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**ST. JOHN THE BAPTIST PARISH
COMMUNITY ACTION AGENCY
ST. JOHN THE BAPTIST PARISH COUNCIL
RESERVE, LOUISIANA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT THEREON**

For the Year Ended June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report shall be submitted to the auditor, by registered, certified mail, return receipt requested, to the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **DEC 01 1999**

TABLE OF CONTENTS

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	1
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FINANCIAL STATEMENTS

Combined Balance Sheet - All Fund Types	3
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	4
Notes to the Financial Statements	5

REQUIRED SUPPLEMENTARY INFORMATION

YEAR 2000 DISCLOSURES (UNAUDITED).....	19
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SUPPLEMENTAL INFORMATION

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS	20
--	----

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	23
STATUS OF PRIOR YEAR FINDINGS	24
CORRECTIVE ACTION PLAN	25

FINANCIAL SECTION

REBOWE & COMPANY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
St. John the Baptist Parish
Community Action Agency
St. John the Baptist Parish Council
Reserve, Louisiana

We have audited the accompanying financial statements of the **St. John the Baptist Parish Community Action Agency**, a component unit of the St. John the Baptist Parish Council, as of and for the year ended June 30, 1999, as listed in the table of contents. These financial statements are the responsibility of the management of the **St. John the Baptist Parish Community Action Agency**. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **St. John the Baptist Parish Community Action Agency** as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 22, 1999, on our consideration of the **St. John the Baptist Parish Community Action Agency's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of Compensation Paid to Board Members listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the **St. John the Baptist Parish Community Action Agency**. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The year 2000 supplementary information on page 22 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the **St. John the Baptist Parish Community Action Agency** is or will become year 2000 compliant, that the **St. John the Baptist Parish Community Action Agency's** year 2000 remediation efforts will be successful in whole or in part, or that parties with which the **St. John the Baptist Parish Community Action Agency** does business are or will become year 2000 compliant.

Reboue & Company

October 22, 1999

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana

Combined Balance Sheet
All Fund Types
June 30, 1999

	Governmental Funds		Total (Memorandum Only)
	General Fund	Special Revenue Funds	
Assets			
Current assets			
Cash and cash equivalents	\$ 4,445	\$ 6,863	\$ 11,308
Due from St. John Council	1,821	-	1,821
Due from other governments State of Louisiana	-	32,068	32,068
Total Assets	\$ 6,266	\$ 38,931	\$ 45,197
Liabilities and Fund Equity			
Liabilities			
Current liabilities			
Accounts Payable	\$ -	\$ 20,335	\$ 20,335
Due to St. John Council	-	14,963	14,963
Total liabilities	-	35,298	35,298
Fund equity			
Fund balance			
Reserved	-	3,633	3,633
Unreserved, undesignated	6,266	-	6,266
Total fund equity	6,266	3,633	9,899
Total Liabilities and Fund Equity	\$ 6,266	\$ 38,931	\$ 45,197

The accompanying notes are an integral part of this statement.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended June 30, 1999

	Governmental Funds		Total (Memorandum Only)
	General Fund	Special Revenue Funds	
Revenues			
Intergovernmental			
Federal and state grants	\$ 12,809	\$ 265,227	\$ 278,036
Donations	550	-	550
Other	968	-	968
Total Revenues	<u>14,327</u>	<u>265,227</u>	<u>279,554</u>
Expenditures			
Health and welfare			
Personal services	-	89,692	89,692
Employee benefits	-	29,971	29,971
Operating services	10,608	125,019	135,627
Operating supplies	1,891	25,841	27,732
Total Expenditures	<u>12,499</u>	<u>270,523</u>	<u>283,022</u>
Excess (Deficiency) of Revenues over Expenditures	1,828	(5,296)	(3,468)
Fund balance, beginning of year	2,334	6,534	8,868
Prior period adjustments, see note 13	2,104	2,395	4,499
Fund balance, beginning of year, as restated	<u>4,438</u>	<u>8,929</u>	<u>13,367</u>
Fund balance, end of year	<u>\$ 6,266</u>	<u>\$ 3,633</u>	<u>\$ 9,899</u>

The accompanying notes are an integral part of this statement.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The financial statements of the St. John the Baptist Parish Community Action Agency (the Agency) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The St. John the Baptist Parish Council established the Agency in 1980 to provide services to the elderly, handicapped, and economically disadvantaged citizens of St. John the Baptist Parish. These services include emergency food and shelter assistance, food distribution, utility assistance, and weatherization of qualified residences. The Agency is governed by a board of directors consisting of not more than 15 members. Board members receive no compensation for their service.

