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**JEFFERSON PARISH
HUMAN SERVICES AUTHORITY**
AUDITED FINANCIAL STATEMENTS

Year Ended June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, entity and other appropriate public officials. This 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 FEB 18 1998

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
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Kushner, LaGraize & Moore, L.L.P.

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INDEPENDENT AUDITORS' REPORT

The Board of Governors
Jefferson Parish Human Services Authority
Metairie, Louisiana

We have audited the accompanying general-purpose financial statements of the Jefferson Parish Human Services Authority (the Authority) as of and for the year ended June 30, 1997. These general-purpose financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Jefferson Parish Human Services Authority as of June 30, 1997, 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 23, 1997, on our consideration of the Authority's internal control structure and a report dated October 23, 1997, on its compliance with laws and regulations.

Kushner, LaGraize & Moore, L.L.P.

Metairie, Louisiana
October 23, 1997

[Handwritten signature]
Kushner, LaGraize & Moore, L.L.P.
Metairie, Louisiana

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
COMBINED BALANCE SHEET - GOVERNMENTAL FUND TYPE
AND ACCOUNT GROUPS
June 30, 1997

	<u>General Fund</u>	<u>Account Groups</u>		<u>Total (Memorandum Only)</u>
		<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	
ASSETS AND OTHER DEBITS				
ASSETS				
Cash and cash equivalents	\$1,473,480	\$ 0	\$ 0	\$ 1,473,480
Receivables				
State	335,196	0	0	335,196
Jefferson Parish	71,410	0	0	71,410
Grants	153,255	0	0	153,255
Inventory	140,943	0	0	140,943
Furniture and equipment	0	892,848	0	892,848
Leasehold improvements	0	701,943	0	701,943
OTHER DEBITS				
Amount to be provided for payment of				
Compensated absences	0	0	490,797	490,797
Capital lease obligations	<u>0</u>	<u>0</u>	<u>31,059</u>	<u>31,059</u>
	<u>\$2,174,284</u>	<u>\$1,594,791</u>	<u>\$ 521,856</u>	<u>\$ 4,290,931</u>

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
COMBINED BALANCE SHEET - GOVERNMENTAL FUND TYPE
AND ACCOUNT GROUPS - CONTINUED
June 30, 1997

	<u>Account Groups</u>			<u>Total (Memorandum Only)</u>
	<u>General Fund</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES				
Accounts payable	\$ 155,592	\$ 0	\$ 0	\$ 155,592
Contracts payable	667,643	0	0	667,643
Accrued expenses	292,198	0	0	292,198
Compensated absences	0	0	490,797	490,797
Capital lease obligations	<u>0</u>	<u>0</u>	<u>31,059</u>	<u>31,059</u>
TOTAL LIABILITIES	1,115,433	0	521,856	1,637,289
EQUITY AND OTHER CREDITS				
Investment in general fixed assets	0	1,594,791	0	1,594,791
Fund balance				
Reserved for inventory	140,943	0	0	140,943
Unreserved				
Designated for repairs	400,000	0	0	400,000
Designated for subsequent year's expenditures	467,000	0	0	467,000
Undesignated	<u>50,908</u>	<u>0</u>	<u>0</u>	<u>50,908</u>
TOTAL FUND BALANCE	1,058,851	0	0	1,058,851
TOTAL EQUITY AND OTHER CREDITS	<u>1,058,851</u>	<u>1,594,791</u>	<u>0</u>	<u>2,653,642</u>
	<u>\$2,174,284</u>	<u>\$1,594,791</u>	<u>\$ 521,856</u>	<u>\$ 4,290,931</u>

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- GENERAL FUND
Year Ended June 30, 1997

