSETS:				
Cash and investments	<u>\$ 4,343,528</u>	<u>\$ 7,590,415</u>	<u>\$ 7,593,059</u>	<u>\$ 4,340,884</u>
LIABILITIES:				
Due to student groups	\$ 1,495,017	\$ (397,801)	\$ (1,078,755)	\$ 2,175,971
Due to schools	2,848,247	7,968,868	8,652,497	2,164,618
Due to others	<u>264</u>	<u>19,348</u>	<u>19,317</u>	<u>295</u>
TOTAL	<u>\$ 4,343,528</u>	<u>\$ 7,590,415</u>	<u>\$ 7,593,059</u>	<u>\$ 4,340,884</u>
SCHOOL PICTURE FUND				
ASSETS:				
Cash and investments	<u>\$ 39,030</u>	<u>\$ 2,612</u>	<u>\$ 4,143</u>	<u>\$ 37,499</u>
LIABILITIES:				
Due to photographers	\$ 34,887	\$ 2,612	\$ -	\$ 37,499
Due to other funds	<u>4,143</u>		<u>4,143</u>	
TOTAL	<u>\$ 39,030</u>	<u>\$ 2,612</u>	<u>\$ 4,143</u>	<u>\$ 37,499</u>
STADIUM FUND				
ASSETS:				
Cash and investments	<u>\$ 5,336</u>	<u>\$ 5,868</u>	<u>\$ 3,270</u>	<u>\$ 7,934</u>
LIABILITIES:				
Due to stadium clubs	<u>\$ 5,336</u>	<u>\$ 5,868</u>	<u>\$ 3,270</u>	<u>\$ 7,934</u>
SCHOOL SYSTEM EVENT FUND				
ASSETS:				
Cash and investments	<u>\$ 3,855</u>	<u>\$ 3,787</u>	<u>\$ 919</u>	<u>\$ 6,723</u>
LIABILITIES:				
Due to participants	<u>\$ 3,855</u>	<u>\$ 3,787</u>	<u>\$ 919</u>	<u>\$ 6,723</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

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AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN NET ASSETS - ALL AGENCY FUNDS

YEAR ENDED JUNE 30, 2003

	Balance June 30, 2002	Additions	Deductions	Balance June 30, 2003
TOTALS - ALL AGENCY FUNDS				
ASSETS:				
Cash and investments	<u>\$ 4,391,749</u>	<u>\$ 7,602,682</u>	<u>\$ 7,601,391</u>	<u>\$ 4,393,040</u>
LIABILITIES:				
Due to student groups	\$ 1,495,017	\$ (397,801)	\$ (1,078,755)	\$ 2,175,971
Due to schools	2,848,247	7,968,868	8,652,497	2,164,618
Due to others	264	19,348	19,317	295
Due to photographers	34,887	2,612		37,499
Due to other funds	4,143		4,143	
Due to stadium clubs	5,336	5,868	3,270	7,934
Due to participants	<u>3,855</u>	<u>3,787</u>	<u>919</u>	<u>6,723</u>
TOTAL	<u>\$ 4,391,749</u>	<u>\$ 7,602,682</u>	<u>\$ 7,601,391</u>	<u>\$ 4,393,040</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

Page 1 of 2

SCHEDULE OF TRANSFERS AND COMPONENT UNIT TRANSFERS YEAR ENDED JUNE 30, 2003

Transfers To or From		Transfers In	Transfers Out
GENERAL FUND			
Individuals with Disabilities Education Act of 1990 Part B		\$ -	\$ 2,502
State Programs		17,833	560,400
Ad Valorem Tax Bond Sinking			3,000,000
School Lunch Enterprise Fund			568,685
Capital Fund			872,048
Temporary Assistance for Needy Families		147	
Total		<u>17,980</u>	<u>5,003,635</u>
SPECIAL REVENUE FUNDS			
Individuals with Disabilities Education Act of 1990 Part B	General Fund	2,502	
Temporary Assistance for Needy Families	General Fund		147
Temporary Assistance for Needy Families	Tuition Preschool	141,284	141,284
State Programs	General Fund	<u>560,400</u>	<u>17,833</u>
Total		<u>704,186</u>	<u>159,264</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

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SCHEDULE OF TRANSFERS AND COMPONENT UNIT TRANSFERS YEAR ENDED JUNE 30, 2003

Transfers To or From		Transfers In	Transfers Out
DEBT SERVICE FUNDS			
Ad Valorem Tax Bond Sinking	General Fund	3,000,000	
1954 1/2¢ Sales Tax Bond Sinking	1954 1/2¢ Sales Tax Bond Reserve	300,000	
1954 1/2¢ Sales Tax Bond Reserve	1954 1/2¢ Sales Tax Bond Sinking		300,000
	Total	<u>3,300,000</u>	<u>300,000</u>
CAPITAL PROJECTS FUNDS			
Capital Fund	General Fund	<u>872,048</u>	
	Total	<u>872,048</u>	<u>-</u>
SCHOOL LUNCH ENTERPRISE FUND	General Fund	<u>568,685</u>	
	TOTAL TRANSFERS	<u>\$ 5,462,899</u>	<u>\$ 5,462,899</u>
PRIMARY GOVERNMENT/COMPONENT UNIT OPERATING TRANSFERS		Transfers In	Transfers Out
GENERAL FUND/PRIMARY GOVERNMENT	Component Unit		\$ 550,000
COMPONENT UNIT			
The Jefferson Community Charter School	General Fund	<u>\$ 550,000</u>	
	TOTAL COMPONENT UNIT TRANSFERS	<u>\$ 550,000</u>	<u>\$ 550,000</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