The more significant of the Agency's accounting policies are described below.

A. Reporting Entity

The St. John the Baptist Parish Council (the Council) is the governing authority for the Parish of St. John the Baptist, a political subdivision of the State of Louisiana as authorized by the State Constitution. The Council consists of nine members, two of whom are elected from two divisions of the Parish consisting of 50% of the Parish's population and seven members elected to represent each of the seven districts. The Parish President, elected by the voters of the Parish, is the chief executive officer of the Parish and is responsible for carrying out the policies adopted by the Council and for the administration of all Parish departments, offices, agencies and special districts.

Louisiana Revised Statute 33:1236 gives the Council various powers in regulating and directing the affairs of the Parish and its inhabitants. The more notable of these are the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and its drainage system; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the Parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various state and federal grants.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

St. John the Baptist Parish occupies 351 square miles with a population of approximately 40,000. Council offices are located in the parish office building at 1801 West Airline Highway, LaPlace.

As the governing authority of the Parish, for financial reporting purposes, the St. John the Baptist Parish Council is the reporting entity for St. John the Baptist Parish. The financial reporting entity consists of (a) the primary government (Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Government Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the St. John the Baptist Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth the following criteria to be considered in determining financial accountability:

1. Organizations for which the Council appoints a voting majority of the governing body, and:
 - a. The ability of the Council to impose its will on that organization or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Council.
2. Organizations for which the Council does not appoint a voting majority but which are fiscally dependent on the Council.
3. Organizations for which the reporting entity financial statements would be misleading if data for the organization is not included because of the nature or significance of the relationship.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

Based on the above criteria, the Council has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Council on Aging	June 30	2
Community Action Agency	June 30	1.a.b.
Library	December 31	1.a.b.
Public Housing Authority	September 30	1.a.
Assessor	December 31	2
Clerk of Court	June 30	2

The accompanying financial statements present only the financial position and results of operations of the Community Action Agency of the St. John the Baptist Parish Council, and do not present financial information for the Council or for any of the other above-named component units of the Council. However, the Council and these component units are required to submit annual financial statements to the State of Louisiana Legislative Auditor.

GASB Statement No. 14 provides for the issuance of individual fund statements that are separate from those of the reporting entity. However, these individual fund financial statements are not a substitute for the reporting entity's financial statements. The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as applied to government units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the St. John the Baptist Parish Community Action Agency.

B. Fund Accounting

Governmental entities use funds and account groups to report their financial position and the results of their operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The St. John the Baptist Parish Community Action Agency maintains the following fund-types:

Governmental Funds

General Fund - The General Fund is the general operating fund of the Agency. It accounts for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds - Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes are reported as special revenue funds.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental Funds

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under this method, revenues are recognized when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. Expenditures are recorded

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

when the related fund liability is incurred, except for sick and vacation leave, which are recorded when paid.

Those revenues considered susceptible to accrual include federal and state grants. Interest on time deposits is recorded when earned. Substantially all other revenues are recorded when received.

Transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses) and are recorded at the time of transfer.

Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Agency before it has a legal claim to them, as when grant moneys are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Agency has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

D. Budgetary Accounting

The Agency utilizes the budgetary restrictions included in its grant agreements for expenditure control. These agreements do not coincide with the Agency's fiscal year, but are budgeted on the fiscal years of the granting agencies. Accordingly, budget to actual comparisons are not presented in these statements.

All unexpended budgetary appropriations lapse at year end. The Agency does not utilize encumbrance accounting.

Additional details on the budgetary process may be found at Note 2.