	<u>GENERAL FUND</u>
REVENUES	
Intergovernmental	\$ 14,380,454
Other revenues	<u>971,622</u>
 TOTAL REVENUES	 15,352,076
 EXPENDITURES	
Current	
Outpatient services	6,589,037
Developmental Disabilities	3,471,730
Community Support	2,641,569
Administration	1,361,076
Special services	<u>1,216,908</u>
 TOTAL EXPENDITURES	 <u>15,280,320</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 71,756
 OTHER FINANCING SOURCES	
Interest on cash deposits	72,297
Capital leases	<u>31,059</u>
 TOTAL OTHER FINANCING SOURCES	 <u>103,356</u>
 EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	 175,112
 FUND BALANCE AT BEGINNING OF YEAR	 906,979
 DECREASE IN RESERVE FOR INVENTORY	 <u>(23,240)</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 1,058,851</u>

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- ACTUAL AND BUDGET (BUDGETARY BASIS) - GENERAL FUND
Year Ended June 30, 1997

	GENERAL FUND				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Intergovernmental	\$ 14,380,454	\$ (67,916)	\$ 14,312,538	\$ 14,661,435	\$ (348,897)
Other revenues	<u>971,622</u>	<u>0</u>	<u>971,622</u>	<u>1,073,161</u>	<u>(101,539)</u>
Total revenues	15,352,076	(67,916)	15,284,160	15,734,596	(450,436)
EXPENDITURES					
Current					
Outpatient services	6,589,037	(29,495)	6,559,542	6,587,830	28,288
Developmental disabilities	3,471,730	(8,098)	3,463,632	3,663,386	199,754
Community support Administration	2,641,569	(12,995)	2,628,574	3,038,978	410,404
Special services	1,361,076	(11,229)	1,349,847	1,227,970	(121,877)
	<u>1,216,908</u>	<u>(6,099)</u>	<u>1,210,809</u>	<u>1,216,432</u>	<u>5,623</u>
Total expenditures	15,280,320	(67,916)	15,212,404	15,734,596	522,192
Excess of revenues over expenditures	71,756	0	71,756	0	71,756
OTHER FINANCING SOURCES					
Interest on cash deposits	72,297	0	72,297	0	72,297
Capital leases	<u>31,059</u>	<u>0</u>	<u>31,059</u>	<u>0</u>	<u>31,059</u>
Total other financing sources	<u>103,356</u>	<u>0</u>	<u>103,356</u>	<u>0</u>	<u>103,356</u>
Excess of revenues and other financing sources over expenditures	175,112	0	175,112	<u>\$ 0</u>	<u>\$ 175,112</u>
Fund balance at beginning of year	906,979	0	906,979		
Decrease in reserve for inventory	<u>(23,240)</u>	<u>0</u>	<u>(23,240)</u>		
FUND BALANCE AT END OF YEAR	<u>\$ 1,058,851</u>	<u>\$ 0</u>	<u>\$ 1,058,851</u>		

See Accompanying Notes to Financial Statements.

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
SCHEDULE OF REVENUES
- ACTUAL AND BUDGET (BUDGETARY BASIS) - GENERAL FUND
Year Ended June 30, 1997

	GENERAL FUND				Variance Favorable (Unfavorable)
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	
INTERGOVERNMENTAL REVENUES					
Department of Health and Hospitals Jefferson Parish	\$ 12,183,169	\$ (67,916)	\$ 12,115,253	\$ 12,118,235	\$ (2,982)
Jefferson Parish - Other	1,079,542	0	1,079,542	1,087,310	(7,768)
U.S. Department of Housing and Urban Development	259,554	0	259,554	260,377	(823)
Passed through the Department of Health and Hospitals	356,593	0	356,593	644,481	(287,888)
Passed through the City of New Orleans	51,392	0	51,392	53,115	(1,723)
Passed through the Department of Social Services	133,275	0	133,275	125,536	7,739
Passed through Jefferson Parish	231,704	0	231,704	247,382	(15,678)
	<u>85,225</u>	<u>0</u>	<u>85,225</u>	<u>124,999</u>	<u>(39,774)</u>
Total Intergovernmental Revenues	14,380,454	(67,916)	14,312,538	14,661,435	(348,897)
OTHER REVENUES					
Patient service fees	776,516	0	776,516	787,316	(10,800)
Other	<u>195,106</u>	<u>0</u>	<u>195,106</u>	<u>285,845</u>	<u>(90,739)</u>
Total Other Revenues	<u>971,622</u>	<u>0</u>	<u>971,622</u>	<u>1,073,161</u>	<u>(101,539)</u>
TOTAL REVENUES	<u>\$ 15,352,076</u>	<u>\$ (67,916)</u>	<u>\$ 15,284,160</u>	<u>\$ 15,734,596</u>	<u>\$ (450,436)</u>

