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**JEFFERSON DAVIS PARISH SCHOOL BOARD**

Jennings, Louisiana

Basic Financial Statements

As of and for the Year Ended June 30, 2004

With Supplemental Information Schedules

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, when appropriate, at the office of the parish clerk of court.

Release Date 1-26-05

**JEFFERSON DAVIS PARISH SCHOOL BOARD**

Jennings, Louisiana

Basic Financial Statements

As of and for the Year Ended June 30, 2004

With Supplemental Information Schedules

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# JEFFERSON DAVIS PARISH SCHOOL BOARD

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Basic Financial Statements

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
The Jefferson Davis Parish School Board  
Jennings, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Davis Parish School Board (School Board), as of and for the year ended June 30, 2004, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2004, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2004, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 4 through 15 and 47 through 50, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the

methods of measurement and presentation of the 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 School Board's basic financial statements. The supplemental information section which includes the combining and individual nonmajor fund financial statements, and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the School Board. The combining and individual nonmajor fund financial statements, the other supplemental information schedules, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Mike B. Gillespie, CPA, APAC*

Jennings, Louisiana  
December 7, 2004

**REQUIRED SUPPLEMENTAL INFORMATION**

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS (MD&A)**

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2004**

The Management's Discussion and Analysis (MD&A) of the Jefferson Davis Parish School Board is intended to provide both an overview and review of the School Board's financial activities for the fiscal year ended June 30, 2004. The intent of the MD&A is to provide a *meaningful discussion to interested financial statement users of the School Board's overall financial performance taken as a whole*. Therefore, it should be read in conjunction with the School Board's financial statements, the notes to the financial statements, and any related supplementary information.

The MD&A is an element of the required supplementary information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* that was issued in June 1999. Certain comparative information between the current fiscal year (2003-2004) and the prior fiscal year (2002-2003) is required to be presented in the MD&A, and it is shown in the accompanying discussion. Comparative data is being shown for the first time in the 2003-2004 MD&A since this is the second year of GASB Statement No. 34 implementation.

**Financial Highlights For The 2003-2004 Fiscal Year**

- Net assets increased by \$1,496,181 for the fiscal year ended June 30, 2004, net of a prior period adjustment of (\$164,820). The prior period adjustment was recorded to correct the reported value of the land acquired for the new Jennings High School construction site. At June 30, 2004, the School Board's total net assets are \$31,145,149.
- The total net change in fund balance for the School Board was a decrease of (\$1,792,586) that was comprised of the following:

Increase in General Fund	\$ 544,114
Decrease in School District # 2 (Jennings) Capital Project Fund	(2,130,842)
Decrease in all other governmental funds	<u>(205,858)</u>
Net increase in total fund balance	<u>(\$1,792,586)</u>

The decrease in School District # 2 Capital Project Fund was due to the construction progress payments on the new Jennings High School construction made during the 2003-2004 fiscal year. All other changes in fund balances, including the General Fund, fall within normal ranges.

- Sales taxes collected for the General Fund increased by approximately 4½% during the 2003-2004 fiscal year as compared to the previous year. The total sales taxes collected for the general fund was \$6,990,035.
- Ad valorem taxes collected for the General Fund showed a modest increase of approximately 3½% during the 2003-2004 fiscal year.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2004**

- Sales taxes and ad valorem taxes collected for debt service by the School Board declined slightly a approximately 1.4% during the year. There appears to be no specific cause for the decline other than normal year-to-year fluctuations in collections.
- The largest single revenue source continues to be the Minimum Foundation Program (MFP) distribution from the State, which was approximately \$26.0 million for this fiscal year. The MFP funding calculation is based to a large extent upon the verified student enrollment in existence at October 1, 2003 times an applied per pupil contribution amount. The base per pupil contribution for the 2003-2004 fiscal year was \$3,366 per student, up from a per student contribution of \$3,276 for the 2002-2003 fiscal year.
- By requirement of state law, the School Board had to dedicate at least half of any MFP growth funds received for the fiscal year to certificated pay raises (those positions requiring a Louisiana teaching certificate). "MFP growth funds" are defined as the excess of Level 1 and Level 2 MFP funding received in the current year over that received in the prior year. For 2003-2004, the minimum amount that must have been applied towards certificated pay raises was \$676,557. The School Board exceeded this requirement by applying over \$780,000 to 2003-2004 certificated pay raises.
- The Jefferson Davis Parish School Board participates in the state-sponsored group health insurance plan that is operated by the Louisiana Office of Group Benefits (OGB). Required employer premium contributions on behalf of active and retired employees to the OGB increased by approximately \$600,000 without any additional funding received from the State for this purpose. There are two reasons for this increase. First, the total premium cost (employer and employee portion combined) increased by approximately 15%, which is indicative of current state of the health care industry. Also, the 2003-2004 fiscal year was the last year of a 3-year phase-in period for increasing the employer contribution percentage of the total health insurance premium cost from 50% to 75%. The 3-year phase-in period of the increased employer contribution percentage (fiscal years ending June 30, 2002, 2003 and 2004) was mandated by an act of the state legislature in 2001. The School Board has had to pay approximately \$1.75 million more in increased employer health insurance contribution costs after the completion of the phase-in program. The School Board has been able to absorb this burden within its budgetary resources without any reductions in employees or educational services.
- The largest federally funded program is the Title I, a program to assist the education of economically disadvantaged children, received approximately \$1.87 million during the same time period. School Food Service/Child Nutrition program received approximately \$1.68 million in federal funds during the 2003-2004 fiscal year. The School Board also received federal special education funds through the IDEA program of about \$1 million. Other federal grants received during the year target such areas as the education of migrant children, teacher training and hiring, technology acquisition and development, vocational education, and adult education.



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2004**

**Using This Annual Financial Report**

This annual financial report consists of a series of financial statements and the associated notes to those statements. These statements are organized so that the reader can understand the operations of the School Board as an entire operating entity. The Basic Financial Statements Section, consisting of the Statement of Net Assets and the Statement of Activities (see pages 17 and 18), provide highly consolidated financial information for the entire School Board taken as a whole. The Statement of Net Assets and the Statement of Activities present an aggregate view of the School Board's financial position, and they seek to answer the question, "Is the School Board as a whole better off or worse off as a result of last year's activities?" These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the basis of accounting used by most private-sector entities. All of the revenues and expenses are taken into account regardless of when cash is received or paid.

The *Statement of Net Assets and the Statement of Activities* report the School Board's net assets and changes in them. You can think of the School Board's net assets, which is the difference between the assets and liabilities, as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net assets are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors, such as changes in the property or sales tax base within Jefferson Davis Parish, the maintenance needs and condition of the School Board's facilities, the cost of unfunded mandates passed onto the School Board, and other external factors of this nature in order to assess the overall financial health of the School Board.

The School Board's educational mission is defined as "governmental activities" in the Statement of Net Assets and the Statement of Activities. In this context, "governmental activities" represent the basic functions of the School Board, including all instructional services, support services, and child nutrition programs. These activities are primarily financed through state MFP funding, other federal and state grants, and local sales and property taxes.

The next section of the annual report is the Fund Financial Statements section, beginning on page 19 that provides a more in-depth reporting of the School Board's financial position and results of operations of the most significant funds – not the School Board as a whole. Some funds are required to be established by State law and some by bond covenants. Other funds are established to show that the School Board is meeting its legal responsibilities for the specific uses of certain taxes, grants, and other such monies. These statements as presented should be familiar to those who have read published governmental financial statements published in previous years.

The Fund Financial Statements segregate the School Board's operations into two types of funds, governmental funds and fiduciary funds. Governmental funds are established to account for most of the School Board's basic services, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported under the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2004**

provide a detailed short-term view of the School Board's general government operations and the educational services that it provides. These statements indicate both the sources and uses of funds, as well as those resources available for spending in future years. The relationship between *governmental activities*, as shown in the Statement of Net Assets and Statement of Activities, and *governmental funds* is described in a reconciliation schedule (see Statement D) in the Fund Financial Statements section.

The School Board is the trustee, or fiduciary, for the Jefferson Davis Parish sales tax collections and the school activity funds. The School Board serves as the sales tax collector for Jefferson Davis Parish and maintains sales tax collections that are due to the other taxing districts located in the parish. Also, the School Board's fourteen schools have their own operating funds that are held in trust for the operations of the schools. The Fiduciary Funds Statement of Net Assets (see Statement G) provides some information as to the amount of funds held in trust. More detail of the specific amount of funds held in trust by the sales tax collection department and the schools is provided in Schedules 10, 11-1, and 11-2 on pages 80-82.

**The School Board As A Whole**

The total net assets of the School Board as of June 30, 2004 (as stated on the Statement of Net Assets, Statement A on page 17) were \$31.1 million, which is a net increase of \$1.5 million over the previous year. The makeup of this amount is summarized below in Table 1. The main reason for the increase is an addition in capital assets classified as construction in progress from the ongoing construction of new Jennings High School, net of the additional long-term debt issued by School District # 2 to finance the construction. Other fluctuations in the amount of net assets during the 2003-2004 fiscal year are considered to be normal and are further explained in Table 2.

**Table 1**  
**Net Assets of the Jefferson Davis Parish School Board**  
**June 30, 2004 and June 30, 2003**  
**(in millions)**

	<b>Governmental Activities at</b>	
	<b>June 30, 2004</b>	<b>June 30, 2003</b>
Current and other assets	\$ 43.3	\$ 43.4
Capital assets	<u>32.1</u>	<u>22.9</u>
Total assets	<u>75.4</u>	<u>66.3</u>
Long-term debt outstanding	(35.8)	(29.9)
Other liabilities	<u>( 8.5)</u>	<u>(6.8)</u>
Total liabilities	<u>(44.3)</u>	<u>(36.7)</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2004**

	<b>Governmental Activities at</b>	
	<u><b>June 30, 2004</b></u>	<u><b>June 30, 2003</b></u>
Net assets:		
Invested in capital assets, net of debt	10.6	10.2
Restricted	5.5	4.8
Unrestricted	<u>15.0</u>	<u>14.6</u>
Total net assets	<u>\$ 31.1</u>	<u>\$ 29.6</u>

As reported in the Statement of Activities (Statement B on page 18), the School Board's net assets increased by \$1.7 million during the fiscal year ended June 30, 2004 (which is summarized in Table 2) however, a prior period adjustment recorded during 2004 to correct the recorded capitalization value of the land acquired for the new Jennings High School site reduced the total increase in net assets presented to \$1.5 million.

**Table 2**  
**Changes in Net Assets of the Jefferson Davis Parish School Board**  
**Fiscal Years Ended June 30, 2004 and June 30, 2003**  
**(in millions)**

	<b>Governmental Activities at</b>	
	<u><b>June 30, 2004</b></u>	<u><b>June 30, 2003</b></u>
<b>Revenues</b>		
<b>Program Revenues:</b>		
Charges for services	\$ 0.7	\$ 0.8
Operating grants and other contributions	6.8	6.2
<b>General Revenues:</b>		
Property taxes	5.4	5.3
Sales taxes	8.0	7.7
Other taxes	0.3	0.3
State minimum foundation funding (MFP)	26.0	24.5
Interest and investment earnings	0.5	0.5
Miscellaneous	<u>0.4</u>	<u>0.6</u>
Total revenues	<u>\$ 48.1</u>	<u>\$ 45.9</u>
 <b>Program Expenses</b>		
Instructional services	25.6	24.1
Support services	15.2	14.6
Non-instructional services	3.5	4.1
Interest on long-term debt	1.5	1.2
Depreciation expense not included above	<u>0.6</u>	<u>0.6</u>
Total expenses	<u>\$ 46.4</u>	<u>\$ 44.6</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2004**

Excess (deficiency) before special items	\$ 1.7	\$ 1.3
Special item – land donation received	<u>0.0</u>	<u>0.3</u>
Increase (decrease) in net assets	\$ 1.7	\$ 1.6
Net assets, beginning balance	29.6	28.0
Prior Period Adjustment	<u>(0.2)</u>	<u>0.0</u>
Net assets, ending balance	<u>\$ 31.1</u>	<u>\$ 29.6</u>

Other significant differences are as follows:

- The School Board received additional MFP funds from the State of \$1.5 million in the 2003-2004 fiscal year, principally due to an increase in Level 2 funding as a reward for raising additional taxes to pay for local education. In addition, the School Board received an increase in Level 3 funding for certificated pay raises that was explained earlier.
- Instructional services expenses increased \$1.5 million and support services expenses increased \$0.6 million over the previous year, primarily due to the cost of increased salaries and benefits paid to employees that are classified within that section.

All other fluctuations in revenues and expenses shown in Table 2 between the 2003-2004 and the 2002-2003 fiscal years are considered normal in scope and nature.

**Table 3**  
**Changes in Total Cost and Net Cost of Governmental Activities**  
**of the Jefferson Davis Parish School Board**  
**Fiscal Years Ended June 30, 2004 and June 30, 2003**  
**(in millions)**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>06/30/04</u>	<u>06/30/03</u>	<u>06/30/04</u>	<u>06/30/03</u>
Regular education programs	\$ 16.7	\$ 15.8	\$ 16.3	\$ 15.4
Special education programs	5.2	5.0	4.5	4.3
All other instructional programs	3.7	3.3	1.4	1.4
Instructional staff support services	2.8	2.7	1.6	1.6
School administrative services	2.8	2.7	2.8	2.7
Plant operations and maintenance	3.8	3.7	3.7	3.6
Student transportation services	2.0	1.9	1.9	1.8
School food and nutrition services	3.4	3.2	1.2	1.0
Interest on long-term debt	1.5	1.2	1.5	1.2
All other programs and services	<u>4.5</u>	<u>5.1</u>	<u>4.0</u>	<u>4.6</u>
Totals	<u>\$ 46.4</u>	<u>\$ 44.6</u>	<u>\$ 38.9</u>	<u>\$ 37.6</u>

Table 3 presents both the total cost of each of the School Board's largest categories of expenses and their related net cost (total cost less revenues generated by the activities) for both the 2003-2004 and 2002-2003 fiscal years. The presentation of the net cost shows the financial burden

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2004**

that was placed on the School Board's taxpayers by these functions. As reported in the Statement of Activities, the total cost of the School Board's governmental activities was \$46.4 million in fiscal year 2003-2004, however, not all of this cost was borne by the parish taxpayers. Of this amount, \$0.7 million was paid by those who used or benefited from the services rendered (for example, charges for school lunches and summer school tuition), and \$6.8 million of the cost of services was financed from federal and state grants. As a result, the taxpayers of Jefferson Davis Parish paid a net cost of \$38.9 million for K-12 public education services during fiscal year 2003-2004.

The principal reason for cost increases from the 2002-2003 to the 2003-2004 fiscal years was predominately due to the increases in employee salaries and benefits previously discussed in this MD&A. The only Table 3 category to show a significant decline from 2002-2003 to 2003-2004 was "All other programs and services." The decrease from 2002-2003 to 2003-2004 of (\$0.6) million was due to a decrease in the payments made to other governmental agencies for the infrastructure construction associated with the new Jennings High School construction project.

**The School Board's Funds**

The School Board uses funds to control and manage money for particular purposes, such as dedicated expenditures of taxes or grant programs. The fund financial statements contained in this annual report allow the School Board to demonstrate its stewardship and control of resources provided by taxpayers and other entities. These statements also allow the reader to obtain more insight into the overall financial health of the School Board.

The School Board ended its fiscal year on June 30, 2004 with a total combined fund balance of \$35.1 million. Table 4 provides a summary of the makeup of the \$35.1 million by fund category:

**Table 4**  
**Summary of Fund Balances of the Jefferson Davis Parish School Board**  
**Fiscal Year Ended June 30, 2004**  
**(in millions)**

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total All Funds</u>
Reserved	\$ 1.3	\$ 0.1	\$ 0.0	\$ 0.0	\$ 1.4
Unreserved:					
Designated	1.4	0.0	0.0	0.0	1.4
Undesignated	<u>16.5</u>	<u>1.4</u>	<u>11.2</u>	<u>3.2</u>	<u>32.3</u>
Totals	<u>\$ 19.2</u>	<u>\$ 1.5</u>	<u>\$ 11.2</u>	<u>\$ 3.2</u>	<u>\$ 35.1</u>

The fund balance in the Capital Projects Funds represents the excess of funding received from bond sales over the amount of construction expenditures incurred to date. The construction of the new high school in School District # 2 (Jennings) is the largest construction project still in

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2004**

progress. The fund balance in School District # 2 Construction Fund is \$ 11.1 million at June 30, 2004. The high school is scheduled for completion in March 2005.