SCHEDULE OF COMPENSATION PAID TO SCHOOL BOARD MEMBERS YEAR ENDED JUNE 30, 2003

Board Member	Number of Days Served	Compensation
Karen Barnes	365	\$ 9,600
Barry Bordelon	365	9,600
Gene Katsanis	365	9,600
Martin B. Marino	365	9,600
Libby Moran	365	10,100
Julie Quinn	365	9,600
Chris Roberts	365	9,600
Ray St. Pierre	365	9,600
Judy Colgan	365	<u>10,300</u>
TOTAL		<u>\$ 87,600</u>

STATISTICAL SECTION

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 1
PAGE 1 OF 2

GOVERNMENT-WIDE EXPENSES BY FUNCTION

LAST TEN FISCAL YEARS (1)

Fiscal Year	Regular Programs	Special Programs	Vocational Programs	Other Instr. Programs	Student Services	Instr. Staff Support	General Administration	School Administration
2002	\$125,461,159	\$94,943,142	\$ 6,018,090	\$4,552,075	\$23,601,641	\$5,228,678	\$17,061,524	\$20,022,188
2003	108,376,681	78,803,128	11,164,128	4,398,886	23,601,741	5,226,844	18,501,140	20,420,825

NOTE:

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 1
PAGE 2 OF 2

GOVERNMENT-WIDE EXPENSES BY FUNCTION

LAST TEN FISCAL YEARS (1)

Fiscal Year	Business Services	Oper. Maint. Services	Pupil Transp. Services	Central Activity Services	Interest Expense	Other Expenses	Food Service	Total
2002	\$2,628,003	\$20,923,100	\$14,602,510	\$2,909,779	\$9,977,023	\$4,435,348	\$17,035,650	\$369,399,910
2003	2,421,493	21,913,049	14,000,876	2,868,284	9,653,912	5,424,737	17,760,412	344,536,136

NOTE:

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 2

GOVERNMENT-WIDE REVENUES LAST TEN FISCAL YEARS (1)

Fiscal Year	Charges For Services	Operating Grants and Contributions	Taxes	State Revenue Saring	Minimum Foundation Program	Investment Earnings	Total
2002	\$9,028,714	\$62,455,343	\$169,681,394	\$1,977,538	\$128,628,700	\$1,827,076	\$373,598,765
2003	10,390,096	70,581,482	173,247,576	2,133,847	134,409,500	1,945,935	392,708,436

NOTE:

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 3

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

Fiscal Year	Instruction	Supporting Services	Non Instruction	Capital Projects	Debt Service	Total
1994	\$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 (2)	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
1999	199,604,462	103,847,386	3,103,618	19,498,716	25,988,795	352,042,977
2000	195,210,137	102,637,693	3,862,697	19,639,243	26,126,871	347,476,641
2001	196,157,065	103,831,878	4,042,993	16,164,940	26,059,569	346,256,445
2002	212,829,709	106,733,056	4,435,348	7,643,537	26,974,502	358,616,152
2003	216,795,492	110,652,773	4,874,737	12,486,115	27,611,931	372,421,048

NOTES:

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

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 4

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

Fiscal Year	Local Taxes (2)	Tuition From Patrons	Other Local Sources	Total Local Sources	State Sources	Federal Sources	Total Revenue
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
1999	155,743,752	760,113	10,761,654	167,265,519	140,483,130	31,453,281	339,201,930
2000	162,274,993	630,754	12,876,321	175,782,068	132,886,448	26,287,326	334,955,842
2001	165,572,625	468,807	11,409,533	177,450,965	130,552,400	28,541,150	336,544,515
2002	169,681,394	538,394	10,074,825	180,294,613	140,404,521	36,034,621	356,733,755
2003	173,247,576	882,966	11,913,387	186,043,929	146,918,941	41,967,849	374,930,719

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)
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
1999	21,463,437	19,935,225	92.88	218,804
2000	22,413,109	21,097,349	94.13	361,988
2001	22,579,160	21,300,482	94.34	231,491
2002	23,554,730	22,317,035	94.75	181,826
2003	27,561,570	25,803,168	93.62	376,514

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.

TABLE 5

Total Cash Collections (2)	Percent of Total Collections to Tax Levy	Outstanding Delinquent Taxes (3)	Percent of Delinquent Taxes to Tax Levy
\$ 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
20,154,029	93.90	495,587	2.31
21,459,337	95.74	315,246	1.41
21,531,973	94.86	380,602	1.68
22,498,861	95.52	350,627	1.49
26,179,682	94.99	573,043	2.08

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	%
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
1999	1,684,119,181	72	519,893,233	22	147,724,350	6
2000	1,921,142,597	73	541,881,164	21	150,637,040	6
2001	1,981,373,517	74	538,255,199	20	157,501,910	6
2002	2,037,485,267	74	561,606,346	20	154,998,240	6
2003	2,100,548,350	74	590,918,697	21	156,895,420	5

NOTE:

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

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

TABLE 6

Total Assessed	%	Homestead Exempt	Taxable Value
\$1,882,516,000	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
2,351,736,764	100	717,916,540	1,633,820,224
2,613,660,801	100	749,726,810	1,863,933,991
2,677,130,626	100	751,619,260	1,925,511,366
2,754,089,853	100	757,470,200	1,996,619,653
2,848,362,467	100	761,202,740	2,087,159,727

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

Fiscal Year	Jefferson Parish Public School System			Jefferson Parish	Parish Other	Total
	Maintenance and Operation	Debt Service	Total			
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
1999	0.957	0.003	0.96	1.30	0.68	2.94
2000	0.967	0.003	0.97	1.31	0.68	2.96
2001	0.889	0.001	0.89	1.35	0.70	2.94
2002	0.890	0.000	0.89	1.44	0.71	3.04
2003	1.01	0.000	1.01	1.42	0.71	3.14

Source: Jefferson Parish, Louisiana December 31, 2002 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
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 %
1999	2,351,737	22,050,000	138,807	21,911,193	0.93 %
2000	2,613,661	19,995,000	225,536	19,769,464	0.76 %
2001	2,677,131	17,890,000	317,009	17,572,991	0.66 %
2002	2,754,090	15,685,000	333,247	15,351,753	0.56 %
2003	2,848,362	13,370,000	417,621	12,952,379	0.45 %

NOTE:

(1) Estimates based on data from Louisiana Tech University, obtained from Jefferson Parish, Louisiana December 31, 2002 CAFR.