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
SCHEDULE OF EXPENDITURES
- ACTUAL AND BUDGET (BUDGETARY BASIS) - GENERAL FUND
Year Ended June 30, 1997

	GENERAL FUND				Variance Favorable (Unfavorable)
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	
OUTPATIENT SERVICES					
Operating services	\$ 757,969	\$ 0	\$ 757,969	\$ 597,797	\$ (160,172)
Supplies	982,301	0	982,301	1,020,757	38,456
Acquisitions	29,173	0	29,173	40,000	10,827
Professional/ contract services	573,895	0	573,895	1,061,190	487,295
Personnel	4,219,984	(29,495)	4,190,489	3,848,086	(342,403)
Travel	25,715	0	25,715	20,000	(5,715)
Total Outpatient Services	6,589,037	(29,495)	6,559,542	6,587,830	28,288
DEVELOPMENTAL DISABILITIES					
Operating services	146,013	0	146,013	145,246	(767)
Supplies	23,959	0	23,959	24,664	705
Acquisitions	18,763	0	18,763	7,450	(11,313)
Professional/ contract services	2,534,552	0	2,534,552	2,703,355	168,803
Personnel	726,097	(8,098)	717,999	748,631	30,632
Travel	22,346	0	22,346	34,040	11,694
Total Developmental Disabilities	3,471,730	(8,098)	3,463,632	3,663,386	199,754

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
SCHEDULE OF EXPENDITURES
- ACTUAL AND BUDGET (BUDGETARY BASIS) - GENERAL FUND - CONTINUED
Year Ended June 30, 1997

	GENERAL FUND				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
COMMUNITY SUPPORT					
Operating services	\$ 104,558	\$ 0	\$ 104,558	\$ 87,873	\$ (16,685)
Supplies	20,446	0	20,446	19,231	(1,215)
Acquisitions	23,849	0	23,849	11,276	(12,573)
Professional/ contract services	1,819,278	0	1,819,278	2,232,963	413,685
Personnel	640,631	(12,995)	627,636	669,888	42,252
Travel	32,807	0	32,807	17,747	(15,060)
Total Community Support	2,641,569	(12,995)	2,628,574	3,038,978	410,404
ADMINISTRATION					
Operating services	193,165	0	193,165	135,245	(57,920)
Supplies	51,519	0	51,519	54,700	3,181
Acquisitions	39,667	0	39,667	59,444	19,777
Professional/ contract services	107,481	0	107,481	150,981	43,500
Personnel	942,599	(11,229)	931,370	806,000	(125,370)
Travel	26,645	0	26,645	21,600	(5,045)
Total Administration	1,361,076	(11,229)	1,349,847	1,227,970	(121,877)
SPECIAL SERVICES					
Operating services	97,379	0	97,379	82,337	(15,042)
Supplies	11,126	0	11,126	10,000	(1,126)
Acquisitions	13,873	0	13,873	10,000	(3,873)
Professional/ contract services	930,025	0	930,025	1,033,093	103,068
Personnel	157,145	(6,099)	151,046	68,566	(82,480)
Travel	7,360	0	7,360	12,436	5,076
Total Special Services	1,216,908	(6,099)	1,210,809	1,216,432	5,623
TOTAL EXPENDITURES	<u>\$ 15,280,320</u>	<u>\$ (67,916)</u>	<u>\$ 15,212,404</u>	<u>\$ 15,734,596</u>	<u>\$ 522,192</u>

See Accompanying Notes to Financial Statements.