E. Cash, Cash Equivalents, and Investments

Cash includes cash on hand, demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

Louisiana Revised Statutes, at L.S.A.-R.S. 33:2955, authorize the Agency to invest in 1) direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government; 2) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or United States government instrumentalities; 3) direct security repurchase agreements of any federal book-entry only securities; 4) time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in Louisiana, savings accounts or shares of savings and loan associations; 5) mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of, and limited to, securities of the United States government or its agencies; or 6) guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program approved by the Louisiana State Bond Commission.

Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank. The Agency had no cash equivalents at June 30, 1999.

F. Receivables

Receivables consist primarily of amounts due from granting agencies for reimbursement of expenditures made by the Agency.

G. Property and Equipment

Title to all property and equipment used in the operation of the Agency is in the name of the St. John the Baptist Parish Council, and is reported in the General Fixed Asset Account Group in the Council's general purpose financial statements. The Agency owns no property or equipment in its own name.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

H. Compensated Absences

The Council has the following policies relating to vacation and sick leave, which apply to employees of the Agency:

Employees earn from 5 to 20 days of vacation leave each year, depending on their length of service. Vacation leave must be taken in the year earned and cannot be accumulated. Also, employees earn 6 to 18 days of sick leave per year which can be accumulated and is paid only upon retirement. The accumulation of sick leave is nominal at June 30, 1999, therefore, a liability for compensated absences due employees has not been included in the financial statements.

Leave privileges associated with employees of the Agency are recorded as a fund liability and operating expenses.

I. Fund Equity

Reserves represent those portions of fund equity legally segregated for a specific future use. Designations represent tentative plans for future uses of financial resources.

J. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. 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, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

K. Total Columns on Combined Statements

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget

The Agency utilizes the budgets contained in its grant agreements for budgetary control in its special revenue funds as described in Note 1. All funds in the General Fund are budgeted by the St. John the Baptist Parish Council, and included in the financial statements of the Council, using the following procedures:

- (1). At least sixty (60) days before the beginning of the fiscal year, the President submits a line item operating budget and a capital budget in accordance with accepted accounting procedures in a format established by the Parish Council. The budget submitted shall be balanced. The President submits with the budget a message containing recommendations concerning the fiscal policy of the Parish, a description of the important features of the budget, and an explanation of all major increases or decreases in budget recommendations as compared with expenditures of the prior year.
- (2). The Parish Council publishes the proposed budget in the official journal two (2) weeks before the meeting at which the budget is to be adopted. The budget as adopted constitutes an appropriation of funds for all purposes contained therein. A budget ordinance becomes effective the first day of the fiscal year, unless otherwise provided therein.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1999

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

(3). The Parish Council may amend the budgets before adoption except that no items for debt service may be reduced below the amount certified by the President as necessary. In no event should the Parish Council cause the total expenditures to exceed anticipated revenues. If the Parish Council fails to act on either budget within the time limit as provided in the Section herein, it shall be adopted as submitted by the President.

Since the Agency does not formally adopt a budget, budgetary comparisons are not presented.

NOTE 3 - DEPOSITS

At June 30, 1999, the Agency has cash and cash equivalents (book balances) totaling \$11,308.

These deposits are stated at cost. 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 or exceed the amount on deposit with the fiscal agent.

At June 30, 1999, the Agency had \$21,494 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

NOTE 4 - DUE FROM OTHERS

Amounts due from others consist of expense reimbursements due from the State of Louisiana in connection with the Agency's Community Services Block Grant (CSBG), Community Services Home Energy Assistance (HEA) Program, and St. John Parish Council as follows:

CSBG	\$10,955
CS HEA Program	21,113
St. John Parish Council	<u>1,821</u>
Total due from others	<u>\$33,889</u>

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1999

NOTE 5 – DUE TO ST. JOHN COUNCIL

Salaries and related benefits for employees of the Agency are paid by the St. John the Baptist Parish Council, which is reimbursed when the Agency receives funding through its Community Services Block Grant. Food costs are also paid by the St. John the Baptist Parish Council, which is reimbursed when the Agency receives funding through its FEMA Grant. At June 30, 1999, \$14,963 was due to the Council for various salaries, benefits and food purchases.