**General Fund Budgetary Highlights**

Over the course of the year, the School Board revises its budget to take into consideration any significant changes in revenues or expenditures. Louisiana Revised Statute 36:1311 requires a budget amendment if either expected revenues are less than budgetary goals by 5% or more or if anticipated expenditures are greater than budgetary goals by 5% or more. The School Board adopted the original budget on August 21, 2003. The first budget revision was adopted in March 2004 after final funding figures were received from the state, including the final amount of the mandated state certificated salary increase. On June 17, 2004, the final budget revision was adopted.

Schedule 1, on pages 48 and 49 of this annual report, shows the School Board's original and final budgets compared with the actual operating results. The School Board generally did better in its General Fund than what was originally budgeted. The School Board utilizes conservative budgeting practices in establishing its original budget. Revenues are forecasted at safe, conservative levels while expenditures are budgeted with worst-case scenarios in mind. In particular, the School Board utilizes a strict staffing formula whereby salaried positions are eliminated with declines in the amount of students, which causes a drop in state funding. This is done to ensure that the original budget of the School Board will be able to sustain its needed level of operations with anticipated available resources whose existence can be established with a reasonable amount of certainty.

A comparison of the final budget revision with the actual operating results shows that the School Board did slightly better than budgeted. The principal reason for this was due to revenues received at the end of the year from restricted state grants that were about \$124,000 more than budgeted. Also, sales taxes collected for the General Fund were \$40,000 more than budgeted, thereby bringing the total General Fund sales taxes to almost \$7 million. The difference between final budgeted expenditures and actual expenditures was less than 1%, which is considered to be a negligible amount. The excess of revenues over expenditures in the General Fund was approximately \$544 thousand. This excess will be rolled into the beginning General Fund Balance for the 2004-2005 fiscal year to help offset the increased cost of employee salaries and related benefits, as explained earlier in this MD&A.

**Capital Asset and Debt Administration**

**Capital Assets**

At June 30, 2004, the School Board had invested approximately \$32.1 million (net of accumulated depreciation) in a variety of capital assets, including land, buildings, furniture, vehicles, computers, and other such items. Table 5, shown below, summarizes the capital asset activity for the current and previous fiscal years.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2004**

**Table 5**  
**Balance in Capital Assets (net of depreciation)**  
**of the Jefferson Davis Parish School Board**  
**June 30, 2004 and 2003**  
**(in millions)**

	<u>2004</u>	<u>2003</u>
Land	\$ 1.4	\$ 1.6
Construction in progress	12.2	3.1
Buildings	16.0	15.7
Furniture	2.0	2.0
Vehicles	<u>0.5</u>	<u>0.5</u>
Totals	<u>\$ 32.1</u>	<u>\$ 22.9</u>

There was one principal addition to Buildings in 2004 that account for the increase of \$0.3 million shown in Table 5. School District # 5 (Fenton Elementary School) completed its renovation project in 2004 causing additions to the Buildings schedule that account for the increase. The decrease in Land is attributable to two occurrences. First School District #5 (Fenton Elementary School) sold five acres of surplus property for \$25,000 in 2004. Also, an appraisal of the property acquired for the new high school in School District # 2 (Jennings) showed that the capitalization value recorded in 2003 was overstated. A prior period adjustment was recorded in 2004 to reduce the capitalization value of the land to its appraised value of \$200,000.

As mention earlier in the MD&A, a new high school is currently under construction in School District # 2. This ongoing activity caused a significant increase in Construction In Progress for 2003-2004. The school is not scheduled for completion until March 2005, and at that time it will be transferred into its capital asset components.

**Debt**

At year-end, the School Board had \$35.8 million in long-term debt outstanding versus \$30.0 million last year. This is a 19% increase over the previous year, which is illustrated in Table 6 below:

**Table 6**  
**Outstanding Debt at Year-End of the Jefferson Davis Parish School Board**  
**June 30, 2004 and 2003**  
**(in millions)**

	<u>2004</u>	<u>2003</u>
General obligation bonds	\$ 33.5	\$ 27.7
Compensated absences	<u>2.3</u>	<u>2.3</u>
Totals	<u>\$ 35.8</u>	<u>\$ 30.0</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2004**

One new bond issue was sold during the 2003-2004 fiscal year. The third and final bond issue for School District # 2 was a \$7 million issue of revenue bonds, supported by a one-half cent sales tax that was sold in December 2003. Other long-term obligations include accruals for accumulated sick leave and vacation pay.

**Economic Factors And Next Year's Budget**

Jefferson Davis Parish is a rural community without much in the way of an industrial or business tax base. As a result, there has been a slow and steady decline in the student population over the last ten years, predominately caused by a lack of jobs for workers in the area. A drop in the number of students means a decline in the amount of funds received from the State through its MFP funding plan. Fortunately, the State has steadily increased its per pupil funding level over the last several years which has offset the loss of income due to the decline in students. In addition, the School Board adopted a staffing formula for its school system in which the number of professional and support employees at each location is largely determined by the student count. By the terms of the staffing formula, a decrease in the number of students triggers a reduction in the number of employee positions, and vice versa should there be an increase in a school's student count. This staffing formula is largely responsible for keeping the General Fund in sound financial condition as it allows the School Board to control the amount of spending for employee salaries and benefits, which comprises approximately 89% of its total budget.

The property tax and sales tax bases have shown a trend of modest growth over the last five years. A reassessment of property values in the parish during 2002 as ordered by the State Legislative Auditor resulted in an increase in property values in each district in the parish except for one. The increase in property values resulted in additional income from property taxes to the School Board. The 2004 reassessment just completed by the parish tax assessor reported a modest increase in property values in all taxing districts, except for one (School District # 1, Lake Arthur) that showed a minor decrease. However, additional income from the 2004 parish reassessment will not be realized until the 2004-2005 fiscal year.

Sales taxes increased by 4.4% in fiscal year 2004 as compared to fiscal year 2003. The sales tax base in the parish is expected to show moderate growth in the immediate future due to the culmination of several parish-wide projects that are forecasted to provide a boost to economic development within the parish. The new Veterans Administration facility, the Lacassine industrial complex expansion, and the new Jennings High School project should combine to cause a spurt in the local economy, thereby increasing the sales tax base for future years.

Over the last decade, the General Fund has accumulated a significant undedicated surplus, however, the presentation of the General Fund unreserved surplus has not been accurate. The School Board has placed several burdens and responsibilities over the years on the General Fund that were never reflected in any reserve account. In August 2004, the School Board passed a motion to dedicate a portion of its unreserved surplus as follows:



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2004**

- Create a "Reserve for Roof Replacement" in the amount of \$6 million. In 1989, the School Board passed a motion to require that the General Fund pay for the cost of any roof repairs or replacements rather than the maintenance funds of the local school districts. The reserve for \$6 million has been estimated by the School Board's architect as an adequate estimate of the cost of roof repairs or replacements for the next six years. This responsibility of the General Fund had never been reflected in its financial statements.
- Create a "Reserve for Unfunded Pension Liability" in the amount of \$2 million. New governmental accounting principles will require that the School Board set up a reserve fund for accrued pension liabilities on behalf of both current and retired employees that are the financial responsibility of the School Board. The School Board decided to create the reserve at this time based on an estimated amount. The School Board will have to employ an actuary to calculate more precise estimates when the new governmental pension accounting standards take effect in 2006.

If these entries had been recorded as of June 30, 2004, the unreserved balance of the General Fund would have been shown as approximately \$8.5 million.

The taxpayers of School District # 1 voted in September 2004 to raise \$3 million for the renovation and refurbishment of the two Lake Arthur schools in the district. The bonds will be issued in two phases. The first issue of \$2 million will be sold in January 2005 with the remaining \$1 million issue expected to be sold one year later. Renovation work at the schools will commence in the summer of 2005. Completion of the expected renovations may not be completed until the summer of 2006. Since 2000, all seven school districts have passed bond elections to raise funds for either the renovation of existing school facilities or the construction of new schools. This is a very positive statement for the support of public education with Jefferson Davis Parish.

Although the School Board is still in good financial condition, there is cause for concern for the 2005 fiscal year. Increased employee benefits costs passed on to the School Board without additional funding have clouded the outlook for the 2004-2005 fiscal year. Beginning July 1, 2004, the employer retirement contribution rates for the various employee retirement systems all rose substantially. The required increase in retirement contributions, which is outside of the control of the School Board, was attributed to the poor earnings performance of each system's *investment portfolios*. Also, the overall premium for health insurance premiums rose by an average of 13% for 2004-2005. In addition, insurance premiums for the School Board's property, general liability, automobile/fleet, and workers compensation insurance programs continue to escalate at an alarming rate due to national and local insurance market factors beyond its control. These factors alone will cause the School Board's General Fund to absorb an estimated \$800,000 in employee benefits expenses.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2004**

**Contacting The School Board's Financial Management**

This annual report is designed to provide a general overview of the School Board's financial condition and operations. However, citizen groups, taxpayers, parents, students, other parish officials, investors, and creditors may desire to obtain additional details. Please either write the Director of Finance at the Jefferson Davis Parish School Board Central Office at P. O. Box 640, Jennings, Louisiana 70546 or call at (337) 824-1834 during normal business hours should you require any additional information about the material contained in this annual report.

**BASIC FINANCIAL STATEMENTS**  
**GOVERNMENT-WIDE**  
**FINANCIAL STATEMENTS (GWFS)**

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Statement of Net Assets**  
**June 30, 2004**

**Statement A**

**ASSETS**

Cash and cash equivalents	\$	28,939,447
Restricted cash and cash equivalents		573,250
Investments		11,046,919
Receivables, net		2,109,880
Inventory		375,828
Prepaid items		8,000
Deferred charges, net		274,551
Capital assets:		
Land and construction in progress		13,538,162
Exhaustable capital assets, net of depreciation		18,556,048
<b>TOTAL ASSETS</b>		<u>75,422,085</u>

**LIABILITIES**

Accounts payable		659,945
Contracts payable		1,363,177
Payroll deductions, withholdings, and accrued salaries payable		4,860,978
Interest payable		562,764
Deposits due others		11,612
Deferred revenue		1,039,139
Long-term liabilities:		
Due within one year		1,608,049
Due in more than one year		34,170,872
<b>TOTAL LIABILITIES</b>		<u>44,276,536</u>

**NET ASSETS**

Invested in capital assets, net of related debt		10,553,705
Restricted for:		
Debt service		2,607,163
Capital projects		382,966
Insurance contingencies		1,000,000
Maintenance funds		1,370,360
School food service		176,963
Unrestricted		15,054,392
<b>TOTAL NET ASSETS</b>	\$	<u>31,145,549</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Statement of Activities**  
**For the Year Ended June 30, 2004**

**Statement B**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
<b>FUNCTIONS/PROGRAMS</b>				
Governmental activities:				
Instruction:				
Regular programs	\$ 16,656,062	\$ 114,894	\$ 253,237	\$ (16,287,931)
Special education programs	5,205,312		707,756	(4,497,556)
Vocational programs	1,430,143		89,764	(1,340,379)
All other instructional programs	2,306,606	55,598	2,197,594	(53,414)
Support services:				
Student services	1,943,241		199,936	(1,743,305)
Instructional staff support	2,800,070		1,168,439	(1,631,631)
General administration	1,015,327	105,625	11,592	(898,110)
School administration	2,815,266		11,596	(2,803,670)
Business services	485,481		34,956	(450,525)
Plant operation and maintenance	3,768,883		117,862	(3,651,021)
Student transportation services	1,993,101	11,864	46,769	(1,934,468)
Central services	353,011		131,094	(221,917)
Non-instructional services:				
Food services	3,407,704	459,313	1,742,520	(1,205,871)
Community service programs	27,578			(27,578)
Intergovernmental	93,197		72,150	(21,047)
Interest on long-term debt	1,493,388			(1,493,388)
Depreciation expense not included in other functions	624,360			(624,360)
 Total Governmental Activities	 <u>46,418,730</u>	 <u>747,294</u>	 <u>6,785,265</u>	 <u>(38,886,171)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				1,974,974
Property taxes, levied for debt service				2,052,498
Property taxes, levied for building and repair				1,326,790
Sales taxes, levied for general purposes				6,990,035
Sales taxes, levied for debt service				1,007,801
State revenue sharing				291,149
Grants and contributions not restricted to specific purposes:				
State source: Minimum foundation program net of restricted				
School Lunch Program Revenue portion of \$43,747				26,044,857
Interest and investment earnings				492,559
Miscellaneous				366,509
 Total general revenues				 <u>40,547,172</u>
 Changes in net assets				 1,861,001
Net assets -beginning as reported				29,649,368
Prior period adjustment				(164,820)
Net assets -ending				<u>\$ 31,145,549</u>

The accompanying notes are an integral part of this statement.

**BASIC FINANCIAL STATEMENTS**  
**FUND FINANCIAL STATEMENTS (FFS)**

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**GOVERNMENTAL FUNDS**  
**Balance Sheet**  
**June 30, 2004**

**Statement C**

	General Fund	School District No. 2 Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,984,286	\$ 12,451,395	\$ 4,503,766	\$ 28,939,447
Restricted cash and cash equivalents	-	-	573,250	573,250
Investments	11,046,920	-	-	11,046,920
Receivables	959,518	-	1,150,362	2,109,880
Interfund receivables	781,305	-	7,067	788,372
Inventory	270,227	-	105,601	375,828
Prepaid items	8,000	-	-	8,000
<b>TOTAL ASSETS</b>	<u>25,050,256</u>	<u>12,451,395</u>	<u>6,340,046</u>	<u>43,841,697</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	430,111	-	229,835	659,946
Contracts payable	-	1,363,177	-	1,363,177
Payroll deductions, withholdings, and accrued salaries payable	4,410,769	-	450,209	4,860,978
Interfund payables	3,976	-	784,396	788,372
Deposits due others	-	-	11,612	11,612
Deferred revenue	1,039,139	-	-	1,039,139
<b>Total Liabilities</b>	<u>5,883,995</u>	<u>1,363,177</u>	<u>1,476,052</u>	<u>8,723,224</u>
<b>FUND BALANCES</b>				
Reserved	1,306,708	-	105,601	1,412,309
Unreserved:				
Designated	1,402,402	-	-	1,402,402
Undesignated reported in:				
General fund	16,457,151	-	-	16,457,151
Special revenue funds	-	-	1,441,722	1,441,722
Debt service funds	-	-	3,169,927	3,169,927
Capital projects funds	-	11,088,218	146,744	11,234,962
<b>Total Fund Balances</b>	<u>19,166,261</u>	<u>11,088,218</u>	<u>4,863,994</u>	<u>35,118,473</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 25,050,256</u>	<u>\$ 12,451,395</u>	<u>\$ 6,340,046</u>	<u>\$ 43,841,697</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Assets**  
**June 30, 2004**

**Statement D**

**Total Ending Fund Balances - Governmental Funds (Statement C)** \$ 35,118,473

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Costs of capital assets	61,216,505	
Accumulated depreciation	<u>(29,122,295)</u>	32,094,210

Bond issue costs are not financial resources and therefore are not reported as assets in governmental funds.