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements and notes are representations of the management of the Authority, which is responsible for their integrity and objectivity. The accounting policies used by the Authority conform to generally accepted accounting principles as applied to governmental units which have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

The Authority was created on July 1, 1991, in accordance with Act 458 of the 1989 Regular Session and Act 94 of the 1990 Regular Session of the Louisiana Legislature. The Authority was created as a Special Parish District to direct the operation and management of outpatient services, developmental disabilities, community support, and special services for Jefferson Parish. Act 238 of the 1992 Regular Session of the Louisiana Legislature extended all statutory authority for the existence of the Authority until July 1, 1998, unless recreated by the Legislature prior to that date. The financial information of the Authority's entire operations is included in the accompanying general-purpose financial statements.

As required by generally accepted accounting principles, the financial statements of the reporting entity present the primary government and its component units. The accompanying financial statements present the Authority as the primary government. No other organization was determined to be a component unit of the Authority; therefore, no blended or discretely presented component units are presented in the accompanying financial statements.

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of a fund are accounted for with a separate set of self-balancing accounts which are maintained for the purpose of carrying on special activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The Authority is presented in the accompanying financial statements in one fund category and two account groups as follows:

1. ***Governmental Fund***

General Fund: The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those that are required to be accounted for in another fund. Revenues include the annual appropriations as approved by the Louisiana State Legislature and the Jefferson Parish Council as well as any U.S. Government grant funds received.

2. ***Account Groups***

General Fixed Assets: This account group is established to account for all fixed assets of the Authority.

General Long-Term Debt: This account group is established to account for all long-term debt of the Authority and for those long-term liabilities to be liquidated with resources to be provided in future periods.

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The Governmental Fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become 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 pay liabilities within the current period.

Revenues are considered measurable and available when related costs are incurred under the contracts with the State of Louisiana, Jefferson Parish, or the U.S. Government. Expenditures are generally recorded when the liability is incurred.

Patient service fees and other revenues are recorded as revenues when received in cash, because they are generally not measurable until actually received.

Budgetary Accounting

The Board of Governors of Jefferson Parish Human Services Authority prepares an annual budget for the Authority. The budget is legally enacted and amended through a meeting of the Board of Governors. The budget is prepared primarily on the modified accrual basis of accounting with two exceptions, principally the cash basis for payroll expenditures and certain unbudgeted revenues and expenditures. The budget represents appropriated dollars from several funding sources. The most significant are as follows:

(1) State of Louisiana, Department of Health and Hospitals:

The Department of Health and Hospitals is granted an annual appropriation for operating purposes. This annual appropriation is further broken down into offices, with the Authority's appropriated dollars being presented within the Department of Health and Hospitals community-based programs. Based on the approved appropriation, the Department of Health and Hospitals enters into an administrative agreement with the Authority to provide the direction, operation, and management of the programs of outpatient services, developmental disabilities, community support, and special services for Jefferson Parish citizens.

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Accounting (continued)

The Authority may process disbursement vouchers within the Department of Health and Hospitals' budgetary accounting system only if enough cash and appropriation authorization exist. In addition, the Authority may request revisions to the budget by written consent between the Authority and the Department of Health and Hospitals and/or as appropriate through the Legislative Budget Committee's BA-7 process.

The Authority may charge vendor payments for fiscal year 1996 to 1997 appropriations in July of 1997. Any unexpended monies as of June 30, 1997 and for the year then ended, automatically lapse to the state.

(2) **Jefferson Parish:**

Effective January 1, 1996, an administrative agreement was entered into between the Authority and Jefferson Parish for the period January 1, 1996 through December 31, 1996, to provide basic provisions and financial agreements for Parish/State Cooperative Services in the areas of outpatient services, developmental disabilities, community support, and special services as authorized by Resolution No. 82061. The agreement was extended from January 1, 1997 through December 31, 1997, by Resolution No. 85100.

The budget per the administrative agreements is disbursed in payments of 1/12 of each annual budget beginning every January 1. In addition, any revisions to the budget may be made upon written consent between the Authority and the Parish through the normal process as previously established by the Parish government. As of June 30, 1997, no provisions have been established between the Authority and the Parish as to the remittance and/or retainage of any unexpended Parish monies as of the end of each agreement, if applicable.

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Accounting (continued)

(3) U.S. Government:

The Authority receives funding from U.S. Government agencies in the form of grants.