NOTE 6 - PENSION PLAN

Plan Description. Substantially all employees of the St. John the Baptist Council, including the employees of the St. John the Baptist Parish Community Action Agency, are members of the Parochial Employees' Retirement System of Louisiana (the System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Council are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the system. Under Plan A, employees who retire at or after 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980, plus 3 per cent of final-average salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1999

NOTE 6 - PENSION PLAN (CONTINUED)

Funding Policy. Under Plan A, Members are required by statute to contribute 9.5 percent of their annual covered salary and the St. John the Baptist Parish Council is required to contribute at an actuarially determined rate. Effective January 1, 1997, the current employer contribution rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish (except Orleans and East Baton Rouge Parishes). These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the St. John the Baptist Parish Council are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year.

The following provides certain disclosures for the St. John the Baptist Parish Community Action Agency's contributions to the System under Plan A.

	<u>FYE</u> <u>6/30/97</u>	<u>FYE</u> <u>6/30/98</u>	<u>FYE</u> <u>6/30/99</u>
Employer required contribution rate	7.25%	7.75%	7.75%
Covered payroll	\$84,729	\$89,913	\$89,692
Required employer contributions	\$6,625	\$7,193	\$6,758
Parish contributions	\$6,625	\$7,193	\$6,758

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

The St. John the Baptist Parish Council provides certain continuing health care and life insurance benefits for its employees. Substantially all of the Council's employees become eligible for these benefits if they reach normal retirement age while working for the Council. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the Council. Benefits for active employees are paid in full by the Council. The Council recognizes the cost of providing these benefits as expenditures when paid during the year. No post-employment benefits were paid by the Agency during the year ended June 30, 1999.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1999

NOTE 8 - COMPENSATED ABSENCES

Only full time regular employees with a minimum of six months of employment service are eligible for sick pay. At retirement, all accumulated, unused, and unpaid sick leave days are forwarded to the retirement system for conversion upon application for normal retirement. At June 30, 1999, the Agency's employees had no accumulated or vested employee leave benefits that would materially affect the financial statements.

NOTE 9 - DEFERRED COMPENSATION PLAN

The Parish offers its employees, including the employees of the St. John the Baptist Parish Community Action Agency, a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Parish employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

In 1996, the U.S. Congress passed the Small Business Job Protection Act of 1996, which requires that employer governments place all amounts deferred under IRC Section 457 into a trust for the exclusive benefit of participants and their beneficiaries. This change was allowed as early as January 1, 1997, but must be done by January 1, 1999. In prior years, these assets were solely the property of the Parish and subject to claims of the Parish's general creditors, and were reported in the Parish's financial statements. During the year ended June 30, 1999, the Parish amended its Plan to comply with the requirements of the Act. Thus, the Parish no longer has ownership of the Plan assets and they are no longer reported in the Parish's financial statements.

NOTE 10 - RISK MANAGEMENT

The Agency 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 Parish purchases commercial insurance to manage the risk of loss, and the policies covering the Agency are included in the Council's insurance portfolio. The more significant insurance coverages include general liability, officers' and directors' liability, workers' compensation, business auto, and commercial property. No settlements in excess of insurance coverages were made during the year ended June 30, 1999.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1999

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The Agency is not subject to civil actions without recourse to the Parish Council. Accordingly, any contingencies or disclosures related to litigation may be found in the financial statements of the Council.

NOTE 12 - RESERVED FUND BALANCE

Fund balances in grant programs are reserved for use in those programs, in accordance with restrictions in the Agency's grant agreements. A total of \$3,633 was reserved at June 30, 1999.

NOTE 13 - PRIOR PERIOD ADJUSTMENTS

The effects of the prior period adjustments to the fund balances of the General Fund and Special Revenue Funds are summarized below:

General Fund

Prior year revenues from the Louisiana State Department of Agriculture & Forestry and LACSO to reimburse the expenditures of the Agency's State Commodities Program and conference expenditures were recorded in the current year. Furthermore, the Agency incurred an expenditure that should have been recorded in the prior year for the Agency's Community Services Weatherization Assistance Program. Had these errors not occurred, revenues and expenditures would have increased by \$2,837 and \$733, respectively, along with a net increase in fund balance of \$2,104 for the year ended June 30, 1998. The effect of the prior period adjustment to the fund balance is summarized below:

Fund balance, beginning of year	\$ 2,334
Prior period adjustment	<u>2,104</u>
Fund balance, beginning of year, as restated	<u>\$ 4,438</u>

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1999

NOTE 13 - PRIOR PERIOD ADJUSTMENTS (CONTINUED)

Special Revenue Funds

In June 1998, the Agency incurred total costs of \$31,930 for services performed under the Heat Crisis and Home Energy Assistance Program. In July 1998, the Agency received a reimbursement for the actual cost as well as an additional \$2,395 for an administrative cost advance from Louisiana State Department of Social Services. Had this error not occurred, revenues and expenditures would have increased by \$34,325 and \$31,930, respectively, along with a net increase in fund balance of \$2,395 for the year ended June 30, 1998. The effect of the prior period adjustment to the fund balance is summarized below:

Fund balance, beginning of year	\$ 6,534
Prior period adjustment	<u>2,395</u>
Fund balance, beginning of year, as restated	<u>\$ 8,929</u>

REQUIRED SUPPLEMENTARY INFORMATION

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana

YEAR 2000 DISCLOSURES (UNAUDITED)
Year Ended June 30, 1999

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the St. John the Baptist Parish Community Action Agency operations as early as 1999.

The St. John the Baptist Parish Council has completed an inventory of its computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conduct Parish operations. The Parish has identified the following systems affecting the Community Action Agency, which require Year 2000 remediation and are in the validation/testing phase:

Financial Reporting, Payroll and Employee Benefit Systems

The St. John the Baptist Parish Council, on behalf of the Agency, has purchased its personal computer system and upgraded its software by contracting with SCT, its software vendor. The cost of this upgrade was approximately \$3,000 of which the costs were incurred in June 1999. Some testing of the system has been performed and the Parish expects to have all testing completed by November 30, 1999.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Agency is or will be year 2000 ready, that the Agency's remediation efforts will be successful in whole or in part, or that parties with whom the Agency does business will be year 2000 ready.

SUPPLEMENTAL INFORMATION

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana

COMPENSATION PAID TO BOARD MEMBERS
For the Year Ended June 30, 1999

The schedule of compensation paid to the Board of Directors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. During the year ended June 30, 1999, board members received no compensation. The Board consisted of the following members:

Whitney Joseph, Chairman
Post Office Box 2290
Reserve, Louisiana 70084
(504) 652-5311

Henry Joseph
Post Office Box 77
Mt. Airy, Louisiana 70076
(504) 535-6455

John Swafford
140 Star Terrace
Reserve, Louisiana 70804
(504) 536-8220

Charles Watkins
181 Capt. George Bourgeois St.
LaPlace, Louisiana 70068
(504) 652-9160

Gwendolyn Hall
Post Office Box 1631
LaPlace, Louisiana 70068
(504) 652-2233

Beverly Mitter
177 Farm Rd.
LaPlace, Louisiana 70068
(504) 651-3327

Vernon Cambre
1527 Delta Rd.
LaPlace, Louisiana 70068
(504) 536-1106

Hon. Perry Bailey
1801 West Airline Hwy.
LaPlace, Louisiana 70068
(504) 652-9569

Rev. Willie Smith
116 Smith Dr.
LaPlace, Louisiana 70068
(504) 652-5976

Thelma Robinet
139 East 30th St.
Reserve, Louisiana 70804
(504) 536-3415

Hon. Duaine Duffy
1801 West Airline Hwy.
LaPlace, Louisiana 70068
(504) 652-9569

Nolan Preston
Post Office Box 172
Reserve, Louisiana 70084
(504) 536-6618

Edward Morris
Post Office Box 444
Garyville, Louisiana 70051
(504) 535-2193

See Independent Auditor's Report.

**REPORTS REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
St. John the Baptist Parish
Community Action Agency
St. John the Baptist Parish Council
Reserve, Louisiana

We have audited the financial statements of the **St. John the Baptist Parish Community Action Agency** (the Agency), a component unit of the St. John the Baptist Parish Council, as of and for the year ended June 30, 1999, and have issued our report thereon dated October 22, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Agency in a separate letter dated October 22, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be

material weaknesses. A material weakness is a condition in which the design or operation of one more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Agency's management, the St. John the Baptist Parish Council, the Louisiana Legislative Auditor, 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.