Bond issue costs	337,247	
Accumulated amortization	<u>(62,696)</u>	274,551

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Bonds payable	33,449,000	
Interest payable	562,764	
Compensated absences payable (sick leave and vacations)	<u>2,329,921</u>	(36,341,685)

**Net Assets (Statement A)** \$ 31,145,549



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**GOVERNMENTAL FUNDS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2004**

**Statement E**  
**(Continued)**

	<u>General Fund</u>	<u>School District No. 2 Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 1,854,440	\$ -	\$ 3,379,288	\$ 5,233,728
Sales and use taxes	6,990,035	-	1,007,801	7,997,836
Parish contribution to retirement fund	120,535	-	-	120,535
Collection fees from municipalities	105,624	-	-	105,624
Tuition	170,492	-	-	170,492
Interest earnings	234,353	156,362	66,066	456,781
Food services	-	-	459,313	459,313
Other local revenue	342,532	-	24,650	367,182
State sources:				
Equalization	25,288,604	-	800,000	26,088,604
Restricted grants-in-aid	949,421	-	-	949,421
Revenue sharing	209,933	-	81,216	291,149
Other state revenues	24,579	-	-	24,579
Federal sources	-	-	5,803,237	5,803,237
Total Revenues	<u>36,290,548</u>	<u>156,362</u>	<u>11,621,571</u>	<u>48,068,481</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	16,050,913	-	418,238	16,469,151
Special education programs	4,543,751	-	672,152	5,215,903
Vocational programs	1,326,786	-	87,458	1,414,244
All other instructional programs	716,470	-	1,627,185	2,343,655
Support services:				
Student services	1,743,393	-	193,197	1,936,590
Instructional staff support	1,748,658	-	1,001,114	2,749,772
General administration	909,175	1,148	113,668	1,023,991
School administration	2,750,977	-	51,548	2,802,525
Business services	491,934	65,418	7,659	565,011
Plant operation and maintenance	3,005,466	-	832,835	3,838,301
Student transportation services	1,897,735	-	44,916	1,942,651
Central services	277,748	-	107,608	385,356
Non-instructional services:				
Food services	431,131	-	3,001,026	3,432,157
Community service programs	27,578	-	-	27,578
Intergovernmental	-	21,047	72,150	93,197
Facilities acquisition and construction	-	9,199,591	854,971	10,054,562
Debt service:				
Principal retirement	-	-	1,230,000	1,230,000
Interest	-	-	1,361,924	1,361,924
Total expenditures	<u>35,921,715</u>	<u>9,287,204</u>	<u>11,677,649</u>	<u>56,886,568</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**GOVERNMENTAL FUNDS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2004**

**Statement E**  
**(Concluded)**

	<u>General</u>	<u>School Distribt No. 2 Capital Project</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>368,833</u>	<u>(9,130,842)</u>	<u>(56,078)</u>	<u>(8,818,087)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	18,383	18,383
Operating transfers out	-	-	(18,383)	(18,383)
Indirect costs	175,281	-	(175,281)	-
Proceeds from sale of bonds	-	7,000,000	-	7,000,000
Proceeds from sale of fixed assets	-	-	25,501	25,501
Total other financing sources (uses)	<u>175,281</u>	<u>7,000,000</u>	<u>(149,780)</u>	<u>7,025,501</u>
NET CHANGES IN FUND BALANCES	544,114	(2,130,842)	(205,858)	(1,792,586)
FUND BALANCES BEGINNING OF YEAR	<u>18,622,147</u>	<u>13,219,060</u>	<u>5,069,852</u>	<u>36,911,059</u>
FUND BALANCES END OF YEAR	<u>\$ 19,166,261</u>	<u>\$ 11,088,218</u>	<u>\$ 4,863,994</u>	<u>\$ 35,118,473</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance of Governmental Funds to the Statement of Net Assets**  
**For the Year Ended June 30, 2004**

**Statement F**

**Total Net Change in Fund Balances - Governmental Funds (Statement E)** \$ (1,792,586)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:

Depreciation expense	(1,336,821)	
Capital outlays	<u>10,723,003</u>	9,386,182

The net effect of various transactions involving capital assets (ie., sales, trade-ins, and contributions) is to decrease net assets (43,200)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. The amount by which proceeds exceeded repayments was derived as follows:

General obligation debt issued	(7,000,000)	
General obligation debt repayments to bondholders	<u>1,230,000</u>	(5,770,000)

In the statement of activities, certain operating expenses - compensated absences (sick leave and vacations) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, sick leave and vacation pay earned exceeded the amounts used as follows:

Compensated absences used / paid	351,531	
Compensated absences earned	<u>(405,538)</u>	(54,007)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is the net result of two factors as follows:

Increase in accrued interest payable	(115,559)	
Amortization of bond issue cost	<u>(15,905)</u>	(131,464)

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The current period amortization of all bond issue cost is shown as an adjustment to interest expense above. This amount is the current period bond issue costs which have been deferred.

66,076

**Change In Net Assets of Governmental Activities (Statement B)** \$ 1,661,001

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
FIDUCIARY FUNDS  
Statement of Fiduciary Net Assets  
June 30, 2004**

**Statement G**

	<u>Total Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,139,673
Investments	93,373
<b>TOTAL ASSETS</b>	<u>\$ 1,233,046</u>
<b>LIABILITIES</b>	
Due to other governments	\$ 406,931
Deposits due others	826,115
<b>TOTAL LIABILITIES</b>	<u>\$ 1,233,046</u>

The accompanying notes are an integral part of this statement.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

# JEFFERSON DAVIS PARISH SCHOOL BOARD

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### INTRODUCTION

The Jefferson Davis Parish School Board (the School Board) was created by Louisiana Revised Statute (R.S.) 17:51 to provide public education for the children within Jefferson Davis Parish. The School Board is authorized by R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of 13 members who are elected from 13 districts for terms of four years.

The school system is comprised of a central office, 14 schools, and 4 educational support facilities (Lunch Service Warehouse, Media Center, Pupil Appraisal Center, and Technology & Maintenance Center). Enrollment as of October, 2003 was approximately 5,641 regular and special education students. The School Board employs approximately 800 people, providing instructional and ancillary support such as general administration, repair and maintenance, food services, bus transportation, etc. The regular school term normally begins in late August and ends in late May.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

*Governmental Accounting Standards Board (GASB) Statement 14, The Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of GASB Statement 14, the School Board is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, *fiscally independent* means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Based on the criteria of GASB Statement 14, the School Board has no *component units*, defined as other legally separate organizations for which the elected School Board members are financially accountable, which are required to be included in the accompanying financial statements.

#### B. Basis of Presentation

##### Government-Wide Financial Statements

During the current year, the School Board adopted the provisions of GASB Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. See Note 21 for additional information.

The government-wide financial statements (GWFS) report information on all of the nonfiduciary activities of the School Board. For the most part, the effect of interfund activity has been removed from these statements.

The statement of net assets presents information on all of the School Board’s assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

identified by function is included in the direct expense of each function. The School Board reports all building depreciation separately as an unallocated indirect expense since most of the buildings serve more than just a few functions. Interest on long-term bonded debt is considered an indirect expense and is reported separately on the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

Separate fund financial statements (FFS) are provided for governmental funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as separate columns in the fund financial statements.

The accounts of the School Board are organized on the basis of funds, 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, fund equity, revenues, and expenditures. The various funds are summarized by type in the financial statements. The following fund types are used by the School Board:

**Governmental Funds.** Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use, and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. The School Board reports the following major governmental funds:

*General Fund* – The General Fund is the general operating fund of the School Board. It is used to account for all financial resources except those required to be accounted for in another fund.

*School District No. 2 Capital Project Fund* – This fund is used to account for the financial resources to be used for the acquisition or construction of capital facilities in School District No. 2 not reported in other governmental funds.

Additionally the School Board reports nonmajor funds in the following fund types:

*Special Revenue Funds* – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

*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. These funds receive dedicated ad valorem taxes and a dedicated portion of sales taxes paid to the School Board.

*Capital Projects Funds* – account for financial resources received and used for the acquisition, construction, or improvement of major capital facilities not reported in other governmental funds.

**Fiduciary Funds.** Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Fiduciary funds include:

*Agency Funds* – The Agency Funds are used to account for assets held by the School Board as an agent for other parties. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The *School Activity Agency Fund* accounts for monies collected by students and school personnel for school or school-related purposes and the *Sales and Use Tax*

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*Agency Fund* accounts for the collection of sales and use taxes, which are accumulated and distributed monthly for several other governmental agencies, the General Fund, and the Sales Tax District No. 1 Debt Service Fund.

**C. Basis of Accounting and Measurement Focus**

**Government-Wide Financial Statements (GWFS)**

The statement of net assets and the statement of activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirement of GASB Statement 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

**Fund Financial Statements (FFS)**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds 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 (revenues and other financing sources) and decrease (expenditures and other financing uses) in net current assets.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds) are maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., when both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose the School Board considers revenues to be "available" if they are collected within 60 days of the end of the current fiscal period.

Revenues which are susceptible to accrual are ad valorem taxes, sales taxes and investment income. Food services and miscellaneous other revenues are recorded as revenues when earned. Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. For other intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. In reimbursement-type programs, monies must be expended on a specific purpose or project before any amounts will be paid to the School Board; therefore, revenues are recognized based upon the expenditures recorded. In other programs in which monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements, the resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is the principal and interest on general long-term debt which is recognized when due. As of year end, all instructional related salaries for July and August related to nine-month contracted employees who are paid over twelve months have been accrued because the salaries have been earned but not paid.



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Compensated absences are recognized as expenditures when the benefit earned by the employee has matured. The matured liability for compensated absences, which includes salary and salary related payments, is reported in the associated fund.

Transfers between funds that are not expected to be repaid, long-term debt proceeds, proceeds from capital lease transactions, proceeds from sale of fixed assets, and debt extinguishments are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**D. Cash and Equivalents**

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of ninety days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**E. Investments**

Investments are limited by R.S. 33:2955 and the Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

When investments are present in the financial statements they are reflected at fair value except for the following which are permitted per GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*:

- 1) Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure. *Interest-earning investment contracts include time deposits with financial institutions (such certificates of deposit), repurchase agreements, and guaranteed investment contracts.*
- 2) Money-market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

**F. Short-term Interfund Receivables /Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the FFS balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

**G. Elimination and Reclassifications**

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the FFS were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
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**H. Inventories**

Inventories in the General Fund consist of materials and supplies. Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry.

In the FFS and GWFS inventories of governmental funds are accounted for using the consumption method in which expenditures are recognized as inventory is used. Unused commodities at June 30<sup>th</sup> are reported as deferred revenues. All purchased inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture.

**I. Capital Assets**

Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded in the GWFS, but not in the FFS, at their estimated fair value at the date of donation. The School Board maintains a threshold level for capitalization of \$1,000. Capital assets are reported in the GWFS, but not reported in the FFS, since they do not represent available current resources. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is calculated based on the following estimated useful lives:

Buildings	25-50 years
Furniture and equipment	5-20 years
Vehicles	8 years

The School Board does not possess any material amounts of infrastructure capital assets, such as roads and bridges.

**J. Deferred Revenue**

Deferred revenues represent monies that have been received before the incurrence of eligibility requirements necessary for revenue recognition. In subsequent periods, when the School Board has met established eligibility requirements, the liability for deferred revenues is removed from the balance sheet and revenue is recognized.

**K. Compensated Absences**

The Board has the following policies relating to vacation, sick, and sabbatical leave:

- 1) Vacation – Professional employees on a twelve month basis who have been in the parish system for ten or more calendar years, earn a three week vacation each calendar year, subject to approval by the Superintendent. All other twelve month professional employees are eligible for a two week vacation, provided they have been employed in the system for at least one calendar year. *Vacation time can not be accumulated from year to year. Employees who terminate employment will be paid their daily rate of regular pay for all days of unused vacation leave to which the employee is entitled within the current calendar year.*

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- 2) Sick Leave – Employees are granted from ten to eighteen days of sick leave each year depending on classification and month employed during first year. Such leave, when not used, shall be allowed to accumulate to the credit of the employee without limitation. Upon retirement or death, employees are paid for any unused sick leave up to a maximum of twenty-five days at their current daily rate of pay. Under Louisiana Teachers’ Retirement System and the Louisiana School Employees’ Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.
- 3) Sabbatical Leave - Sabbatical leave may be granted for medical reasons and for professional and cultural improvement. Any employee with a teaching certificate and any social worker or school psychologist who holds a valid auxiliary certificate in school work or school psychology is entitled, subject to approval by the Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service.

Only unused vacation leave to which the employee is entitled within the current calendar year is accrued as a liability at fiscal year end. An accrual for sick leave is made based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. Sabbatical leave is not accrued since it is considered leave for service during the period of the leave and therefore not a liability reportable in advance of the sabbatical pursuant to GASB Statement 16, *Accounting for Compensated Absences*.

In the FFS, the matured (the amount that is expected to be paid with current financial resources) liability for compensated absences, which includes salary and salary related payments, is reported in the fund from which the employees who have accumulated leave are paid. The amount not expected to be paid with current resources is not reported in the FFS. The entire compensated absence liability is reported in the GWFS.

**L. Long-Term Liabilities**

In the GWFS, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond discounts and issuance costs are deferred and amortized over the life of the bonds.

Long-term debt for governmental funds is not reported as liabilities in the FFS. The debt proceeds are reported as other financing sources and the payment of principle and interest is reported as expenditures. Governmental fund types recognize bond discounts and issuance costs during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**M. Restricted Net Assets**

*For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:*

- 1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- 2) Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the School Board’s policy to use restricted resources first, then unrestricted resources as they are needed.

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**N. Fund Equity of Fund Financial Statements**

In the FFS, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans for future use of financial resources that are subject to change.

**O. Extraordinary and Special Items**

Extraordinary items, although not present in the accompanying financial statements, are transactions or events that are both unusual in nature and infrequent in occurrence. Special items reported in the accompanying financial statements are transactions or events within the control of the School Board, which are either unusual in nature or infrequent in occurrence.

**P. Interfund Transactions**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as operating transfers in the FFS.

**Q. Sales Taxes**

Sales taxes are collected on a monthly basis by the Board's Sales Tax Department. The School Board receives sales tax revenue from the following three sales taxes:

- 1) An ordinance dated December 2, 1965, which was approved by the voters of the parish authorizes the Board to collect, for an indefinite period beginning January 1, 1966, a 1% sales and use tax to be used exclusively to supplement other revenues available to the Board for payment of salaries of teachers and for operating expenses of schools including payment of salaries of other personnel employed in addition to teachers.
- 2) Another ordinance dated June 19, 1997, was approved by the voters of the parish authorizing the Board to collect, for a period of ten years from December 1, 1997, an additional 1% sales and use tax to be used to supplement other revenues available to the Board for payment of salaries of teachers and for operating expenses of schools including payment of salaries of other personnel employed in addition to teachers.
- 3) An additional ordinance dated September 13, 2001, was approved by the voters of School District No.2 authorizing the Board to collect, for a period of 25 years from January 1, 2002, an additional ½% sales and use tax to be used to pay a portion of the costs of constructing and improving public school buildings and facilities, acquiring land, equipment, and furnishings and/or use the proceeds of the tax to pay any bonded or funded indebtedness of the District.

**R. 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, expenses, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
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**S. Restricted Cash and Cash Equivalents**

A certain amount of sales taxes collected in the Sales Tax District No. 1 Debt Service Fund has been set aside, pursuant to bond covenants, in a separate bank account as a reserve for future debt service payments.

**2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2004:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Special Revenue Funds:				
School District #C1 Maintenance	\$ 179,358	\$ 242,198	\$ 247,966	\$ 5,768
School District #1 Maintenance	245,286	229,438	255,454	26,016
School District #2 Maintenance	386,977	300,884	315,089	14,205
School District #3 Maintenance	57,347	58,303	62,214	3,911
School District #8 Maintenance	64,630	82,732	83,911	1,179
School Food Service	2,916,023	2,884,497	3,001,026	116,529
Other Federal Programs	327,321	325,555	366,892	41,337
Migrant Education	169,025	96,871	158,931	62,060
Title IV Drug Free Schools	50,928	48,025	54,520	6,495
Title II	460,214	463,152	578,962	115,810

Pursuant to Louisiana Budget Act, none of the above unfavorable variances are considered noncompliance since they fall below the five percent adverse variance statutory threshold, meet the less than \$250,000 of anticipated expenditure amount exception, or they are contained in expenditure driven revenue recognition funds such as Federal grant expenditure reimbursement programs.

**3. LEVIED TAXES**

The School Board levies taxes on real and business personal property located within Jefferson Davis Parish's boundaries. Property taxes are levied by the School Board on property values at January 1 assessed by the Jefferson Davis Parish Tax Assessor and approved by the State of Louisiana Tax Commission upon submission of the tax roll.

The Jefferson Davis Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly:

<u>Property Tax Calendar</u>	
Assessment date	January 1 <sup>st</sup>
Levy date	Not later than June 1 <sup>st</sup>
Tax bills mailed	On or about November 15 <sup>th</sup>
Due date	December 31 <sup>st</sup>
Penalties and interest are added	January 1 <sup>st</sup>
Lien date	January 1 <sup>st</sup>
Tax sale – delinquent property	During June

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Assessed values are established by the Jefferson Davis Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2003. Total assessed value was \$147,433,702 for the calendar year 2003. Louisiana State law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$35,962,260 of the assessed value in calendar year 2003.