(2) Includes only Ad Valorem Tax Bonds.

TABLE 8

Parish Population (1)	Net Bonded Debt Per Capita	Assessed Valuation Per Capita
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
453,165	48	5,190
454,447	44	5,751
455,466	39	5,878
453,116	34	6,078
455,927	28	6,247

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**TABLE 9****COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2003**

2002 total appraised valuation for school tax purposes		\$2,848,362,467
Debt limit percentage		<u>10 %</u>
Legal debt limit		284,836,247
Total bonded debt	\$13,370,000	
Less - Reserve for retirement of bonded debt	<u>417,621</u>	
Net bonded debt applicable to debt limit		<u>12,952,379</u>
Legal debt margin		<u>\$ 271,883,868</u>

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**TABLE 10****COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)**
JUNE 30, 2003

	Net Bonded Debt	Percentage Applicable to the System	System Share of Debt
Jefferson Parish Public School System	\$ 12,952,379	100	\$ 12,952,379
Jefferson Parish	53,245,000	100	53,245,000
City of Kenner	750,000	100	750,000
WJ Levee District	<u>400,620</u>	100	<u>400,620</u>
Total direct and overlapping debt	<u>\$ 67,347,999</u>		<u>\$ 67,347,999</u>
Taxable assessed valuation			\$2,087,159,727
Ratio of direct and overlapping debt to taxable assessed valuation			3.23 %
Direct and overlapping debt per capita			\$ 148

NOTE:

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

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

Fiscal Year	Principal (2)	Interest and Fiscal Charges (2)	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to General Expenditures
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 %
1999	2,790,000	129,300	2,919,300	352,042,977	0.8 %
2000	2,055,000	973,823	3,028,823	347,476,641	0.9 %
2001	2,005,000	950,523	2,955,523	346,256,445	0.9 %
2002	2,205,000	724,522	2,929,522	358,616,152	0.8 %
2003	2,315,000	616,729	2,931,729	372,421,048	0.8 %

NOTE:

(1) Per Table 3.

(2) Includes only Ad Valorem Tax Bonds.

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

Fiscal Year	Parish Population (1)	Average Daily Membership (2)	Average Daily Attendance (2)	Percent of Attendance
1994	457,069	54,638	53,489	97.9 %
1995	457,481	55,023	52,984	96.3
1996	458,456	52,008	48,960	94.1
1997	455,741	52,024	48,960	94.1
1998	453,160	52,032	49,128	94.4
1999	453,165	49,472	44,125	89.2
2000	454,447	48,974	43,681	89.2
2001	455,466	49,845	46,491	93.3
2002	453,116	50,078	46,713	93.3
2003	455,927	49,931	46,486	93.1

NOTES:

(1) Estimates based on data from Louisiana Tech University, obtained from Jefferson Parish, Louisiana December 31, 2002 CAFR.

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

PROPERTY VALUE AND CONSTRUCTION LAST TEN FISCAL YEARS

Fiscal Year	Assessed Property Value	Residential Construction			
		Single Family Units	Value	Multi Family Units	Value
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
1999	2,351,736,764	597	49,594,000	9	1,743,000
2000	2,613,660,801	744	102,514,000	5	3,981,000
2001	2,677,130,626	532	79,519,000	2	1,838,000
2002	2,754,089,853	578	80,427,000	1	12,883,000
2003	2,848,362,467	776	105,429,000	6	17,819,000

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

TABLE 13

Commercial Public Buildings and Other Construction Value	Total Permit Valuation
\$ 92,330,000	\$ 133,308,000
118,262,000	166,470,000
150,432,000	194,795,000
118,833,000	158,614,000
106,391,000	138,125,000
157,023,000	208,360,000
188,268,000	294,763,000
192,956,000	274,313,000
235,768,000	329,078,000
176,502,000	299,750,000

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

Name of Taxpayer	Type of Business	Assessed Valuation	Percent of Total Assessed Valuation
Entergy Services Inc.	Electric Utility	\$ 56,612,719	1.99 %
BellSouth	Telephone Utility	43,718,810	1.53
Hibernia National Bank	Financial Institution	21,557,983	.76
Banc One Management Corp.	Financial Institution	15,369,341	.54
Causeway Associates	Shopping Mall	15,333,090	.54
Atmos Energy	Utility	14,907,500	.52
Whitney National Bank	Financial Institution	10,821,707	.38
Southwest Airlines Co.	Airline	9,434,620	.34
Regions Bank	Financial Institution	9,225,669	.32
Northrop Grumman Ship System	Shipbuilding	<u>6,571,608</u>	<u>.23</u>
		<u>\$203,553,047</u>	<u>7.15 %</u>

Source: Jefferson Parish Assessor's Office.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

TABLE 15

MISCELLANEOUS INFORMATION

COMPARATIVE AVERAGE COST PER PUPIL:

Year	Total Expenditures(1)	Daily Membership	Cost Per Pupil
1994	\$284,749,912	54,638	\$5,212
1995	305,844,095 (2)	55,023	5,558
1996	302,225,713	52,008	5,811
1997	308,424,857	52,024	5,929
1998	343,641,631	52,032	6,604
1999	352,042,977	49,472	7,116
2000	347,476,641	48,974	7,095
2001	346,256,445	49,845	6,947
2002	358,616,152	50,078	7,161
2003	372,421,048	49,931	7,459

(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:

	2003	2002	2001	2000	1999
Average daily membership	49,931	50,078	49,845	48,974	49,472
State and federal funds	\$ 3,783	\$ 3,523	\$ 3,192	\$ 3,250	\$ 3,475
Local funds received	726	3,600	3,560	3,589	3,381
Tax levied	543	470	453	458	434
Outstanding bonds	3,079	3,878	2,995	3,317	3,546

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	7,540
Teachers	3,881

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Members of the School Board of
Jefferson Parish, Louisiana:

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of the Jefferson Parish Public School System and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Jefferson Parish Public School System and to determine whether the specified schedules are free of obvious errors and omissions are provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

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

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

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

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule K-4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2002.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule K-4) to the combined total of principals and assistant principals per this schedule.

4. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2002 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's education level was properly classified on the schedule.

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

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

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

6. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2002 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined that the individual's experience was properly classified on the schedule.

Public Staff Data (Schedule K-5)

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

Class Size Characteristics (Schedule K-6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule K-3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2002 roll books for those classes and determined that the class was properly classified on the schedule.

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

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

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

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

The Iowa Test (Schedule K-9)

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

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

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Rebowe & Company

October 17, 2003

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**Schedule 1****GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES
JUNE 30, 2003**General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:		
Classroom teacher salaries	\$ 135,205,750	
Other instructional staff activities		
Employee benefits	43,325,165	
Purchased professional and technical services	1,195,046	
Instructional materials and supplies	5,920,607	
Less: Instructional equipment	<u>(362,860)</u>	
Total teacher and student interaction activities		\$ 185,283,708
Other instructional activities	-	
Pupil support activities	10,978,395	
Less: Equipment for pupil support activities	<u> </u>	
Net pupil support activities		10,978,395
Instructional Staff Services	-	
Less: Equipment for instructional staff services	<u> </u>	
Net instructional staff services		<u> </u>
Total general fund instructional expenditures		<u>\$ 196,262,103</u>
Total general fund equipment expenditures		<u>\$ 362,860</u>

Certain Local Revenue Sources

Local taxation revenue:

Constitutional ad valorem taxes	\$ 5,679,245
Renewable ad valorem tax	21,470,667
Debt service ad valorem tax	
Up to 1% of collections by the Sheriff on taxes other than school taxes	2,006,820
Sales and use taxes	<u>120,713,141</u>
Total local taxation revenue	<u>\$ 149,869,873</u>

Local earnings on investment in real property:

Earnings from 16th section property	\$ 23,361
Earnings from other real property	
Total local earnings on investment in real property	<u>\$ 23,361</u>

State revenue in lieu of taxes:

Revenue sharing - constitutional tax	\$ 446,405
Revenue sharing - other taxes	1,687,442
Revenue sharing - excess portion	-
Other revenue in lieu of taxes	<u> </u>
Total state revenue in lieu of taxes	<u>\$ 2,133,847</u>

Nonpublic textbook revenue	<u>\$ 533,861</u>
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Nonpublic transportation revenue	<u>\$ 1,235,161</u>
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JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
Schedule 2
**EDUCATION LEVELS OF PUBLIC SCHOOL STAFF
AS OF OCTOBER 1, 2002**

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	18	0.6	-	-	-	-	-	-
Bachelor's Degree	2,070	67	313	92	-	-	-	-
Master's Degree	766	25	25	7.7	93	62	-	-
Master's Degree +30	220	7	1	0.3	51	34	-	-
Specialist in Education	10	0.3	-	-	-	-	-	-
Ph. D. or Ed. D.	8	0.1	-	-	6	4	-	-
Total	3,092	100	339	100	150	100	-	-

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Schedule 3

NUMBER AND TYPE OF PUBLIC SCHOOL YEAR ENDED JUNE 30,2003

Type	Number
Elementary	57
Middle/Jr. High	17
Secondary	8
Combination	2
Total	84

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**Schedule 4****EXPERIENCE OF PUBLIC PRINCIPALS AND FULL-TIME CLASSROOM TEACHERS
AS OF OCTOBER 1, 2002**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	6	6	8	11	34	65
Principals	1	-	3	7	4	9	61	85
Classroom Teachers	366	293	783	316	330	400	943	3,431
Total	367	293	792	329	342	420	1,038	3,581

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**Schedule 5****PUBLIC SCHOOL STAFF DATA
YEAR ENDED JUNE 30,2003**

	All Classroom Teachers	Classroom Teachers Excluding ROTC And Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$36,165	\$36,026
Average Classroom Teacher's Salary Excluding Extra Compensation	\$35,844	\$35,786
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	3,431	3,408

Note: Figures reported include all sources of funding (i.e. federal, state and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Schedule 6

**CLASS SIZE CHARACTERISTICS , 2002 - 2003
AS OF OCTOBER 1, 2002**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	38	1,007	45	1,177	17	436	-	-
Elementary Activity Classes	20	182	45	414	18	163	17	154
Middle/Jr. High	14	215	27	398	59	872	-	-
Middle/Jr. High Activity Classes	8	25	13	40	24	72	55	164
High	28	623	16	365	55	1,247	1	17
High Activity Classes	13	17	7	10	27	36	53	72
Combination	79	52	21	14	-	-	-	-
Combination Activity Classes	50	4	38	3	12	1	-	-

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Schedule 7

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

District Achievement Level Results	English Language Arts						Mathematics					
	2003			2002			2001			2003		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 4												
Advanced	41	1		90	2		38	1		81	2	
Mastery	489	12		638	15		567	13		448	11	
Basic	1,795	44		1,751	41		1,992	46		1,712	42	
Approaching Basic	1,101	27		1,264	30		1,063	24		978	24	
Unsatisfactory	653	16		493	12		720	16		856	21	
Total	4,079	100		4,236	100		4,380	100		4,075	100	
										4,234	100	
										4,377		100

District Achievement Level Results	Science						Social Studies					
	2003			2002			2001			2003		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 8												
Advanced	37	1		31	1		29	1		-	1	
Mastery	374	10		417	12		506	14		261	7	
Basic	1,197	32		1,160	32		1,233	34		1,418	38	
Approaching Basic	1,272	34		1,191	33		1,027	29		1,157	31	
Unsatisfactory	860	23		778	22		809	22		895	24	
Total	3,740	100		3,577	100		3,604	100		3,731	100	
										3,567	100	
										3,599		100