Rebowe & Company

October 22, 1999

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 1999

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the St. John the Baptist Parish Community Action Agency.
2. No material weaknesses or reportable conditions in internal control over financial reporting relating to the audit of the financial statements are reported in the *Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance with laws and regulations material to the financial statements is reported in the *Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.

B. FINDINGS REQUIRED TO BE REPORTED – FINANCIAL STATEMENT AUDIT

There were no findings as defined by *Government Auditing Standards* that are required to be reported in this section of the schedule of findings and questioned costs.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana

STATUS OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 1999

There were no prior year findings as defined by *Government Auditing Standards* that are required to be addressed in this section.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana

CORRECTIVE ACTION PLAN
Year Ended June 30, 1999

There are no compliance and/or internal control findings as described in the Schedule of Findings and Questioned Costs. Accordingly, there is no corrective action plan required as part of this section.

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**ST. JOHN THE BAPTIST PARISH
COMMUNITY ACTION AGENCY
ST. JOHN THE BAPTIST PARISH COUNCIL
RESERVE, LOUISIANA**

MEMORANDUM OF ADVISORY COMMENTS

FOR THE YEAR ENDING JUNE 30, 1999

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

Release Date _____

TABLE OF CONTENTS

AUDITOR'S REPORT 1

OBSERVATIONS, RECOMMENDATIONS, AND
MANAGEMENT RESPONSES

1. CLAIMS FOR REIMBURSEMENT 2

2. GASB 34 IMPLEMENTATION 2

3. YEAR 2000 ISSUE 3

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October 22, 1999

To the Board of Directors
**St. John the Baptist Parish
Community Action Agency**
Reserve, Louisiana

We have audited the financial statements of the **ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY**, State of Louisiana for the year ended June 30, 1999, and have issued our report thereon dated October 22, 1999. As part of our audit, we considered the Agency's internal control over financial reporting in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting has been reported on in a separately issued report entitled *Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* dated October 22, 1999.

This memorandum summarizes various other matters which have come to our attention. While not involving reportable conditions, these matters do present opportunities for strengthening the internal control over financial reporting and improving the operating efficiency of the Agency.

We have discussed our comments and recommendations with various Community Action Agency personnel. We will be pleased to discuss these comments with you in further detail at your convenience, perform any additional analysis of these matters, or assist you in implementing our recommendations.

Sincerely,

Rebowe & Company

2. GASB 34 IMPLEMENTATION (CONTINUED)

Recommendation:

The Agency should become familiar with the new reporting model so that it can implement GASB No. 34 by its effective date.

Response:

The Agency will send the appropriate personnel to training courses in the coming fiscal year and develop an implementation plan to ensure timely compliance with the new reporting model.

3. YEAR 2000 ISSUE

Observation:

The Year 2000 Issue is likely to affect computer applications before January 1, 2000, when systems currently attempt to perform calculations into the Year 2000. Furthermore, some software programs use several dates in the year 1999 to mean something other than the date. Example of such date are 09/09/99 and 12/31/99. As systems process information using these dates, they may produce erratic results or stop functioning.

Upon our discussions with management, it appears that the Agency is aware of the Year 2000 issue and is taking steps to insure that its financial systems are Year 2000 compliant.

Recommendation:

We recommend that you take the necessary actions to complete the identification, modification, and testing of all systems that may be negatively affected by the Year 2000 issue, particularly mission-critical systems. This program should be monitored closely to ensure completion before mission-critical systems begin to fail. Such failures may be evident before January 1, 2000.

Also, the Agency should implement additional verification procedures to test the accuracy of information received from its vendors, service providers, bankers, customers, and other third-party organizations with whom it exchanges date-dependent information, because these organizations must also become Year 2000 compliant. The Agency should also satisfy itself that vendors, service providers, bankers, customers, and other third party organizations will not experience problems relating to the Year 2000 Issue that could affect the Agency's operations or cash flows.