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide Taxes:			
Constitutional	6.48	6.48	Statutory
Special School	10.77	10.77	2007
School District No. 1:			
Maintenance	12.45	12.45	2012
Maintenance-Special	9.00	9.00	2009
Bonds	17.50	17.50	2005
School District No. 2:			
Maintenance	11.85	11.85	2012
Bonds	19.75	19.75	2021
School District No. 3:			
Maintenance	14.00	14.00	2010
Bonds	15.75	15.75	2020
School District No. 5:			
Maintenance	4.02	4.02	2012
Bonds	7.25	7.25	2021
School District No. 8:			
Maintenance	8.61	8.61	2012
Bonds	25.25	25.25	2004
School District No. 22 (Allen Parish also):			
Maintenance	11.89	11.89	2012
Bonds	22.50	22.50	2020
Consolidated School District No. 1			
Maintenance	11.66	11.66	2012
Bonds	21.00	21.00	2019

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**4. DEPOSITS – CASH AND CASH EQUIVALENTS**

At June 30, 2004, the Board has cash and cash equivalents (book balances) totaling \$29,512,697 as follows:

Interest-bearing demand deposits	\$	28,939,197
Other		250
Total Cash and Cash Equivalents		<u>28,939,447</u>
Restricted Cash and Cash Equivalents		573,250
Total Deposits	\$	<u><u>29,512,697</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2004, the Board has \$44,521,159 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$33,273,998 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the school board that the fiscal agent has failed to pay deposited funds upon demand.

**5. INVESTMENTS**

The School Board participates in the Louisiana Asset Management Pool, Inc. (LAMP), which is an external local government investment pool. In accordance with GASB Statement 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, the investment in LAMP at year end is not categorized in the three risk categories provided by this statement because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

The School Board also participates in the Louisiana State Treasury's Education Excellence Fund (EEF), which is a special fund, similar to an external local government investment pool, established within the Millennium Trust, a special permanent trust of the State of Louisiana, pursuant to the Louisiana Constitution Article 7, Section 10.8. In accordance with GASB Statement 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, the investment in EEF at year end is not categorized in the three risk categories provided by this statement because the

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investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The EEF is administered by the Louisiana State Treasury through an investment agreement pursuant to La. R.S. 39:99. Only school boards that have executed investment agreements pursuant to La. R.S. 39:99 have an investment interest in the fund's pool of assets. Pursuant to La. R.S. 39:99 C (1), the State guarantees the principal invested in this fund by the school board. The primary objective of the EEF is to provide a safe environment for the placement of certain local school board monies associated with tobacco company settlements. The monies invested in EEF by the treasurer, are done so with the same authority and subject to the same restrictions as the Louisiana Education Quality Trust Fund pursuant to La. R.S. 17:3803. According to Louisiana Constitution Article 7, Section 10.8 (C)(g) no funds may be distributed to the School Board from the EEF until an annual plan has been submitted and receives both legislative and Department of Education approval as provided by law. As a result, the monies invested in this fund along with any accumulated investment earnings have been recorded as deferred revenues by the School Board.

The fair value of the position in these pools are the same as the value of the pool shares.

Investments are categorized into these three categories of credit risk:

- 1) Insured or registered, or securities held by the school board or its agent in the Board's name
- 2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Board's name
- 3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Board's name

At fiscal year-end, the Board's investment balances were as follows:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Investments not subject to categorization:		
Louisiana Asset Management Pool	\$ 10,007,780	\$ 10,007,780
Louisiana State Treasurer Education Excellence Fund	1,039,139	1,039,139
Total Investments	<u>\$ 11,046,919</u>	<u>\$ 11,046,919</u>

**6. RECEIVABLES**

The receivables at June 30, 2004 for the School Board's major and nonmajor funds are as follows:

<u>Class of Receivable</u>	<u>General Funds</u>	<u>District No. 2 Capital Project Fund</u>	<u>Other Nonmajor Governmental</u>	<u>Total</u>
Taxes:				
Ad valorem	\$ 8,427	\$ -	\$ 15,505	\$ 23,932
Sales and use	604,292	-	89,477	693,769
Intergovernmental:				
Federal	-	-	1,041,617	1,041,617
State	336,138	-	-	336,138
Other	10,661	-	3,763	14,424
Total	<u>\$ 959,518</u>	<u>\$ -</u>	<u>\$ 1,150,362</u>	<u>\$ 2,109,880</u>

There were no allowances for uncollectible accounts as of June 30, 2004.



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**7. CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	<u>Balance Beginning</u>	<u>Adjustments</u>	<u>Additions/ Reclasses</u>	<u>Dispositions</u>	<u>Balance Ending</u>
Capital assets not being depreciated:					
Land	\$ 1,568,485	(199,199)	15,600	13,750	1,371,136
Construction in progress	3,132,357	12,387	9,022,282	-	12,167,026
Total capital assets not being depreciated	<u>4,700,842</u>	<u>(186,812)</u>	<u>9,037,882</u>	<u>13,750</u>	<u>13,538,162</u>
Capital assets being depreciated:					
Buildings and improvements	38,369,761	-	1,016,681	-	39,386,442
Furniture and equipment	6,129,206	22,098	529,877	533,403	6,147,778
Transportation equipment	2,029,189	-	138,563	23,629	2,144,123
Total capital assets being depreciated	<u>46,528,156</u>	<u>22,098</u>	<u>1,685,121</u>	<u>557,032</u>	<u>47,678,343</u>
Less accumulated depreciation for:					
Buildings and improvements	22,725,471	-	620,418	-	23,345,889
Furniture and equipment	4,082,282	106	554,436	503,954	4,132,870
Transportation equipment	1,505,197	-	161,967	23,628	1,643,536
Total accumulated depreciation	<u>28,312,950</u>	<u>106</u>	<u>1,336,821</u>	<u>527,582</u>	<u>29,122,295</u>
Total capital assets being depreciated, net	<u>18,215,206</u>	<u>21,992</u>	<u>348,300</u>	<u>29,450</u>	<u>18,556,048</u>
Capital assets, net	<u>\$ 22,916,048</u>	<u>(164,820)</u>	<u>9,386,182</u>	<u>43,200</u>	<u>32,094,210</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular instruction	\$ 257,596
Special educational instruction	73,540
Vocational instruction	55,335
All other instructional programs	10,315
Support services:	
Pupil support services	2,987
Instructional staff	46,568
General administration	4,628
School administration	11,299
Business services	4,333
Operational and maintenance	60,233
Student transportation	138,456
Central services	4,027
Non-instructional services:	
Food services	43,144
Unallocated building depreciation	<u>624,360</u>
Total depreciation expense	<u>1,336,821</u>

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**8. RETIREMENT SYSTEMS**

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

**A. Teachers' Retirement System of Louisiana (TRS)**

**Plan Description.** The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

**Funding Policy.** Plan members are required to contribute 8.0%, 8.0%, and 8.0% of their annual covered salary for the Regular Plan and Plan A, and 5.0%, 5.0%, and 8.0% for Plan B, for 2004, 2003, and 2002 respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 13.8%, 13.1%, and 13.1% of annual covered payroll for the three membership plans, respectively. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the school board.

The School Board's contributions to the TRS for the years ending June 30, 2004, 2003, and 2002, were \$3,138,530, \$2,925,684, and \$2,758,104, respectively, equal to the required contributions for each year.

**B. Louisiana School Employees' Retirement System (LASERS)**

**Plan Description.** The LASERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LASERS issues a publicly available financial report that includes financial statements and required supplementary information for the LASERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

**Funding Policy.** Plan members are required to contribute 7.5% of their annual covered salary to the plan for 2004 and 7.5% for 2003, 7.5% for 2002. The School Board was required to contribute 8.5% of covered employees' salaries for 2004 and 6.0% for 2003 and 2002. However, due to the passage of L.R.S. 11:102(B)(2)(b)(ii) [House Bill 2174], employer contributions for the year ended June 30, 2003, and 2002, were funded 100% from the Employer Credit Account and not by the School Board. The amount contributed on behalf of the School Board for 2003 and 2002 amounted to approximately \$106,443 and \$99,916, respectively, equal to the required contribution for each year. The School Board's contribution to LASERS for the year ending June 30, 2004, amounted to \$155,132, which equaled the required contribution. Member contributions and employer contributions for the LASERS

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee.

**9. OTHER POST-EMPLOYMENT BENEFITS**

In accordance with State statutes, the School Board provides continuing health care and life insurance benefits for its retired employees. The School Board voluntarily funds an additional portion of retirees group health and life insurance coverage under a motion originally passed on April 3, 1980, which was last amended on June 20, 1996. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees were provided through a fully insured program, whose monthly premiums are paid jointly by the employees and the School Board. The School Board recognizes the cost of providing these benefits (the Board's portion of premiums) as an expenditure when the monthly premiums are due.

No provision for the unfunded portion of the Board's future liability has been made in the accompanying financial statements.

The portion of these costs paid for by the School Board for these benefits totaled \$1,886,051 (mandated by State statute \$1,756,914 and voluntarily under Board motion \$129,137) for 2004, while the employees paid \$360,984. At June 30, 2004, 408 former employees were qualified to receive such benefits.

**10. COMPENSATED ABSENCES**

At June 30, 2004, employees of the Board have accumulated and vested \$2,329,921 of employee leave benefits, which was computed in accordance with GASB *Codification Section C60*.

**11. LONG-TERM LIABILITIES**

The following is a summary of long-term liability activity for the year ended June 30, 2004:

	Balance			Balance		Due Within
	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>One Year</u>	
Compensated absences	\$ 2,275,914	\$ 405,538	\$ 351,531	\$ 2,329,921	\$ 138,049	
General obligation bonds	<u>27,679,000</u>	<u>7,000,000</u>	<u>1,230,000</u>	<u>33,449,000</u>	<u>1,470,000</u>	
Governmental activity long-term liabilities	\$ <u>29,954,914</u>	\$ <u>7,405,538</u>	\$ <u>1,581,531</u>	\$ <u>35,778,921</u>	\$ <u>1,608,049</u>	

Payments on general obligation bonds payable that pertain to the School Board's governmental activities are made by the debt service funds. The compensated absences are liquidated by the fund where the salary costs originated.

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

All School Board bonds outstanding at June 30, 2004, are general obligation bonds. The following table lists the pertinent information on each outstanding issue:

<u>Date of Issuance</u>	<u>School District Number</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>	<u>Original Amount of Issue</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>	<u>Funding Source</u>
3/25/93	1	Mar-06	3.35 to 5.70	\$2,285,000	\$ 47,330	\$ 550,000	Ad Valorem
4/1/02	2	Mar-22	4.20 to 5.20	10,000,000	4,806,595	9,580,000	Ad Valorem & Sales Tax
3/1/03	2	Mar-23	3.80 to 4.80	7,000,000	3,268,117	6,795,000	Ad Valorem & Sales Tax
10/1/98	3	Feb-10	4.8	268,000	31,584	179,000	Ad Valorem
6/1/01	3	Mar-21	4.25 to 6.00	545,000	255,815	505,000	Ad Valorem
8/1/02	5	Mar-22	4.70 to 5.70	1,000,000	511,515	945,000	Ad Valorem
9/1/91	8	Mar-05	4.70 to 6.65	805,000	6,650	100,000	Ad Valorem
5/1/00	8	Mar-20	6.30 to 5.75	1,500,000	752,263	1,360,000	Ad Valorem
9/1/01	22	Mar-21	4.25 to 6.00	2,600,000	1,184,683	2,360,000	Ad Valorem
7/1/00	C1	Mar-20	5.50 to 6.50	4,500,000	2,311,513	4,075,000	Ad Valorem
2/1/04	ST1	Feb-24	4.25 to 5.25	7,000,000	4,063,175	7,000,000	Sales Tax
					<u>\$17,239,240</u>	<u>\$33,449,000</u>	

At June 30, 2004, the School Board has accumulated \$3,170,927 in the debt service funds for future debt requirements. The future requirements to amortize bond debt are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 1,470,000	\$ 1,625,330	\$ 3,095,330
2006	1,444,000	1,543,515	2,987,515
2007	1,224,000	1,464,058	2,688,058
2008	1,343,000	1,397,256	2,740,256
2009	1,407,000	1,324,737	2,731,737
2010-2014	8,111,000	5,530,021	13,641,021
2015-2019	10,495,000	3,448,015	13,943,015
2020-2024	7,955,000	906,308	8,861,308
	<u>\$ 33,449,000</u>	<u>\$ 17,239,240</u>	<u>\$ 50,688,240</u>

In accordance with R.S. 39:562 (L), the School Board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property. At June 30, 2004, the parish-wide statutory limit is \$73,716,851 and outstanding bonded debt totals \$33,449,000.

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**12. OTHER INDIVIDUAL FUND DISCLOSURES (FFS Level Only)**

**A. Interfund Receivables and Payables**

Interfund balances at June 30, 2004 were as follows:

Due To	Due From			Total
	General Funds	District No.2 Capital Project Fund	Other Nonmajor Governmental	
General	\$ -	\$ -	\$ 3,976	\$ 3,976
School Lunch	37,050	-	-	37,050
District #8 Maintenance	13,100	-	-	13,100
District #1 Consolidated Maintenance	-	-	3,091	3,091
IDEA-Preschool	9,835	-	-	9,835
Other Federal Funds	115,762	-	-	115,762
IDEA	135,860	-	-	135,860
Title I	146,803	-	-	146,803
Migrant	10,686	-	-	10,686
Title V	11,818	-	-	11,818
Title I Carryover	386	-	-	386
Title II	280,851	-	-	280,851
Title IV	19,154	-	-	19,154
	<u>\$ 781,305</u>	<u>\$ -</u>	<u>\$ 7,067</u>	<u>\$ 788,372</u>

The \$37,050 balance that School Lunch owes the General Fund represents the remaining balance of a loan to purchase a delivery truck. The remaining balance is being repaid in monthly installments of \$1,587.40. The \$13,100 balance that District #8 Maintenance owes the General Fund represents the remaining balance of a loan to purchase one acre of land. The remaining balance is being repaid in yearly installments of \$2,620.

All remaining balances resulted from the timing lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**B. Interfund Transfers**

Transfer Out	Transfer In			Total
	General Funds	District No.2 Capital Project Fund	Other Nonmajor Governmental	
<b>Indirect Cost Payments:</b>				
IDEA-Preschool	\$ 2,143	\$ -	\$ -	\$ 2,143
IDEA	45,465	-	-	45,465
Title I	77,783	-	-	77,783
Title I Carryover	11,704	-	-	11,704
Migrant	4,627	-	-	4,627
Title V	1,882	-	-	1,882
Title IV Drug Free Schools	1,090	-	-	1,090
Title II	30,587	-	-	30,587
	<u>\$ 175,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,281</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Indirect costs transfers, are identified separately in the accompanying financial statements to demonstrate the amount of transfers made from the various Federal programs to the General Fund for allowable indirect costs.

**13. RESERVED AND DESIGNATED FUND BALANCES (FFS Level Only)**

Reserves in the governmental funds represent portions of fund balance which are not appropriable for expenditure or is legally segregated for specific future uses, while designations of fund balance represent tentative plans for financial resource utilization in a future period. Reserves and designations of fund balance at June 30, 2004, are as follows:

	General Funds	District No. 2 Capital Project Fund	Other Nonmajor Governmental	Total
<u>Reserved for:</u>				
Inventory	\$ 270,227	\$ -	\$ 105,601	\$ 375,828
Prepaid items	8,000	-	-	8,000
Noncurrent receivables	28,481			28,481
Insurance contingencies	1,000,000	-	-	1,000,000
	<u>\$ 1,306,708</u>	<u>\$ -</u>	<u>\$ 105,601</u>	<u>\$ 1,412,309</u>
<u>Designated for:</u>				
Bus replacement	\$ 1,402,402	\$ -	\$ -	\$ 1,402,402
	<u>\$ 1,402,402</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,402,402</u>

**14. RISK MANAGEMENT**

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Board continues to be self insured for all workers compensation claims that arose prior to July 1, 1998, for the period during which the Board was self insured for claims up to \$35,000. Claims for workers compensation are handled through a contracted claims agent which handles the claims administration for the Board. Settled claims are reported as an expense in the General Fund. There were \$84,701 in settlements recorded in the financial statements for the current fiscal year. In addition, no provision has been made for claims that have occurred prior to moving coverage in this area to a commercial carrier. The Board has reserved \$1,000,000 of the General Fund balance to cover potential workers compensation insurance losses in excess of contracted coverages while self insured. Subsequent to July 1, 1998, the Board obtained coverage for workers compensation through a commercial insurance company.

Other risks of loss are managed through commercial insurance coverage. Settled claims resulting from these risks covered by commercial insurance have not exceeded coverage in the past three fiscal years.