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

Schedule 8

THE GRADUATION EXIT EXAM FOR THE 21ST CENTURY

District Achievement Level Results	English Language Arts						Mathematics					
	2003			2002			2001			2003		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 10												
Advanced	35	1		22	1		17	1		114	3	
Mastery	245	7		280	9		274	9		340	7	
Basic	1,084	31		1,028	33		1,145	40		1,096	29	
Approaching Basic	909	26		848	28		737	25		718	19	
Unsatisfactory	1,224	35		909	29		730	25		1,512	40	
Satisfactory	N/A	N/A		N/A	N/A		N/A	N/A		N/A	N/A	
Total	3,497	100		3,087	100		2,903	100		3,780	100	
										3,377	100	
										2,892	100	

District Achievement Level Results	Science						Social Studies					
	2003			2002			2001			2003		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 11												
Advanced	53	2		66	3		N/A	N/A		26	1	
Mastery	263	10		315	12		N/A	N/A		209	8	
Basic	948	36		865	33		N/A	N/A		1,096	42	
Approaching Basic	658	25		557	21		N/A	N/A		653	25	
Unsatisfactory	711	27		800	31		N/A	N/A		626	24	
Satisfactory	N/A	N/A		N/A	N/A		N/A	N/A		N/A	N/A	
Total	2,633	100		2,603	100		0	0		2,610	100	
										2,591	100	
										0	0	

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM**Schedule 9****THE IOWA TESTS**

	Composite		
	2003	2002	2001
Test of Basic Skills (ITBS)			
Grade 3	47	46	45
Grade 5	50	48	51
Grade 6	37	46	45
Grade 7	42	42	41
Tests of Educational Development (ITED)			
Grade 9	41	41	42

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

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JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
INDEPENDENT AUDITORS' REPORTS AND INFORMATION
REQUIRED BY THE SINGLE AUDIT ACT AND
GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 2003

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**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, 2003, and have issued our report thereon dated October 17, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether **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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 03-1. We also noted an immaterial instance of noncompliance that we have reported to the management of the **Jefferson Parish Public School System** in a separate letter dated October 17, 2003.

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 controls 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 operations that we consider to be material weaknesses.

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

Deloitte & Touche LLP Rebore & Company Hartford M. Harrison LLC

October 17, 2003

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

Members of the School Board of
Jefferson Parish, Louisiana

We have audited the compliance of **Jefferson Parish Public School System's** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. **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 Public 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **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, 2003.

Internal Control Over Compliance

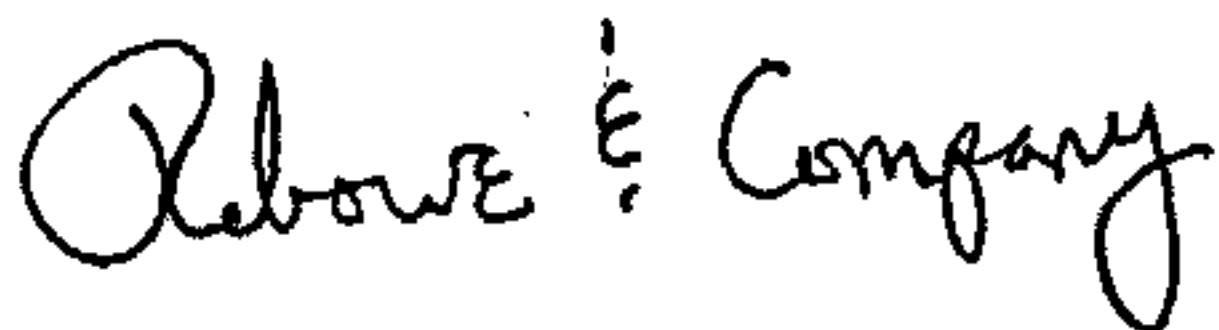
The management of **Jefferson Parish Public School System** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **Jefferson 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 financial statements of **Jefferson Parish Public School System** as of and for the year ended June 30, 2003 and have issued our report thereon dated October 17, 2003. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the **Jefferson Parish Public School System's** basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



October 17, 2003

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

For the Year Ended June 30, 2003

Schedule of Expenditures of Federal Awards				
Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/ Expenditures
U.S. Department of Education				
Direct Programs:				
Elementary and Secondary Education Act ("ESEA"), Title IV, Part A				
84.184K	S184K010133	\$ 226,015	\$ 111	\$ 111
	S184K010133	226,015	213,356	213,356
			213,467	213,467
ESEA of 1965, Title IV, Part B				
84.287B	S287B001562	811,702	39,984	39,984
84.287B	S287B0010562	808,500	49,754	49,754
84.287B	287B010562-02	808,500	880,359	880,359
			970,098	970,097
ESEA of 1965, Title VII				
84.288S	T288S010337	135,000	12,055	12,055
	T288S010337-02	190,764	165,618	165,618
	T288S000204-01	130,000	41,767	41,767
	T288S000204-01	145,655	142,561	142,561
			362,001	362,001
ESEA of 1965, Title IX, Part C (P.L. 103-382)				
84.060	5060A010968	47,879	7,247	7,247
84.060	5060A02098	51,821	41,852	41,852
			49,099	49,099
			1,594,665	1,594,664
Total Direct Programs				
U.S. Department of Education				
Passed-Through State Department of Education:				
ESEA of 1965, Title I, Part A				
84.010A	02-T1-26	11,836,192	567,015	567,015
	03-T1-26	13,694,778	12,103,195	12,103,195
	01-T1-26	1,183,943	71,809	71,809
	02-T1-26 c/o	215,883	215,883	215,883
			12,957,903	12,957,902
ESEA of 1965, Title I, Part B				
84.213C	02-F1-26	544,104	108,433	108,433
84.213C	03-F1-26	519,000	413,216	413,216
84.213C	01-F1-26-C	130,030	13,030	13,030
84.314B	566171	35,000	17,216	17,216
			551,895	551,895

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

For the Year Ended June 30, 2003

Federal Grantor/Pass-Through Grantor/Program Title	Schedule of Expenditures of Federal Awards				
	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/ Expenditures
U.S. Department of Education – Continued Passed-Through State Department of Education: ESEA of 1965, Title I, Part C	84.011A	02-MI-26	\$ 205,386	\$ 54,421	\$ 54,421
	84.011A	03-MI-26	183,560	153,652	153,652
	84.011A	02-MI-26-C	11,454	2,072	2,072
				<u>210,145</u>	<u>210,145</u>
ESEA of 1965, Title I, Part E					
Comprehensive School Reform					
Program 01-02	84.332A	01-T2-26-C	684,960	34,729	34,729
Comprehensive School Reform					
Program (FIE) 01-02	84.332A	01-T3-26-C	100,000	604	604
Comprehensive School Reform					
Program 02-03 Cohort #2	84.332A	02-T4-26-C	51,182	51,182	51,182
Comprehensive School Reform					
Program 02-03 Cohort #3	84.332A	02-T6-26-C	256,415	<u>232,431</u>	<u>232,431</u>
				<u>318,945</u>	<u>318,946</u>
Carl D. Perkins Vocational & Technology Education Act of 1998, Title I					
Basic Grant	84.048	0202-26	904,280	<u>903,138</u>	<u>903,138</u>
ESEA of 1965, Title II, Part A (P.L. 107-110)					
Improving Teacher Quality (LINC)	84.367	(1)	28,000	21,502	21,502
Improving Teacher Quality 02-03	84.367	(1)	4,443,772	<u>3,877,363</u>	<u>3,877,363</u>
				<u>3,898,865</u>	<u>3,898,865</u>
ESEA of 1965, Title II, Part B					
State Grants for Strengthening the Skills of Teachers and the Quality Instruction in Mathematics and Science 01-02	84.281A	02-50-26	483,161	22,079	22,079
State Grants for Strengthening the Skills of Teachers and the Quality Instruction in Mathematics and Science 02-03 c/o					
ESEA of 1965, Title II, Part C (P.L. 105-277)					
Reading Excellence 01-02	84.281A	02-50-26 c/o	101,205	<u>101,205</u>	<u>101,205</u>
				<u>123,284</u>	<u>123,284</u>
ESEA of 1965, Title II, Part D					
Enhancing Education Through Technology	84.338A	00-RI-26-C	206,001	<u>46,578</u>	<u>46,578</u>
	84.318	0349-26	341,733	<u>111,398</u>	<u>111,398</u>

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

For the Year Ended June 30, 2003

Federal Grantor/Pass-Through Grantor/Program Title	Schedule of Expenditures of Federal Awards			
	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized
U.S. Department of Education - Continued Passed-Through State Department of Education: ESEA, Title III, Part A English Language Acquisition Grant 02-03 Student Influx	84.365	03-60-26	\$ 283,000	\$ 271,415
	84.365	03-S3-26	25,156	9,081
				<u>280,496</u>
ESEA, Title IV, Part A Safe and Drug Free Schools 01-02 Safe and Drug Free Schools 02-03 Greatest Needs Supplement 01-02 Greatest Needs Supplement 02-03 c/o Greatest Needs Supplement 01-02 c/o	84.186A	02-70-26	361,989	35,593
	84.186A	03-70-26	465,637	218,322
	84.186A	02-79-26	1,171,139	49,674
	84.186A	02-79-26 c/o	464,501	421,732
	84.186A	01-79-26 c/o	26,434	26,434
				<u>751,756</u>
Elementary and Secondary Education Act of 1965 - Title VI Innovative Education Program Strategies 01-02 Innovative Education Program Strategies 02-03	84.298A	02-00-26	456,348	55,820
	84.298A	04-80-26	473,946	342,451
				<u>398,271</u>
ESEA of 1965, Title VII Emergency Immigration 02-03	84.162A	28-02-X2-26	184,320	17,803
ESEA of 1965, Title VII, Subtitle B Education for Homeless Children & Youth 01-02 Education for Homeless Children & Youth 02-03 Homeless Supplement 01-02	84.196A	02-HI-26	61,643	11,332
	84.196A	03-HI-26	70,000	45,185
	84.196A	01-HI-26	2,668	2,604
				<u>59,121</u>

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

For the Year Ended June 30, 2003

Schedule of Expenditures of Federal Awards				
Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/ Expenditures
U.S. Department of Education - Continued				
Passed-Through State Department of Education:				
Individual With Disabilities Education				
Act of 1990 - Part B (P.L. 101-476)				
IDEA - B Set Aside				
84.027A	02-B2-26-C	\$ 60,000	\$ 46,048	\$ 46,048
84.027A	02-B2-26	60,000	8,049	8,049
84.027A	28-02-B1-26	944,165	935,372	935,372
84.027A	28-02-B1-26	6,914,382	1,343,852	1,343,852
84.027A	03-B1-26	8,691,840	5,862,289	5,845,822
			<u>8,195,611</u>	<u>8,179,143</u>
IDEA-B Preschool 02-03 c/o				
84.173A	28-02-26 c/o	114,085	114,085	114,085
84.173A	28-02-P1-26	329,928	55,894	55,894
84.173A	03-P1-26	296,325	128,684	128,684
			<u>298,663</u>	<u>298,663</u>
Individual With Disabilities Education				
Act of 1990 - Part C				
Special Education for Infants & Families with				
disabilities				
84.181A	02-C5-26	47,400	-	522
Special Education for Infants & Families with				
disabilities				
84.181A	03-C5-26	18,571	38,723	38,723
			<u>38,723</u>	<u>39,245</u>
Passed-Through State Department of Education:				
Department of Education Appropriations				
Act of 1999 (P.L. 105-277)				
Class Size Reduction 01-02				
84.340A	2/1/26	2,919,088	172,993	172,993
Adult Education Act of 1966				
Adult Education Program				
84.002	-	-	540,807	540,807
Total Passed-Through				
State Department of Education				
			<u>29,876,395</u>	<u>29,860,449</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				
			<u>\$ 31,471,061</u>	<u>\$ 31,455,113</u>
U.S. Department of Health and Human Services				