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**15. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES**

Retirement plan payments in the amount of \$120,535 were made by the Sheriff, acting in his capacity as Ex-Officio Tax Collector, to the Teacher's Retirement System of the State of Louisiana on behalf of the Board. These remittances represent a portion of the ad valorem taxes and state revenue sharing collections which are statutorily set aside for payment to the Teacher's Retirement System on behalf of the Board. These on-behalf payments have been recorded in the accompanying financial statements, in accordance with GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* as revenues and expenditures in the General Fund.

**16. CONTINGENCIES**

**Litigation.** The Board is the defendant in a number of lawsuits. Legal counsel has determined that potential liability to the Board cannot be determined or is covered by commercial insurance as of the issuance date of these financial statements. Accordingly, no provision for losses, exceeding available insurance coverage, has been recorded in the accompanying financial statements.

**Grant Disallowances.** The Board participates in a number of Federal Financial Assistance Programs. These programs are subject to further financial and compliance audits by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, the Board feels such amounts, if any, to be immaterial to the financial statements.

**Tax Arbitrage Rebate.** Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service. Management believes there is no tax arbitrage rebate liability at year end.

**17. COMMITMENTS**

As of June 30, 2004, the Board had the following remaining construction in progress and building improvement commitments:

<u>Project Location</u>	<u>Project Authorization</u>	<u>Expended thru Fiscal Year End</u>	<u>Remaining Commitment</u>
School District #2:			
New Jennings High Construction	\$ 20,858,952	\$ 10,545,407	\$ 10,313,545
School District #5:			
Fenton School Renovations	860,903	856,903	4,000
	<u>\$ 21,719,855</u>	<u>\$ 11,402,310</u>	<u>\$ 10,317,545</u>

**18. PASS-THROUGH GRANTS**

The Board serves as sponsor for various local governmental agencies within the Southwest Louisiana region that participate in federal awards funds in the amount of \$72,150 received through a Migrant Education Grant. In accordance with GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, these amounts have been recorded in the accompanying financial statements as federal source revenues and intergovernmental expenditures.

**19. ECONOMIC DEPENDENCE**

The Board has one taxpayer that account for more than 10% of total sales tax collections revenues reported in the accompanying financial statements.

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**20. SUBSEQUENT EVENTS**

Subsequent to June 30, 2004, voters in School District #1 passed a proposition that will allow the issuance of \$3,000,000 in general obligation bonds to be repaid by collections of ad valorem taxes. The bonds will be issued in two stages with \$2,00,000 expected to be issued in fiscal year ending 2005, and \$1,000,000 expected to be issued in the succeeding year.



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**REQUIRED SUPPLEMENTAL INFORMATION**

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2004**

**Schedule 1  
(Continued)**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 1,732,500	\$ 1,842,000	\$ 1,854,440	\$ 12,440
Sales and use taxes	6,500,000	6,950,000	6,990,035	40,035
Parish contribution to retirement fund	100,000	110,000	120,535	10,535
Collection fees from municipalities	90,000	102,718	105,624	2,906
Tuition	166,308	161,308	170,492	9,184
Interest earnings	325,000	240,000	234,353	(5,647)
Other local revenue	236,900	283,219	342,532	59,313
State sources:				
Equalization	24,148,822	25,288,604	25,288,604	-
Restricted grants-in-aid	433,173	825,912	949,421	123,509
Revenue sharing	211,551	210,231	209,933	(298)
Other state revenues	59,629	26,620	24,579	(2,041)
Total revenues	<u>34,003,883</u>	<u>36,040,612</u>	<u>36,290,548</u>	<u>249,936</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	15,785,582	16,278,861	16,050,913	227,948
Special education programs	4,503,199	4,580,860	4,543,751	37,109
Vocational programs	1,301,346	1,342,154	1,326,786	15,368
All other instructional programs	661,375	691,450	716,470	(25,020)
Support services:				
Student services	1,671,248	1,747,719	1,743,393	4,326
Instructional staff support	1,740,511	1,736,522	1,748,658	(12,136)
General administration	885,337	947,547	909,175	38,372
School administration	2,685,831	2,756,485	2,750,977	5,508
Business services	446,711	481,231	491,934	(10,703)
Plant operation and maintenance	2,983,794	3,027,809	3,005,466	22,343
Student transportation services	1,887,036	1,887,663	1,897,735	(10,072)
Central services	246,673	233,702	277,748	(44,046)
Non-instructional services:				
Food services	460,919	437,896	431,131	6,765
Community service programs	28,700	27,794	27,578	216
Total expenditures	<u>35,288,262</u>	<u>36,177,693</u>	<u>35,921,715</u>	<u>255,978</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2004**

**Schedule 1  
(Concluded)**

	<u>Bugeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(1,284,379)</u>	<u>(137,081)</u>	<u>368,833</u>	<u>505,914</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Indirect costs	<u>130,000</u>	<u>181,271</u>	<u>175,281</u>	<u>(5,990)</u>
Total other financing sources (uses)	<u>130,000</u>	<u>181,271</u>	<u>175,281</u>	<u>(5,990)</u>
NET CHANGES IN FUND BALANCES	<u>(1,154,379)</u>	<u>44,190</u>	<u>544,114</u>	<u>499,924</u>
FUND BALANCES BEGINNING OF YEAR	<u>16,114,415</u>	<u>15,999,979</u>	<u>18,622,147</u>	<u>2,622,168</u>
FUND BALANCES END OF YEAR	<u>\$ 14,960,036</u>	<u>\$ 16,044,169</u>	<u>\$ 19,166,261</u>	<u>\$ 3,122,092</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Notes to Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2004**

**A. BUDGETARY PRACTICES**

**General Budget Practices** The Board follows the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to Title 17, Section 88 of the Louisiana Revised Statutes, as amended by Act 970 of 1995, the Board is required to adopt an annual budget no later than September 15<sup>th</sup> of each year for the general fund and all special revenue funds.

Each year prior to September 15<sup>th</sup>, the Director of Accounting and the Superintendent submit a proposed annual budget for the general fund and all special revenue funds. The operating budgets include proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 15 days prior to final adoption simultaneously with a notice of the date of public hearing. The public hearing is conducted during a finance committee meeting in order to obtain public input. The budget is subsequently adopted by the full Board through a formal budget resolution. Upon final Board approval, a copy of the budget is then sent to the State Department of Education.

General fund and special revenue fund appropriations (unexpended budget balances) lapse at end of fiscal year.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. All budget revisions are approved by the Board.

**Budget Basis of Accounting** All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Legally, the Board cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the Board to amend its budgets to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund. The Board approves budgets at the function level and management is allowed to transfer amounts between line items within a function. Debt service funds are controlled by related bond ordinances and not budgeted on an annual basis. Therefore, a budget to actual comparison is not presented for these funds. Capital projects funds are controlled on a project basis through the use of formal bidding and are not budgeted on an annual basis. All projects remain programmed and funded until completed or until the Board decides to eliminate the project. As a result, budget to actual comparisons are not presented for these funds.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL MAJOR FUNDS**

The following budgeted major funds had actual expenditures over budgeted expenditures for the fiscal year:

Major Fund	Final Budget	Actual	Unfavorable Variance
None	\$ 0	\$ 0	\$ 0

Reason for unfavorable variance : not applicable.

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## **SUPPLEMENTAL INFORMATION**

JEFFERSON DAVIS PARISH SCHOOL BOARD  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet - By Fund Type  
June 30, 2004

Schedule 2

	Special Revenue	Debt Service	Capital Projects	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,855,212	\$ 2,498,719	\$ 149,835	\$ 4,503,766
Restricted cash and cash equivalents	-	573,250	-	573,250
Receivables	1,051,404	98,958	-	1,150,362
Interfund receivables	7,067	-	-	7,067
Inventory	105,601	-	-	105,601
<b>TOTAL ASSETS</b>	<u>3,019,284</u>	<u>3,170,927</u>	<u>149,835</u>	<u>6,340,046</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	228,835	1,000	-	229,835
Payroll deductions, withholdings, and accrued salaries payable	450,209	-	-	450,209
Interfund payables	781,305	-	3,091	784,396
Deposits due others	11,612	-	-	11,612
<b>Total Liabilities</b>	<u>1,471,961</u>	<u>1,000</u>	<u>3,091</u>	<u>1,476,052</u>
<b>FUND BALANCES</b>				
Reserved	105,601	-	-	105,601
Unreserved:				
Undesignated reported in:				-
Special revenue funds	1,441,722	-	-	1,441,722
Debt service funds	-	3,169,927	-	3,169,927
Capital projects funds	-	-	146,744	146,744
<b>Total Fund Balances</b>	<u>1,547,323</u>	<u>3,169,927</u>	<u>146,744</u>	<u>4,863,994</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,019,284</u>	<u>\$ 3,170,927</u>	<u>\$ 149,835</u>	<u>\$ 6,340,046</u>



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances - By Fund Type**  
**For the Year Ended June 30, 2004**

**Schedule 3**  
**(Continued)**

	Special Revenue	Debt Service	Capital Projects	Total
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 1,326,790	\$ 2,052,498	\$ -	\$ 3,379,288
Sales and use taxes	-	1,007,801	-	1,007,801
Interest earnings	20,547	40,405	5,114	66,066
Food services	459,313	-	-	459,313
Other local revenue	24,650	-	-	24,650
State sources:				
Equalization	800,000	-	-	800,000
Revenue sharing	81,216	-	-	81,216
Federal sources				
	5,803,237	-	-	5,803,237
Total revenues	<u>8,515,753</u>	<u>3,100,704</u>	<u>5,114</u>	<u>11,621,571</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	418,238	-	-	418,238
Special education programs	672,152	-	-	672,152
Vocational programs	87,458	-	-	87,458
All other instructional programs	1,627,185	-	-	1,627,185
Support services:				
Student services	193,197	-	-	193,197
Instructional staff support	1,001,114	-	-	1,001,114
General administration	47,010	66,658	-	113,668
School administration	51,548	-	-	51,548
Business services	-	7,656	3	7,659
Plant operation and maintenance	721,215	-	111,620	832,835
Student transportation services	44,916	-	-	44,916
Central services	107,608	-	-	107,608
Non-instructional services:				
Food services	3,001,026	-	-	3,001,026
Intergovernmental	72,150	-	-	72,150
Facilities acquisition and construction	29,449	-	825,522	854,971
Debt service:				
Principal retirement	-	1,230,000	-	1,230,000
Interest	-	1,361,924	-	1,361,924
Total expenditures	<u>8,074,266</u>	<u>2,666,238</u>	<u>937,145</u>	<u>11,677,649</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances - By Fund Type**  
**For the Year Ended June 30, 2004**

**Schedule 3**  
**(Concluded)**

	Special Revenue	Debt Service	Capital Projects	Total
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	441,487	434,466	(932,031)	(56,078)
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	3	-	18,380	18,383
Operating transfers out	(18,380)	-	(3)	(18,383)
Indirect costs	(175,281)	-	-	(175,281)
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	25,501	-	-	25,501
Total other financing sources (uses)	(168,157)	-	18,377	(149,780)
NET CHANGES IN FUND BALANCES	273,330	434,466	(913,654)	(205,858)
FUND BALANCES BEGINNING OF YEAR	1,273,993	2,735,461	1,060,398	5,069,852
FUND BALANCES END OF YEAR	\$ 1,547,323	\$ 3,169,927	\$ 146,744	\$ 4,863,994

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SCHOOL BOARD  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2004

	Maintenance Consolidated School District No. 1	Maintenance School District No. 1	Maintenance School District No. 2	Maintenance School District No. 3
<b>ASSETS</b>				
Cash and cash equivalents	\$ 256,293	\$ 312,535	\$ 671,583	\$ 31,551
Investments	-	-	-	-
Receivables	1,377	1,111	3,849	24
Interfund receivables	3,091	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<u>260,761</u>	<u>313,646</u>	<u>675,432</u>	<u>31,575</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	14,459	12,119	22,444	3,314
Contracts payable	-	-	-	-
Payroll deductions, withholdings, and accrued salaries payable	2,444	3,341	936	-
Interfund payables	-	-	-	-
Deposits due others	-	-	-	-
<b>Total Liabilities</b>	<u>16,903</u>	<u>15,460</u>	<u>23,380</u>	<u>3,314</u>
<b>FUND BALANCES</b>				
Reserved	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated reported in:				
General fund	-	-	-	-
Special revenue funds	243,858	298,186	652,052	28,261
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
<b>Total Fund Balances</b>	<u>243,858</u>	<u>298,186</u>	<u>652,052</u>	<u>28,261</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 260,761</u>	<u>\$ 313,646</u>	<u>\$ 675,432</u>	<u>\$ 31,575</u>

**Schedule 4  
(Continued)**

Maintenance School District No. 5	Maintenance School District No. 8	Maintenance School District No. 22	School Food Service	I.D.E.A. Preschool
\$ 45,686	\$ 58,558	\$ 68,750	\$ 410,256	\$ -
-	-	-	-	-
102	134	325	2,797	10,982
-	-	-	3,976	-
-	-	-	105,601	-
-	-	-	-	-
<u>45,788</u>	<u>58,692</u>	<u>69,075</u>	<u>522,630</u>	<u>10,982</u>
855	1,914	9,683	79,278	198
-	-	-	-	-
-	-	-	217,727	949
-	13,100	-	37,050	9,835
-	-	-	11,612	-
<u>855</u>	<u>15,014</u>	<u>9,683</u>	<u>345,667</u>	<u>10,982</u>
-	-	-	105,601	-
-	-	-	-	-
-	-	-	-	-
44,933	43,678	59,392	71,362	-
-	-	-	-	-
-	-	-	-	-
<u>44,933</u>	<u>43,678</u>	<u>59,392</u>	<u>176,963</u>	<u>-</u>
<u>\$ 45,788</u>	<u>\$ 58,692</u>	<u>\$ 69,075</u>	<u>\$ 522,630</u>	<u>\$ 10,982</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**June 30, 2004**

	Other Special Education Federal Funds	Other Federal Funds	I.D.E.A.	Title I
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables	-	147,266	171,812	298,909
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<u>-</u>	<u>147,266</u>	<u>171,812</u>	<u>298,909</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	-	5,938	13,340	32,784
Contracts payable	-	-	-	-
Payroll deductions, withholdings, and accrued salaries payable	-	25,566	22,612	119,322
Interfund payables	-	115,762	135,860	146,803
Deposits due others	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>147,266</u>	<u>171,812</u>	<u>298,909</u>
<b>FUND BALANCES</b>				
Reserved	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated reported in:				
General fund	-	-	-	-
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 147,266</u>	<u>\$ 171,812</u>	<u>\$ 298,909</u>

**Schedule 4  
(Concluded)**

Title I Carryover	Migrant Education	Title V	Title IV Drug Free Schools	Title II	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,855,212
-	-	-	-	-	-
877	19,621	12,491	19,248	360,479	1,051,404
-	-	-	-	-	7,067
-	-	-	-	-	105,601
-	-	-	-	-	-
<u>877</u>	<u>19,621</u>	<u>12,491</u>	<u>19,248</u>	<u>360,479</u>	<u>3,019,284</u>
491	3,931	673	94	27,320	228,835
-	-	-	-	-	-
-	5,004	-	-	52,308	450,209
386	10,686	11,818	19,154	280,851	781,305
-	-	-	-	-	11,612
<u>877</u>	<u>19,621</u>	<u>12,491</u>	<u>19,248</u>	<u>360,479</u>	<u>1,471,961</u>
-	-	-	-	-	105,601
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,441,722
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,547,323</u>
<u>\$ 877</u>	<u>\$ 19,621</u>	<u>\$ 12,491</u>	<u>\$ 19,248</u>	<u>\$ 360,479</u>	<u>\$ 3,019,284</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2004**

	Maintenance Consolidated School District No. 1	Maintenance School District No. 1	Maintenance School District No. 2	Maintenance School District No. 3
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 214,600	\$ 316,044	\$ 490,596	\$ 72,630
Sales and use taxes	-	-	-	-
Parish contribution to retirement fund	-	-	-	-
Collection fees from municipalities	-	-	-	-
Tuition	-	-	-	-
Interest earnings	3,260	3,667	8,489	368
Food services	-	-	-	-
Other local revenue	-	-	5,399	670
State sources:				
Equalization	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Revenue sharing	12,465	13,153	35,118	5,042
Other state revenues	-	-	-	-
Federal sources				
Total revenues	<u>230,325</u>	<u>332,864</u>	<u>539,602</u>	<u>78,710</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	92,205	60,575	151,162	19,016
Special education programs	-	-	-	-
Vocational programs	-	-	-	-
All other instructional programs	104	-	-	-
Support services:				
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration	6,757	10,468	15,256	2,812
School administration	7,630	8,096	22,922	2,683
Business services	-	-	-	-
Plant operation and maintenance	138,786	176,220	122,815	36,197
Student transportation services	2,484	95	2,934	1,506
Central services	-	-	-	-
Non-instructional services:				
Food services	-	-	-	-
Community service programs	-	-	-	-
Intergovernmental	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>247,966</u>	<u>255,454</u>	<u>315,089</u>	<u>62,214</u>