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

For the Year Ended June 30, 2003

Schedule of Expenditures of Federal Awards				
Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/ Expenditures
Passed-Through State Department of Health and Hospitals:				
Title XIX - Early and Periodic Screening, Diagnosis, Treatment	-	\$ 400,000	\$ 362,808	\$ 331,105
School Nurse Program	-	-	554,092	554,092
Medical Assistance Program (Medicaid)			916,900	885,197
Passed-Through a State Department of Health and Human Services:				
Temporary Assistance for Needy Families (TANF) (P.L.104-193)				
Family Math & Science Nights	03-MS-26	48,000	36,897	33,320
Starting Points Preschool Program 01-02	0238-26	313,559	-	13,941
Starting Points Preschool Program 02-03	0338-26	299,982	254,666	280,470
Pre GED 01-02	0236-26	1,273,258	1,080,293	858,181
Pre GED 02-03	0336-26	414,521	339,710	283,445
Pre GED	0236-26	N/A	143,834	841
Universal Daycare	0235-26	6,272,875	5,566,440	5,412,633
Adult and Family Literacy	59509	86,849	77,325	77,325
Hippy Americorps	590.438	108,000	62,224	62,224
			7,561,388	7,022,380
Passed-Through State Department of Social Services:				
Child Care Assistance	49492400	-	409,023	409,023
Refugee Act of 1980 (P.L. 96-212)				
Refugee & Entrant Assistance 01-02	02-X3-26	46,935	6,305	6,305
Refugee & Entrant Assistance 02-03	03-X3-26	60,000	57,643	57,643
			63,948	63,948
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 8,951,259	\$ 8,380,548

See accompanying Footnotes to Schedule of Expenditures of Federal Awards.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

For the Year Ended June 30, 2003

Schedule of Expenditures of Federal Awards					
Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/ Expenditures	
U.S. Department of Agriculture					
Passed-Through State Department of Education:					
10.550	(1)	- \$	\$ 1,020,193	(2)	\$ 814,821 (3)
Food Distribution (Commodities)					
School Breakfast Program					
10.553	(1)	-	2,847,302	(4)	2,847,302 (4)
Free and Reduced Price Meals					
National School Lunch Program					
10.555	(1)	-	10,472,107	(4)	10,472,107 (4)
Free and Reduced Price Meals					
10.559	(1)	-	489,010	(4)	464,514 (4)
Summer Food Service Program for Children					
TOTAL U.S. DEPARTMENT OF AGRICULTURE					
			\$ 14,828,612		\$ 14,598,744
Other Programs					
Passed-Through Maxwell Air Force Base:					
-	271.653	-	529,875		529,875
Reserve Officer Training Corp. (ROTC)					
National and Community Service Act of 1990					
94.006	0308-26	17,225	11,193		11,193
94.006	280127-26	5,000	325		325
			11,518		11,518
Passed-Through Jefferson Parish Sheriff's Office:					
16.592	02-LEBC-410	63,070	34,611		34,611
Local Law Enforcement					
TOTAL OTHER PROGRAMS				576,004	576,004
TOTAL FEDERAL ASSISTANCE				\$ 55,826,936	\$ 55,010,409

- (1) Represents a major program.
 (2) This amount represents the value of Commodities received by the School System during the year ended June 30, 2003.
 (3) This amount represents the value of Commodities used by the School System during the year ended June 30, 2003.
 (4) These amounts represent the cash subsidy received by the School System during the year ended June 30, 2003.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
FOOTNOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2003

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basic of Presentation

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

Accrued and Deferred Reimbursement

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

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
SUMMARY OF AUDIT RESULTS
For the Year Ended June 30, 2003

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the Jefferson Parish Public School System.
2. No reportable conditions in internal control relating to the audit of the financial statements of Jefferson Parish Public School System are reported in the *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*.
3. One instance of noncompliance material to the financial statements of Jefferson Parish Public School System is reported in the *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*.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the *Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance* in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Jefferson Parish Public School System expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for Jefferson Parish Public School System were noted.
7. The programs tested as major programs include:

	<u>CFDA No.</u>
A. National School Lunch Program	10.555
B. National School Breakfast Program	10.553
C. Summer Food Service Program for Children	10.559
D. Food Distribution	10.550
E. Title II	84.367
F. Universal Daycare (TANF)	93.558
8. The threshold for distinguishing between type A and type B programs was \$1,650,312.
9. Jefferson Parish Public School System was determined to be a low-risk auditee.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2003

03-1. Under Collateralized Cash

Finding:

Louisiana Revised Statue 39:1225 requires that the amount of security shall at all times be equal to one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority except that portion of the deposit insured by any governmental agency insuring bank deposits which is organized under the laws of the United States. The School System had approximately \$338,000 of deposits for the school activity accounts that were not collateralized as of June 30, 2003.

Questioned Cost:

None.

Response:

See Management's Corrective Action Plan.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2002

02-1 Budgeting of Special Revenue Funds

Finding:

Louisiana Revised Statutes 36:1305 and 17:88 require the adoption of a comprehensive budget presenting a complete financial plan for the ensuing year for the general fund and each special revenue fund. Within the special revenue fund group, the School System has followed the practice for many years of budgeting the operations of only the Community Education, Adult Education and Title I funds. Nearly all of the other special revenue funds represent Federal and State grants which have not been budgeted in advance in the past because revenues are typically realized in amounts equal to expenditures permitted under the grants. Louisiana Revised Statute 39:1311(B) exempts special revenue funds which are expenditure-driven in this manner from the requirement to adopt amended budgets if projected revenues or expenses deviate more than 5% from the adopted budget; however such funds are not exempt from the requirement to prepare a formal budget near the start of each fiscal year.