**Schedule 5  
(Continued)**

Maintenance School District No. 5	Maintenance School District No. 8	Maintenance School District No. 22	School Food Service	I.D.E.A. Preschool
\$ 46,378	\$ 79,973	\$ 106,569	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
383	602	876	2,902	-
-	-	-	459,313	-
-	-	17,606	975	-
-	-	-	800,000	-
-	-	-	-	-
2,894	4,819	7,725	-	-
-	-	-	-	-
-	-	-	1,684,052	48,698
<u>49,655</u>	<u>85,394</u>	<u>132,776</u>	<u>2,947,242</u>	<u>48,698</u>
8,067	25,882	29,081	-	-
-	-	-	-	44,924
-	-	-	-	-
-	-	-	-	-
-	-	-	-	1,631
1,742	2,717	3,616	-	-
1,661	4,980	2,830	-	-
-	-	-	-	-
23,777	36,202	76,290	-	-
-	1,030	1,289	-	-
-	-	-	-	-
-	-	-	3,001,026	-
-	-	-	-	-
-	-	-	-	-
16,349	13,100	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>51,596</u>	<u>83,911</u>	<u>113,106</u>	<u>3,001,026</u>	<u>46,555</u>



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2004**

	Maintenance Consolidated School District No. 1	Maintenance School District No. 1	Maintenance School District No. 2	Maintenance School District No. 3
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(17,641)</u>	<u>77,410</u>	<u>224,513</u>	<u>16,496</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(17,641)	77,410	224,513	16,496
FUND BALANCES BEGINNING OF YEAR	<u>261,499</u>	<u>220,776</u>	<u>427,539</u>	<u>11,765</u>
FUND BALANCES END OF YEAR	<u>\$ 243,858</u>	<u>\$ 298,186</u>	<u>\$ 652,052</u>	<u>\$ 28,261</u>

**Schedule 5  
(Continued)**

<u>Maintenance School District No. 5</u>	<u>Maintenance School District No. 8</u>	<u>Maintenance School District No. 22</u>	<u>School Food Service</u>	<u>I.D.E.A. Preschool</u>
(1,941)	1,483	19,670	(53,784)	2,143
-	3	-	-	-
-	-	(18,380)	-	-
-	-	-	-	(2,143)
-	-	-	-	-
25,000	-	-	501	-
<u>25,000</u>	<u>3</u>	<u>(18,380)</u>	<u>501</u>	<u>(2,143)</u>
23,059	1,486	1,290	(53,283)	-
<u>21,874</u>	<u>42,192</u>	<u>58,102</u>	<u>230,246</u>	<u>-</u>
<u>\$ 44,933</u>	<u>\$ 43,678</u>	<u>\$ 59,392</u>	<u>\$ 176,963</u>	<u>\$ -</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2004**

	Other Special Education Federal Funds	Other Federal Funds	I.D.E.A.	Title I
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Parish contribution to retirement fund	-	-	-	-
Collection fees from municipalities	-	-	-	-
Tuition	-	-	-	-
Interest earnings	-	-	-	-
Food services	-	-	-	-
Other local revenue	-	-	-	-
State sources:				
Equalization	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Revenue sharing	-	-	-	-
Other state revenues	-	-	-	-
Federal sources	-	366,892	967,937	1,633,464
Total revenues	<u>-</u>	<u>366,892</u>	<u>967,937</u>	<u>1,633,464</u>

**EXPENDITURES**

Current:

Instruction:				
Regular programs	-	-	-	-
Special education programs	-	-	627,228	-
Vocational programs	-	87,458	-	-
All other instructional programs	-	201,095	-	931,524
Support services:				
Student services	-	74,066	59,723	49,852
Instructional staff support	-	3,485	165,667	403,166
General administration	-	42	1,000	1,900
School administration	-	746	-	-
Business services	-	-	-	-
Plant operation and maintenance	-	-	301	105,130
Student transportation services	-	-	35,578	-
Central services	-	-	32,975	64,109
Non-instructional services:				
Food services	-	-	-	-
Community service programs	-	-	-	-
Intergovernmental	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>366,892</u>	<u>922,472</u>	<u>1,555,681</u>

**Schedule 5  
(Concluded)**

<u>Title I Carryover</u>	<u>Migrant Education</u>	<u>Title V</u>	<u>Title IV Drug Free Schools</u>	<u>Title II</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,326,790
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	20,547
-	-	-	-	-	459,313
-	-	-	-	-	24,650
-	-	-	-	-	800,000
-	-	-	-	-	-
-	-	-	-	-	81,216
-	-	-	-	-	-
<u>236,270</u>	<u>163,558</u>	<u>37,207</u>	<u>55,610</u>	<u>609,549</u>	<u>5,803,237</u>
<u>236,270</u>	<u>163,558</u>	<u>37,207</u>	<u>55,610</u>	<u>609,549</u>	<u>8,515,753</u>
-	-	-	20,795	11,455	418,238
-	-	-	-	-	672,152
-	-	-	-	-	87,458
139,729	31,337	6,022	4,862	312,512	1,627,185
9,556	-	-	-	-	193,197
59,260	55,444	28,603	28,863	254,995	1,001,114
-	-	700	-	-	47,010
-	-	-	-	-	51,548
-	-	-	-	-	-
5,497	-	-	-	-	721,215
-	-	-	-	-	44,916
10,524	-	-	-	-	107,608
-	-	-	-	-	3,001,026
-	-	-	-	-	-
-	72,150	-	-	-	72,150
-	-	-	-	-	29,449
-	-	-	-	-	-
<u>224,566</u>	<u>158,931</u>	<u>35,325</u>	<u>54,520</u>	<u>578,962</u>	<u>8,074,266</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2004

	Other Special Education Federal Funds	Other Federal Funds	I.D.E.A.	Title I
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	45,465	77,783
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	-	-	(45,465)	(77,783)
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Total other financing sources (uses)	-	-	(45,465)	(77,783)
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES BEGINNING OF YEAR	-	-	-	-
FUND BALANCES END OF YEAR	\$ -	\$ -	\$ -	\$ -

**Schedule 5  
(Concluded)**

<u>Title I Carryover</u>	<u>Migrant Education</u>	<u>Title V</u>	<u>Title IV Drug Free Schools</u>	<u>Title II</u>	<u>Total</u>
<u>11,704</u>	<u>4,627</u>	<u>1,882</u>	<u>1,090</u>	<u>30,587</u>	<u>441,487</u>
-	-	-	-	-	3
-	-	-	-	-	(18,380)
(11,704)	(4,627)	(1,882)	(1,090)	(30,587)	(175,281)
-	-	-	-	-	-
-	-	-	-	-	25,501
<u>(11,704)</u>	<u>(4,627)</u>	<u>(1,882)</u>	<u>(1,090)</u>	<u>(30,587)</u>	<u>(168,157)</u>
-	-	-	-	-	273,330
-	-	-	-	-	1,273,993
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,547,323</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR DEBT SERVICE FUNDS**  
**Combining Balance Sheet**  
**June 30, 2004**

	Consolidated School District No. 1	School District No. 1	School District No. 2	School District No. 3
<b>ASSETS</b>				
Cash and cash equivalents	\$ 289,569	\$ 261,422	\$ 264,728	\$ 50,512
Restricted cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables	1,845	907	5,510	27
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<u>291,414</u>	<u>262,329</u>	<u>270,238</u>	<u>50,539</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	-	-	-	-
Contracts payable	-	-	-	-
Payroll deductions, withholdings, and accrued salaries payable	-	-	-	-
Interfund payables	-	-	-	-
Deposits due others	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Reserved	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated reported in:				
General fund	-	-	-	-
Special revenue funds	-	-	-	-
Debt service funds	291,414	262,329	270,238	50,539
Capital projects funds	-	-	-	-
<b>Total Fund Balances</b>	<u>291,414</u>	<u>262,329</u>	<u>270,238</u>	<u>50,539</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 291,414</u>	<u>\$ 262,329</u>	<u>\$ 270,238</u>	<u>\$ 50,539</u>

**Schedule 6**

School District No. 5	School District No. 8	School District No. 22	Sales Tax District No. 1	Total
\$ 35,911	\$ 176,239	\$ 100,379	\$ 1,319,959	\$ 2,498,719
-	-	-	573,250	573,250
-	-	-	-	-
184	392	615	89,478	98,958
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>36,095</u>	<u>176,631</u>	<u>100,994</u>	<u>1,982,687</u>	<u>3,170,927</u>
1,000	-	-	-	1,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
35,095	176,631	100,994	1,982,687	3,169,927
-	-	-	-	-
<u>35,095</u>	<u>176,631</u>	<u>100,994</u>	<u>1,982,687</u>	<u>3,169,927</u>
<u>\$ 36,095</u>	<u>\$ 176,631</u>	<u>\$ 100,994</u>	<u>\$ 1,982,687</u>	<u>\$ 3,170,927</u>



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR DEBT SERVICE FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2004**

	Consolidated School District No. 1	School District No. 1	School District No. 2	School District No. 3
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 386,675	\$ 257,850	\$ 806,372	\$ 81,709
Sales and use taxes	-	-	-	-
Parish contribution to retirement fund	-	-	-	-
Collection fees from municipalities	-	-	-	-
Tuition	-	-	-	-
Interest earnings	3,873	4,127	4,967	667
Food services	-	-	-	-
Other local revenue	-	-	-	-
State sources:				
Equalization	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Revenue sharing	-	-	-	-
Other state revenues	-	-	-	-
Federal sources				
Total Revenues	<u>390,548</u>	<u>261,977</u>	<u>811,339</u>	<u>82,376</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	-	-	-	-
Special education programs	-	-	-	-
Vocational programs	-	-	-	-
All other instructional programs	-	-	-	-
Support services:				
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration	12,170	8,459	26,084	2,624
School administration	-	-	-	-
Business services	601	-	2,879	525
Plant operation and maintenance	-	-	-	-
Student transportation services	-	-	-	-
Central services	-	-	-	-
Non-instructional services:				
Food services	-	-	-	-
Community service programs	-	-	-	-
Intergovernmental	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	150,000	250,000	320,000	45,000
Interest	249,255	44,585	468,773	37,775
Total expenditures	<u>412,026</u>	<u>303,044</u>	<u>817,736</u>	<u>85,924</u>

**Schedule 7  
(Continued)**

School District No. 5	School District No. 8	School District No. 22	Sales Tax District No. 1	Total
\$ 83,566	\$ 234,583	\$ 201,743	\$ -	\$ 2,052,498
-	-	-	1,007,801	1,007,801
-	-	-	-	-
-	-	-	-	-
408	2,482	1,313	22,568	40,405
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>83,974</u>	<u>237,065</u>	<u>203,056</u>	<u>1,030,369</u>	<u>3,100,704</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,973	7,680	6,668	-	66,658
-	-	-	-	-
2,000	601	1,050	-	7,656
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
30,000	145,000	85,000	205,000	1,230,000
49,390	94,463	122,635	295,048	1,361,924
<u>84,363</u>	<u>247,744</u>	<u>215,353</u>	<u>500,048</u>	<u>2,666,238</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR DEBT SERVICE FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2004**

	Consolidated School District No. 1	School District No. 1	School District No. 2	School District No. 3
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(21,478)</u>	<u>(41,067)</u>	<u>(6,397)</u>	<u>(3,548)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(21,478)	(41,067)	(6,397)	(3,548)
FUND BALANCES BEGINNING OF YEAR	<u>312,892</u>	<u>303,396</u>	<u>276,635</u>	<u>54,087</u>
FUND BALANCES END OF YEAR	<u>\$ 291,414</u>	<u>\$ 262,329</u>	<u>\$ 270,238</u>	<u>\$ 50,539</u>

**Schedule 7  
(Concluded)**

<u>School District No. 5</u>	<u>School District No. 8</u>	<u>School District No. 22</u>	<u>Sales Tax District No. 1</u>	<u>Total</u>
<u>(389)</u>	<u>(10,679)</u>	<u>(12,297)</u>	<u>530,321</u>	<u>434,466</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(389)</u>	<u>(10,679)</u>	<u>(12,297)</u>	<u>530,321</u>	<u>434,466</u>
<u>35,484</u>	<u>187,310</u>	<u>113,291</u>	<u>1,452,366</u>	<u>2,735,461</u>
<u>\$ 35,095</u>	<u>\$ 176,631</u>	<u>\$ 100,994</u>	<u>\$ 1,982,687</u>	<u>\$ 3,169,927</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**Combining Balance Sheet**  
**June 30, 2004**

	<u>Consolidated</u> School District No. 1	School District No. 3	School District No. 5
<b>ASSETS</b>			
Cash and cash equivalents	\$ 49,156	\$ 100,649	\$ 30
Investments	-	-	-
Receivables	-	-	-
Interfund receivables	-	-	-
Inventory	-	-	-
Prepaid items	-	-	-
<b>TOTAL ASSETS</b>	<u>49,156</u>	<u>100,649</u>	<u>30</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	-	-	-
Contracts payable	-	-	-
Payroll deductions, withholdings, and accrued salaries payable	-	-	-
Interfund payables	3,091	-	-
Deposits due others	-	-	-
<b>Total Liabilities</b>	<u>3,091</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Reserved	-	-	-
Unreserved:			
Designated	-	-	-
Undesignated reported in:			
General fund	-	-	-
Special revenue funds	-	-	-
Debt service funds	-	-	-
Capital projects funds	46,065	100,649	30
<b>Total Fund Balances</b>	<u>46,065</u>	<u>100,649</u>	<u>30</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 49,156</u>	<u>\$ 100,649</u>	<u>\$ 30</u>

**Schedule 8**

School District No. 8	School District No. 22	Total
\$ -	\$ -	\$ 149,835
-	-	-
-	-	-
-	-	-
-	-	-
-	-	149,835
-	-	-
-	-	-
-	-	-
-	-	3,091
-	-	-
-	-	3,091
-	-	-
-	-	-
-	-	-
-	-	-
-	-	146,744
-	-	146,744
\$ -	\$ -	\$ 149,835

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2004**

	Consolidated School District No. 1	School District No. 3	School District No. 5
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem taxes	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-
Parish contribution to retirement fund	-	-	-
Collection fees from municipalities	-	-	-
Tuition	-	-	-
Interest earnings	1,023	1,206	2,733
Food services	-	-	-
Other local revenue	-	-	-
State sources:			
Equalization	-	-	-
Restricted grants-in-aid	-	-	-
Revenue sharing	-	-	-
Other state revenues	-	-	-
Federal sources			
Total Revenues	<u>1,023</u>	<u>1,206</u>	<u>2,733</u>
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	-	-	-
Special education programs	-	-	-
Vocational programs	-	-	-
All other instructional programs	-	-	-
Support services:			
Student services	-	-	-
Instructional staff support	-	-	-
General administration	-	-	-
School administration	-	-	-
Business services	-	3	-
Plant operation and maintenance	70,975	13,018	7,504
Student transportation services	-	-	-
Central services	-	-	-
Non-instructional services:			
Food services	-	-	-
Community service programs	-	-	-
Intergovernmental	-	-	-
Facilities acquisition and construction	-	-	803,983
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Total expenditures	<u>70,975</u>	<u>13,021</u>	<u>811,487</u>





**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2004**

	Consolidated School District No. 1	School District No. 3	School District No. 5
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(69,952)</u>	<u>(11,815)</u>	<u>(808,754)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Indirect costs	-	-	-
Proceeds from sale of bonds	-	-	-
Proceeds from sale of fixed assets	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<b>SPECIAL ITEM:</b>			
None	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(69,952)	(11,815)	(808,754)
FUND BALANCES BEGINNING OF YEAR	<u>116,017</u>	<u>112,464</u>	<u>808,784</u>
FUND BALANCES END OF YEAR	<u>\$ 46,065</u>	<u>\$ 100,649</u>	<u>\$ 30</u>



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**AGENCY FUNDS**  
**Combining Balance Sheet**  
**June 30, 2004**

**Schedule 10**

	<u>School Activity</u>	<u>Sales &amp; Use Tax</u>	<u>Total Agency</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 726,927	\$ 412,746	\$ 1,139,673
Investments	93,373	-	93,373
<b>TOTAL ASSETS</b>	<u>\$ 820,300</u>	<u>\$ 412,746</u>	<u>\$ 1,233,046</u>
<b>LIABILITIES</b>			
Due to other governments	-	\$ 406,931	\$ 406,931
Deposits due others	820,300	5,815	826,115
<b>TOTAL LIABILITIES</b>	<u>\$ 820,300</u>	<u>\$ 412,746</u>	<u>\$ 1,233,046</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD  
 AGENCY FUND - SCHOOL ACTIVITY FUNDS  
 Schedule of Changes in Deposits Due Others  
 For the Year Ended June 30, 2004

Schedule 11-1

School District	School Name	Balance Beginning	Additions	Reductions	Balance Ending
22	Elton Elementary	\$ 44,233	\$ 126,537	\$ 105,756	\$ 65,014
22	Elton High	113,495	285,938	284,483	114,950
5	Fenton Elementary	24,392	39,366	41,699	22,059
3	Hathaway	113,376	173,703	188,109	98,970
2	Jennings High	170,524	430,130	419,682	180,972
2	Jennings Northside Junior High	44,312	90,115	92,498	41,929
2	Jennings Ward Elementary	8,852	77,316	77,012	9,156
2	Jennings West End Elementary	19,581	45,759	49,815	15,525
8	Lacassine	39,463	205,696	199,311	45,848
1	Lake Arthur Elementary	75,150	122,869	116,382	81,637
1	Lake Arthur High	75,940	253,648	253,465	76,123
CSD1	Welsh Elementary	34,236	85,686	84,963	34,959
CSD1	Welsh High	31,542	251,153	266,361	16,334
CSD1	Welsh-Roanoke Junior High	20,816	54,639	58,631	16,824
Total		\$ 815,912	\$ 2,242,555	\$ 2,238,167	\$ 820,300

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
 AGENCY FUND - SALES AND USE TAX FUND  
 Schedule of Changes in Deposits Due Others  
 For the Year Ended June 30, 2004**

**Schedule 11-2**

	<u>Protested Account</u>	<u>Regular Account</u>	<u>Total Fund</u>
Deposit Balances at Beginning of Year	169,502	401,973	571,475
Additions:			
Sales tax collections, net of fees and refunds	5,011	12,352,995	12,358,006
Less settlements to regular account			-
Deducted from collections:			
Collection fees charged to municipalities	-	105,624	105,624
Refunds	-	13,181	13,181
Legal Fees	-	40,918	40,918
Interest earnings	1,639	5,899	7,538
<b>Total Additions</b>	<u>6,650</u>	<u>12,518,617</u>	<u>12,525,267</u>
Reductions:			
Distributions to taxing bodies:			
Jefferson Davis Parish School Board	84,936	6,520,660	6,605,596
City of Jennings	84,936	3,639,183	3,724,119
Town of Lake Arthur	-	492,359	492,359
Town of Welsh	-	566,867	566,867
Town of Elton	-	155,138	155,138
Village of Fenton	-	21,611	21,611
Tourist Commission	-	53,754	53,754
Sales Tax District 1	465	1,008,955	1,009,420
Refunds	-	14,213	14,213
Legal Fees	-	40,919	40,919
<b>Total Reductions</b>	<u>170,337</u>	<u>12,513,659</u>	<u>12,683,996</u>
Deposit Balances at End of Year	\$ <u>5,815</u>	\$ <u>406,931</u>	\$ <u>412,746</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Schedule of Compensation and Other Expenses Paid to School Board Members**  
**For the Year Ended June 30, 2004**

**Schedule 12**

<u>Board Member</u>	<u>Election District</u>	<u>School District Represented</u>	<u>Salary</u>	<u>Employer Taxes</u>	<u>Travel Expenses</u>	<u>Total</u>
Dodson, Malon	1	1	\$ 4,200	\$ 61	\$ 0	4,261
Bertrand, Darryl	2	1	4,200	321	0	4,521
Gilbeaux, Harry O., Jr.	3	2	4,200	0	0	4,200
Menard, Robert	4	2	4,200	321	0	4,521
Richert, Joel	5	2	4,200	367	0	4,567
Capdeville, David	6	2	4,200	318	0	4,518
Segura, James E.	7	2	4,200	321	0	4,521
Heinen, Michael J.	8	3	4,200	321	0	4,521
Bruchhaus, Charles	9	22	4,200	321	0	4,521
McNabb, Richard	10	5	4,200	321	177	4,698
Hayes, Ronnie	11	CSD-1	4,200	321	0	4,521
Bouley, Jason	12	CSD-1	5,400	413	29	5,842
Caraway, Julius	13	8	4,200	321	301	4,822
			<u>\$ 55,800</u>	<u>\$ 3,727</u>	<u>\$ 507</u>	<u>\$ 60,034</u>

The above schedule of compensation and reimbursed travel expenses paid to school board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The compensation and reimbursed expenses of school board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the school board members have elected the monthly payment method of compensation. Under this method, each member of the school board receives \$350 per month, and the president receives \$450 per month for performing the duties of his office.

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2004**

**Schedule 13**

<u>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Agriculture :</b>			
Passed through Louisiana Department of Education:			
Child Nutritional Cluster:			
National School Lunch Program	10.555	Unavailable	\$ 1,145,228
School Breakfast Program	10.553	Unavailable	384,384
Total Child Nutritional Cluster			<u>1,529,612</u>
Passed through Louisiana Department of Agriculture and Forestry:			
USDA Commodities	10.550	Unavailable	154,440
Total U.S. Department of Agriculture			<u>1,684,052</u>
<b>U.S. Department of Education :</b>			
Passed through Louisiana Department of Education:			
Special Education Cluster:			
Special Education-Grants to States	84.027	28-04-B1-27	967,937
Special Education -Preschool Grants	84.173	28-04-P1-27	48,698
Total Special Education Cluster			<u>1,016,635</u>
Adult Education -State Grant Program	84.002	{ 280344-27-C 0444-27 }	47,101
Title I-Grants to Local Educational Agencies	84.010	{ 04-T1-27 03-M1-27-C }	1,869,734
Migrant Education-Basic State Grant Program	84.011	04-M1-27	163,558
Vocational Education -Basic Grants to States (Perkins III)	84.048	{ 280302-27-C 280402-27 }	87,458
Safe and Drug Free Schools and Communities -State Grants	84.186	04-70-27	55,610
Innovative Education Program Strategies	84.298	04-80-27	37,207
Technology Literacy Challenge Fund Grants	84.318	280449-27	44,804
Improving Teacher Quality State Grants	84.367	04-50-27	444,262
Rural Education Achievement Program	84.358	04-RE-27	120,483
Total U.S. Department of Education			<u>3,886,852</u>
<b>U.S. Department of Health and Human Services :</b>			
Passed through Louisiana Department of Education			
Temporary Assistance for Needy Families [TANF]	93.558	{ 280436-27 2804EP-27 }	41,612
Total U.S. Department of Health and Human Services			<u>41,612</u>
<b>U.S. Department of Labor :</b>			
Passed through Calcasieu Parish Police Jury, State of Louisiana:			
Workforce Investment Act	17.255	Unavailable	190,721
Total U.S. Department of Labor			<u>190,721</u>
Total Expenditures of Federal Awards			<u>\$ 5,803,237</u>

See accompanying notes to schedule of expenditures of federal awards.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Jefferson Davis Parish School Board and is presented on the modified accrual basis of accounting, the same basis as the accompanying basic financial statements are presented. 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*. All information is presented for the fiscal year ending June 30, 2004. Since some of the grants cover fifteen (15) month periods, the amounts contained in the accompanying schedule of expenditures of federal awards may differ from the financial status reports filed with the grantor agency.

**2. NONCASH FEDERAL ASSISTANCE –FOOD COMMODITIES**

Noncash assistance, received from the U.S. Department of Agriculture, in the form of food commodities are reported in the accompanying schedule of expenditures of federal awards at fair market value of \$154,440.

**3. SUBRECIPIENTS**

The Jefferson Davis Parish School Board, acting as regional sponsor for area school boards and community action agencies, provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Migrant Education –Basic State Grant Program	84.011	\$ 72,150
Total		\$ <u>72,150</u>



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# Mike B. Gillespie, CPA

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Davis Parish School Board (School Board) as of and for the year ended June 30, 2004, which collectively comprise the School Boards' basic financial statements and have issued our report thereon dated December 7, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's basic 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2004-1 and 2004-2.

This report is intended for the information and use of the audit committee (officially referred to as the finance committee), School Board, management, others within the organization, and the Louisiana Legislative Audit Advisory Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Mike B. Gillespie, CPA, APAC*

Jennings, Louisiana  
December 7, 2004

# Mike B. Gillespie, CPA

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

### Compliance

We have audited the compliance of the Jefferson Davis Parish School Board (School Board) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

As described in item 2004-2 in the accompanying schedule of findings and questioned costs, the School Board did not comply with requirements regarding procurement and suspension and debarment that are applicable to its Child Nutrition Cluster including School Breakfast Program –CFDA No. 10.553 and National School Lunch Programs –CFDA No. 10.555. Compliance with such requirements is necessary, in our opinion, for the School Board to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

### Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to

federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

This report is intended solely for the information and use of the audit committee (officially referred to as the finance committee), management, others within the organization, the Jefferson Davis Parish School Board, federal awarding agencies and pass-through entities, and the Louisiana Legislative Audit Advisory Council and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Mike B. Gillespie, CPA, APAC*

Jennings, Louisiana  
December 7, 2004

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2004**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

1. Type of report issued: unqualified opinion on the basic financial statements
2. Internal control over financial reporting:
  - Material weakness(es) identified? - No
  - Reportable condition(s) identified that are not considered to be material weakness(es)? - No
3. Noncompliance material to financial statements noted? - No
4. Was a management letter issued? - No

***Federal Awards***

5. Internal control over major programs:
  - Material weakness(es) identified? - No
  - Reportable condition(s) identified that are not considered to be material weakness(es)? - No
6. Type of auditor's report issued on compliance for major programs: qualified opinion
7. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? - Yes
8. The programs tested as major programs included:

<u>CFDA No.</u>	<u>Cluster Title or Program Name</u>
10.553	Child Nutritional Cluster- School Breakfast Program
10.555	Child Nutritional Cluster- National School Lunch Program
84.027	Special Education-Grants to States/ IDEA Part B
84.173	Special Education-Preschool Grants
84.367	Title II, Part A, Teacher & Principal Training & Recruiting
84.358	Rural Education Achievement Program

9. The dollar threshold used for distinguishing between Type A and B programs was: \$300,000
10. Did auditee qualify as a low-risk auditee? - No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Unresolved Prior Year Findings:**

None

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2004**

**Current Year Findings:**

**Item: 2004-1**

*Finding/ Specific Requirement:* Noncompliance with Local Government Budget Act (Louisiana Revised Statutes 39:1301-15)

*Condition:* Original and amended budgets were not adopted in compliance with Louisiana Revised Statutes 17:88 and 39:1301-1315.

*Cause of Condition:* Neither the original or the amended budget adoptions allowed for public participation by advertising in advance in the official journal prior to budget hearings. Pursuant to LRS 39:1307 a notice stating that a public hearing on the proposed budget shall be held specifying a date, time, and place shall be published at least ten days prior to the date of the first public hearing. Management claimed that the ads were faxed to the newspaper, but were not published in a timely manner.

*Effect of Condition:* Noncompliance with the aforementioned statute prevented the public from having an opportunity to participate in the budget process as required under state law.

*Recommendation:* Management should implement procedures that will ensure that future request for necessary advertisement of the budget hearings are properly communicated with newspaper officials. We suggest that management establish contact with a specific authorized individual employed within the official journal organization that can confirm publication will take place within time allowed by law.

*Management Response:* Future budget advertisements will be hand-delivered to the individual in charge of legal advertisements at the School Board's official journal. The Director of Finance will implement corrective action.

**SECTION III –FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**U.S. Department of Agriculture**

**Item: 2004-2**

*Program/ Grant:* Child Nutrition Cluster including School Breakfast Program –CFDA No. 10.553; and National School Lunch Program –CFDA No. 10.555

*Finding/ Specific Requirement:* Procurement and Suspension and Debarment

*Condition:* Federal procurement regulations require that the School Board use the same state policies and procedures used for procurements from non-Federal funds. During our test of procurement procedures, we noted that management failed to advertise bids in a local newspaper or issue a public notice that a written request for proposal was being offered for software and hardware purchases expected to exceed \$20,000 prior to opening bids/quotes received as required under Louisiana Revised Statutes 38:2212 and or 38:2237. Pursuant to these statutes, management was required to publish an advertisement two times in

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2004**

the newspaper in the locality, the first advertisement to appear at least fifteen (15) days before the opening of the bids or issue a public notice 30 days prior to the scheduled date that that a written request for proposal will be opened.

However, our procedures indicated that competitive quotes were obtained by phone directly with two vendors. For the purchases tested we noted that quote tabulations were prepared for those quotes received and the lowest price was approved.

**Cause of Condition:** According to the Supervisor of Food Services, they were unaware that written request for proposals had to be mailed to potential vendors and that a public notice had to be issued 30 days prior to the scheduled opening of the vendor proposals.

**Questioned Costs:** The total cost of this software purchase from MCS Software per invoice number 2709 dated May 24, 2004 was \$39,560.

**Effect of Condition:** For this particular purchase the School Board was not in compliance with Federal procurement requirements for this program, since state policies and procedures were not followed.

**Recommendation:** The Food Service Department should review Federal procurement regulations and associated state statutes dealing with public bid laws and implement policy changes that require someone to review this aspect of the bid process prior to soliciting bids or quotes under request for proposals.

**Management Response:** The School Board agrees that the Food Service Department failed to advertise a bid notice in the official journal or issue written request for proposals with a 30 day public notice prior to scheduled opening of quotes in this matter as required by procurement policy. The School Food Service Supervisor will ensure that any future bids or request for proposals will be properly advertised.



# JEFFERSON DAVIS PARISH SCHOOL BOARD

P.O. BOX 640 203 EAST PLAQUEMINE STREET  
JENNINGS, LOUISIANA 70546

TOMMY LEE SMITH  
SUPERINTENDENT

TELEPHONE (337) 824-1834  
FAX (337) 824-9737

## MANAGEMENT'S CORRECTIVE ACTION PLAN

Mr. Mike B. Gillespie, CPA  
Mike B. Gillespie, CPA, APAC  
414 E. Nezpique Street  
Jennings, Louisiana 70546

Dear Mr. Gillespie:

The Jefferson Davis Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2004. The findings from the June 30, 2004 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned on the schedule.

### FINANCIAL STATEMENT FINDINGS

#### **Item: 2004-1**

Finding/Specific Requirement: Noncompliance with Local Government Budget Act (Louisiana Statutes 39:1301-15)

Recommendation: Management should implement procedures that will ensure that future requests for necessary advertisements of the budget hearings are properly communicated with newspaper officials. We establish management establish contact with a specific authorized individual employed within the official journal organization that can confirm publication will take plan within the time allowed by law.

Corrective Action Planned: Budget advertisements will be hand-delivered to the individual in charge of legal advertisements at the School Board's official journal. The Director of Finance will personally review the newspaper publication on the selected advertisement dates to make sure the advertisements were run on the days specified in the advertisement order. The corrective action will begin in December 2004.

Contact Person: Bill Hebert, Director of Finance, Jefferson Davis Parish School Board

Completion Date: Before June 30, 2005.

## **FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

### **U.S. Department of Agriculture**

#### **Item: 2004-2**

Finding/Specific Requirement: Procurement and Suspension and Debarment

Recommendation: The Food Service Department should review Federal procurement regulations and associated state statutes dealing with public bid laws and implement policy changes that require someone to review this aspect of the bid process prior to soliciting bids or quotes under requests for proposals.

Corrective Action Planned: The Director of Finance shall provide supervisory personnel with public bid law information in order to facilitate compliance with federal and state laws governing the matter.

Contact Person: Etta Palmer, School Food Service Supervisor, Jefferson Davis Parish School Board

Completion Date: Before June 30, 2004

# JEFFERSON DAVIS PARISH SCHOOL BOARD

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TOMMY LEE SMITH  
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## MANAGEMENT'S STATUS OF PRIOR YEAR FINDINGS

Mr. Mike B. Gillespie, CPA  
Mike B. Gillespie, CPA, APAC  
414 E. Nezpique Street  
Jennings, Louisiana 70546

Dear Mr. Gillespie:

The Jefferson Davis Parish School Board respectfully submits the following status report of prior year audit findings. The findings from management's corrective action plan on the June 30, 2003 audit are discussed below. The findings are numbered consistently with the numbers assigned on the schedule.