Current Status:

All appropriate budgets were adopted for the fiscal year ended June 30, 2003.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM
CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2003

03-1 Under Collateralized Cash

Finding:

The School System had approximately \$338,000 of deposits for the school activity accounts that were not collateralized as of June 30, 2003.

Corrective Action:

The School System will monitor all cash accounts on a regular basis to insure that all deposits are fully collateralized. (Mrs. Raylyn Stevens, CFO (504)349-7627)

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(504) 368-2501

October 17, 2003

Jefferson Parish School Board
4600 River Road
Marrero, Louisiana 70072

Dear Members of the Board:

In planning and performing our audit of the financial statements of the Jefferson Parish Public School System (School System) for the year ended June 30, 2003 (on which we have issued our report dated October 17, 2003), 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. See also "Status of Prior Year's Recommendations" on page 4.

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

Yours truly,

Deloitte & Touche LLP Rebowe & Company Hanford M. Harrison L.L.C.

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JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

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ACCOUNTING, ADMINISTRATIVE AND OPERATING MATTERS

BUDGETING

Observation – Special Revenue Funds

We noted that for two Special Revenue Funds that require a budget (Adult Education and Title I), there were unfavorable variances between actual versus budget for revenues and expenditures, respectively, of greater than five percent. In particular, revenues for the Adult Education Fund were under budget by \$191,673 or 13.5%. Additionally, expenditures for the Title I fund exceeded budget by \$1,578,798 or 12.2%; however, it should be noted that total revenues for the Title I fund exceeded its budget by \$1,149,231 or 8.6%.

Communication of these overages to the Board was not performed as required by State Law.

Background

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

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

Recommendation

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

Management's Response

Although the Department of Education requires a budget revision for a deviation of 25% or greater, the appropriate Assistant Superintendent will prepare a memo to be distributed to the Jefferson Parish School Board Members in the event of projected revenues or expenses deviating more than 5% of the adopted budget.

SABBATICAL LEAVE POLICIES

Observation

The School System has established policies concerning the use of sabbatical leaves. Our tests of several employees who took sabbatical leaves during fiscal 2003 indicated a lack of compliance with several of these policies. A majority of the employees tested failed to submit the required written report in advance stating how they were planning to spend their leave and also failed to submit a required written report upon returning stating how they actually spent their leave. Also, employees are required to notify the Director of Personnel Relations by filing a specific form at least 30 days prior to the beginning of the semester in which

the employee expects to return to their position. A majority of the employees tested failed to meet the 30 day notification period.

Recommendation

The Personnel Department should review the policies surrounding the use of sabbatical leaves to determine that the policies are workable and properly communicated to employees applying for a sabbatical leave. The lack of compliance involves policies previously adopted by the School System rather than violations of state laws.

Management's Response

Numerous aspects of the sabbatical leave policies are currently under review. The report requirement will be taken under review and the appropriate revisions will be made.

GASB No. 39 IMPLEMENTATION

Observation

The Governmental Accounting Standards Board (GASB) has issued Statement No. 39, *Determining Whether Certain Organizations Are Component Units – An Amendment of GASB No. 14*. This statement is effective for the School System for the fiscal year ending June 30, 2004. This new GASB statement provides guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government.

Recommendation

The School System should evaluate all potential component units for possible inclusion in the primary government's financial statements beginning with the fiscal year ending June 30, 2004.

Management's Response

The Jefferson Parish School System will evaluate potential component units as well as Parent Teacher organizations for potential inclusion in the financial statements.

SELF-INSURANCE ACCRUAL

Observation

The School System has traditionally recorded an accrual for self-insured claims based on the modified-accrual method of accounting. Based on this method, only claims which have been incurred and reported are recorded in the financial statements. In accordance with the implementation of GASB Statement No. 34, the School System is now required to present financial statements which conform to the full accrual method of accounting. Under the full accrual method, the School System also is required to report a liability for those claims which have been incurred but are unreported. The difference between the recorded liabilities to be recorded under these two different methods could cause a potential misstatement of the government-wide financial statements, especially when considering the change to self insurance for general liability, which was effective May 1, 2003.

Recommendation

The School System should develop a system to track when claims are incurred and paid in order to provide an analytical tool to estimate the outstanding claims liability which has been incurred but not yet reported.

Management's Response

The School System is currently utilizing software provided by the third party administrator MSUSA. The School System currently has several months of data which to track. Management is in constant contact with MSUSA during the inception of the program and will develop the capabilities recommended.

PAYROLL ROSTER

Observation

In the current year, a listing of school employees was sent by the Payroll Department to all schools in order to verify that employees within the payroll system were actually working at the schools. This list was only circulated to the schools once at the beginning of the year. Additionally, the lists for some schools were not completed fully. The purpose of the list was to insure that the information within the payroll system was accurate in terms of personnel included and mitigate the risk of fictitious employees being paid by the School System.

Recommendation

We recommend that the School System formalize this process requiring the completion of a payroll roster by all departments within the School System. The list applicable to school-based personnel should be circulated at the start of each semester. Follow-up should be instituted for schools or departments which fail to respond.

Management's Response

The School System will conduct a roster verification for the second semester throughout the entire school system. The School System will also implement an audit procedure for the issuance of payroll checks on payday.

JEFFERSON PARISH PUBLIC SCHOOL SYSTEM

STATUS OF PRIOR YEAR'S RECOMMENDATIONS YEAR ENDED JUNE 30, 2003

Fund Balance of the General Fund

Improvements noted. There are no current year recommendations.

Budgeting

Partially repeated in the current year's recommendations.

Sabbatical Leave Policies

Comment repeated in the current year.

School Lunch Fund

Improvements noted. There are no current year recommendations.