### FINANCIAL STATEMENT FINDINGS

#### **Finding 2002-2: Deficiency in Payroll Coding and Classification Controls**

Condition: During a review of controls over payroll coding and classifications, a weakness was discovered concerning supervisory reviews of general ledger transaction assignments with respect to general fund salary changes and supplements.

Recommendation: Changes or other additions, including payment of extra compensation to employees within the payroll system, should be reviewed for correctness and documented as being authorized by someone other than the person in charge of preparing payroll checks.

Current Status/Management Action Taken: The Director of Finance reviews and approves the monthly payroll audit printout of changes to each employee's respective master data file.

Contact Person: Bill Hebert, Director of Finance, Jefferson Davis Parish School Board

Completion Date: June 30, 2004

#### **Finding 2003-1: Noncompliance with Louisiana Revised Statutes 14:181**

Condition: Based on our review of LRS 17:181, management did not allocate \$50 in addition to other funding to each student enrolled in a vocational agriculture, agribusiness, or agriscience program.

Recommendation: Management should develop and implement detail procedures for monitoring compliance in this area. We suggest that one specific individual be assigned this duty which should include maintaining detail documentation of compliance. We also recommend that procedures be coordinated with the accounting department to ensure that expenditures are being coded consistently and to the proper general ledger account codes.

Current Status/Management Action Taken: The recommendations of the independent auditor were implemented during the 2003-2004 fiscal year.

Contact Person: Bill Hebert, Director of Finance, Jefferson Davis Parish School Board

Completion Date: June 30, 2004

**Finding 2003-2: Noncompliance with Louisiana Constitution Article 7, Section 14**

Condition: Management issued checks totaling \$710,653.62 to the City of Jennings during the year ending June 30, 2003 from School District # 2 Capital Projects Fund without entering into a written cooperative endeavor agreement prior to expenditure of funds.

Recommendation: Management should develop and enter into a written cooperative endeavor agreement with the City of Jennings with respect to these transactions. This written agreement should be approved, adopted, and signed by both the School Board and City Council.

Current Status/Management Action Taken: The recommendations of the independent auditor were implemented during the 2003-2004 fiscal year.

Contact Person: Bill Hebert, Director of Finance, Jefferson Davis Parish School Board

Completion Date: June 30, 2004

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**U.S. Department of Agriculture**

**Finding 2003-3: Procurement and Suspension and Debarment**

Condition: During our test of procurement procedures, we noted that management failed to advertise bids in a local newspaper for annual food purchases expected to exceed \$15,000 prior to opening bids received as required under Louisiana Revised Statutes 38:2212. Pursuant to this statute, management was required to publish an advertisement two times in the newspaper in the locality, the first advertisement to appear at least fifteen (15) days before the opening of the bids.

Recommendation: The Food Service Department should review Federal procurement regulations and associated state statutes dealing with public bid laws and implement policy changes that require someone to review this aspect of the bid process prior to soliciting bids.

Current Status/Management Action Taken: The recommendations of the independent auditor were implemented during the 2003-2004 fiscal year.

Contact Person: Etta Palmer, School Food Service Supervisor , Jefferson Davis Parish School Board

Completion Date: June 30, 2004

**U.S. Department of Education**

Condition: According to OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribe Governments*, where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications are to be prepared at least semi-annually and should be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. During our test of procedures in this area, we noted that the required certification process was not performed for the eight employees that work solely for this program.

Recommendation: The School Board should implement procedures to ensure that this certification process is performed twice a year.

Current Status/Management Action Taken: The recommendations of the independent auditor were implemented during the 2003-2004 fiscal year.

Contact Person: Bill Hebert, Director of Finance, Jefferson Davis Parish School Board

Completion Date: June 30, 2004

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**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**Schedules Required by State Law**  
**(R.S. 24:514 Performance and Statistical Data)**  
**Year Ended June 30, 2004**

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 \_\_\_\_\_

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
JENNINGS, LOUISIANA**

**SCHEDULES REQUIRED BY STATE LAW  
(R.S. 24:514 PERFORMANCE AND STATISTICAL DATA)**

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# Mike B. Gillespie, CPA

(A Professional Accounting Corporation)

414 East Nezpique Street  
PO Box 1347, Jennings, LA 70546  
Phone (337) 824-7773

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## Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Management of Jefferson Davis Parish School Board

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

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

### **General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 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.

**Findings:** No exceptions were found as a result of applying the procedure.



**Education Levels of Public School Staff (Schedule 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 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

**Findings:** Total number of principals and assistant principals are overstated on Schedule 2. Our procedures indicated that this overstatement is due inclusion of one principal and one assistant principal each of who were retired as of October 1, 2003. Had these individuals been properly excluded management’s Schedule 2 would have been reported as follows:

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	270	71%	2	67%	0	0%	0	0%
Master's Degree	66	17%	1	33%	7	24%	0	0%
Master's Degree + 30	39	10%	0	0%	16	55%	0	0%
Specialist in Education	3	1%	0	0%	5	17%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	1	3%	0	0%
<b>Total</b>	<b>378</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>29</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**Management’s Response:** Management agrees with the statements in the above finding. The individuals that replaced these retired principals were included in the schedule; however, the retired principals were inadvertently not removed.

3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals and Full-time Classroom Teachers” (Schedule 4) to the combined total of principals and assistant principals per this schedule.

**Findings:** No exceptions were found as a result of applying the procedure, however, the total number of principals and assistant principals are overstated on Schedule 4 due to the same reasons discussed in the aforementioned findings in procedure 2.

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

**Findings:** No exceptions were found as a result of applying the procedure.

**Number and Type of Public Schools (Schedule 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.

**Findings:** No exceptions were found as a result of applying the procedure.

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

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

**Findings:** No exceptions were found as a result of applying the procedure, however, the total number of principals and assistant principals are overstated on Schedule 4 due to the same reasons discussed in the aforementioned findings in procedure 2. Had these individuals been properly excluded management's Schedule 2 would have been reported as follows:

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	4	2	2	3	4	15
Principals	0	0	0	0	1	4	9	14
Classroom Teachers	16	20	110	68	56	36	75	381
<b>Total</b>	16	20	114	70	59	43	88	410

**Public Staff Data (Schedule 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 if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

**Findings:** No exceptions were found as a result of applying the procedure.

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

**Findings:** No exceptions were found as a result of applying the procedure.

**Class Size Characteristics (Schedule 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 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

**Findings:** During our tracing of the random sample of 10 classes to the October 1<sup>st</sup> roll books we noted one exception. One seventh grade teacher reported by management as having seventeen (17) students showed only fifteen (15) listed in the roll book as of October 1<sup>st</sup>. This finding did not effect the presentation of this schedule since the corrected class size count remained within the class size range reported by management.

**Management's Response:** Management agrees with the statements in the above finding.

**Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 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 Jefferson Davis Parish School Board.

**Findings:** No exceptions were found as a result of applying the procedure.

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

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Jefferson Davis Parish School Board.

**Findings:** No exceptions were found as a result of applying the procedure to data that was actually reported in management's Schedule 8. Management only provided aggregated data for the GEE 21 with grades 10 and 11 combined. Management could not provide the testing data with grades 10 and 11 broken out for the past three years.

**Management's Response:** Management agrees with the statements in the above finding.

**The Iowa Tests (Schedule 9)**

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Jefferson Davis Parish School Board.

**Findings:** No exceptions were found as a result of applying the procedure.

\* \* \* \* \*

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 about the performance and statistical data contained in the accompanying schedules. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Mike B. Gillespie, CPA, APAC*

Certified Public Accountant

Jennings, Louisiana

December 7, 2004

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

Schedule 1

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2004**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 14,166,120	
Other Instructional Staff Activities	1,655,385	
Employee Benefits	5,437,668	
Purchased Professional and Technical Services	80,841	
Instructional Materials and Supplies	894,372	
Instructional Equipment	<u>28,548</u>	
Total Teacher and Student Interaction Activities		\$ 22,262,934

Other Instructional Activities \$ 374,985

Pupil Support Activities	1,743,393	
Less: Equipment for Pupil Support Activities	<u>(2,280)</u>	
Net Pupil Support Activities		\$ 1,741,113

Instructional Staff Services	1,748,658	
Less: Equipment for Instructional Staff Services	<u>(1,433)</u>	
Net Instructional Staff Services		<u>\$ 1,747,225</u>

Total General Fund Instructional Expenditures \$ 26,126,257

Total General Fund Equipment Expenditures \$ 164,192

**Certain Local Revenue Sources**

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 696,653
Renewable Ad Valorem Tax	2,484,577
Debt Service Ad Valorem Tax	2,052,499
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	120,535
Sales and Use Taxes	<u>7,997,835</u>
Total Local Taxation Revenue	<u>\$ 13,352,099</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 35,149
Earnings from Other Real Property	<u>5,399</u>
Total Local Earnings on Investment in Real Property	<u>\$ 40,548</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 71,224
Revenue Sharing - Other Taxes	188,931
Revenue Sharing - Excess Portion	30,994
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u>\$ 291,149</u>

Nonpublic Textbook Revenue \$ 10,675

Nonpublic Transportation Revenue \$ 10,142

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**Education Levels of Public School Staff**  
**As of October 1, 2003**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	270	71%	2	67%	0	0%	0	0%
Master's Degree	66	17%	1	33%	8	26%	0	0%
Master's Degree + 30	39	10%	0	0%	17	55%	0	0%
Specialist in Education	3	1%	0	0%	5	16%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	1	3%	0	0%
<b>Total</b>	<b>378</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
Jennings, Louisiana

**Number and Type of Public Schools**  
**For the Year Ended June 30, 2004**

<b>Type</b>	<b>Number</b>
Elementary	6
Middle/Jr. High	2
Secondary	4
Combination	2
<b>Total</b>	<b>14</b>

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

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**Experience of Public Principals and Full-time Classroom Teachers**  
**As of October 1, 2003**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	4	2	2	3	5	16
Principals	0	0	0	0	1	4	10	15
Classroom Teachers	16	20	110	68	56	36	75	381
<b>Total</b>	16	20	114	70	59	43	90	412



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**Public School Staff Data**  
**For the Year Ended June 30, 2004**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC and Rehired Retirees</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	\$41,280.11	\$41,327.92
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	\$39,253.97	\$39,299.48
<b>Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries</b>	372.0755495	369.4505495

**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 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 DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**Class Size Characteristics**  
**As of October 1, 2003**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	55.1%	207	33.2%	125	11.7%	44	0.0%	0
Elementary Activity Classes	13.8%	8	51.7%	30	24.1%	14	10.3%	6
Middle/Jr. High	19.9%	31	17.3%	27	62.8%	98	0.0%	0
Middle/Jr. High Activity Classes	7.1%	2	28.6%	8	28.6%	8	35.7%	10
High	48.9%	214	32.9%	144	18.3%	80	0.0%	0
High Activity Classes	54.5%	30	20.0%	11	14.5%	8	10.9%	6
Combination	73.0%	165	24.8%	56	2.2%	5	0.0%	0
Combination Activity Classes	38.9%	7	33.3%	6	5.6%	1	22.2%	4

**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 DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**Louisiana Educational Assessment Program (LEAP) for the 21st Century**  
**For the Year Ended June 30, 2004**

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	23	6%	1	0%	15	3%	12	3%	18	4%	19	4%
Mastery	101	25%	81	20%	78	18%	75	19%	97	24%	61	14%
Basic	180	45%	226	56%	220	50%	206	51%	206	51%	227	51%
Approaching Basic	65	16%	74	18%	106	24%	71	18%	62	15%	93	21%
Unsatisfactory	33	8%	22	5%	25	6%	38	9%	21	5%	44	10%
<b>Total</b>	<b>402</b>	<b>100%</b>	<b>404</b>	<b>100%</b>	<b>444</b>	<b>100%</b>	<b>402</b>	<b>100%</b>	<b>404</b>	<b>100%</b>	<b>444</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	12	3%	11	3%	30	7%	8	2%	18	4%	8	2%
Mastery	101	25%	115	28%	82	18%	116	29%	88	22%	65	15%
Basic	217	54%	194	48%	246	55%	213	53%	225	56%	273	61%
Approaching Basic	51	13%	74	18%	72	16%	33	8%	57	14%	73	16%
Unsatisfactory	20	5%	10	2%	14	3%	31	8%	16	4%	25	6%
<b>Total</b>	<b>401</b>	<b>100%</b>	<b>404</b>	<b>100%</b>	<b>444</b>	<b>100%</b>	<b>401</b>	<b>100%</b>	<b>404</b>	<b>100%</b>	<b>444</b>	<b>100%</b>

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	4	1%	5	1%	9	2%	5	1%	11	2%	4	1%
Mastery	40	10%	62	14%	80	19%	28	7%	27	6%	20	5%
Basic	180	43%	189	44%	174	41%	248	58%	225	51%	207	49%
Approaching Basic	153	37%	144	33%	137	33%	77	18%	110	25%	140	33%
Unsatisfactory	38	9%	32	7%	21	5%	69	16%	69	16%	54	13%
<b>Total</b>	<b>415</b>	<b>100%</b>	<b>432</b>	<b>100%</b>	<b>421</b>	<b>100%</b>	<b>427</b>	<b>100%</b>	<b>442</b>	<b>100%</b>	<b>425</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	5	1%	10	2%	8	2%	2	0%	2	0%	5	1%
Mastery	77	19%	74	17%	86	21%	51	13%	59	14%	45	11%
Basic	170	42%	187	43%	192	46%	222	54%	218	51%	224	53%
Approaching Basic	117	29%	125	29%	102	24%	99	24%	100	23%	107	26%
Unsatisfactory	40	10%	34	8%	31	7%	34	8%	51	12%	38	9%
<b>Total</b>	<b>409</b>	<b>100%</b>	<b>430</b>	<b>100%</b>	<b>419</b>	<b>100%</b>	<b>408</b>	<b>100%</b>	<b>430</b>	<b>100%</b>	<b>419</b>	<b>100%</b>

Schedule 8

JEFFERSON DAVIS PARISH SCHOOL BOARD  
Jennings, Louisiana

The Graduation Exit Exam for the 21st Century  
For the Year Ended June 30, 2004

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10, 11</b>												
Advanced	5	1%	1	0%	4	1%	31	8%	31	8%	25	6%
Mastery	72	18%	47	13%	45	12%	85	22%	71	18%	44	11%
Basic	176	44%	164	44%	185	49%	164	42%	165	42%	161	41%
Approaching Basic	87	22%	100	27%	100	26%	60	15%	56	14%	68	17%
Unsatisfactory	59	15%	64	17%	45	12%	54	14%	71	18%	92	24%
<b>Total</b>	<b>399</b>	<b>100%</b>	<b>376</b>	<b>100%</b>	<b>379</b>	<b>100%</b>	<b>394</b>	<b>100%</b>	<b>394</b>	<b>100%</b>	<b>390</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10, 11</b>												
Advanced	12	4%	6	2%	13	3%	3	1%	5	1%	5	1%
Mastery	75	22%	54	16%	73	19%	41	12%	37	11%	21	5%
Basic	156	46%	174	51%	153	39%	194	58%	175	51%	176	45%
Approaching Basic	70	21%	73	21%	79	20%	73	22%	78	23%	109	28%
Unsatisfactory	25	7%	35	10%	72	18%	26	8%	48	14%	79	20%
<b>Total</b>	<b>338</b>	<b>100%</b>	<b>342</b>	<b>100%</b>	<b>390</b>	<b>100%</b>	<b>337</b>	<b>100%</b>	<b>343</b>	<b>100%</b>	<b>390</b>	<b>100%</b>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**The IOWA Tests**  
**For the Year Ended June 30, 2004**

	<b>Composite</b>		
	2004	2003	2002
<b>Test of Basic Skills (ITBS)</b>			
Grade 3	<b>66</b>	<b>69</b>	<b>64</b>
Grade 5	<b>61</b>	<b>63</b>	<b>59</b>
Grade 6	<b>55</b>	<b>54</b>	<b>56</b>
Grade 7	<b>57</b>	<b>54</b>	<b>57</b>
<b>Tests of Educational Development (ITED)</b>			
Grade 9	<b>55</b>	<b>54</b>	<b>57</b>

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.