Grants are received through an application process initiated by the Authority. If awarded, a grant contract detailing programmatic and budgetary requirements is entered into between the Authority and the funding agency. Funding periods, program requirements and budgets vary by grant, and are usually not subject to revision. The Authority receives funding on a cost reimbursement basis up to the maximum grant budget.

Funding may pass from the federal government through an intermediary entity such as the state or parish, or it may be received directly by the Authority.

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget (Budgetary Basis) - General Fund presents comparisons of the legally adopted budget with actual data on the budgetary basis. Budgeted amounts are as originally adopted or as finally amended by the Board of Governors.

Because the legally prescribed budgetary basis differs materially from generally accepted accounting principles, actual amounts in the accompanying budgetary comparison statements are presented on the budgetary basis. A reconciliation of the differences between the budgetary and generally accepted accounting principles basis is presented in Note 10.

Encumbrances

Encumbrances are not recorded; therefore, no reservation of fund balance is necessary.

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority participates in the State of Louisiana's Office of Risk Management Insurance Fund.

The Authority pays insurance premiums to the State of Louisiana, Office of Risk Management to cover risks that may occur in normal operations. The State pays premiums to the state's self-insurance program and to various insurance agencies for stop-loss coverages. Information related to risk management is reported in the State of Louisiana Comprehensive Annual Financial Report.

Cash and Cash Equivalents

Cash and cash equivalents reported on the Combined Balance Sheet include amounts in demand deposits and short-term investments with a maturity date within three months of the date purchased, which are carried at cost.

Louisiana statutes permit the Authority to invest in United States bonds, treasury notes, certificates, or other obligations of the U.S. Government and agencies of the U.S. Government which are federally insured, and certificates of deposit of state and national banks having their principal office in the State of Louisiana, or in mutual or trust fund institutions which are registered and which have underlying investment limited to securities of the U.S. Government or its agencies.

As permitted under state law, the Authority invests excess funds in reverse repurchase agreements for U.S. Government securities. The maturity date of the Authority's reverse repurchase agreements is the next day of business. Due to the short-term nature of the agreements, the Authority does not take possession of the securities, which are instead held at the Authority's principal bank from which it purchases the securities. All the cash and cash equivalents were held at one financial institution in New Orleans, Louisiana, at June 30, 1997.

Fair value estimates, methods and assumptions for the Authority's financial instruments of cash and cash equivalents are that the carrying amount reported in the balance sheet is a reasonable estimate of fair value.

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventory is valued at the lower of cost or market and consists of expendable pharmaceutical supplies held for consumption. Such inventories are recorded under the purchase method. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "expendable available financial resources" even though they are a component of the net current assets.

General Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are recorded in the General Fixed Assets Account Group, rather than in governmental funds. Depreciation is not recorded on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

General Long-Term Debt

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group. Such liabilities include the compensated absences liability and capital lease obligations.

Authority employees earn annual leave and sick leave at various rates, depending on the number of years of service. Employees are permitted to accumulate and carry forward from one calendar year to the next, an unlimited number of hours of accrued annual leave and sick leave. Upon termination, employees or their heirs are compensated for up to 300 hours of accrued annual leave at the employee's hourly rate of pay at the time of termination. Annual sick leave is cumulative but not vested, and thus no amount is compensated to an employee upon termination.

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Long-Term Debt (continued)

Upon retirement, accrued annual leave in excess of 300 hours and accrued sick leave is computed into years or fraction of years, and is added to the number of years of service earned by the retiree. The unused annual and sick leave is counted toward the number of years of service only, for computing the rate of retirement pay due the retiree, and does not count toward the number of years necessary for retirement.

Accrued annual leave at June 30, 1997, which is not expected to be paid from current assets, is valued at the employees' current wage rates plus any payments required to be made by the Authority, including Social Security, Medicare and pension payments, based on the current wages and recorded as a general long-term debt in the General Long-Term Debt Account Group. See Note 4, General Long-Term Debt Account Group.

Fund Equity

Reserves represent those portions of fund balance not appropriable for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources. Such plans are subject to change and may never be legally authorized or result in expenditures.

Total Columns on Combined Statements

Total columns on the Combined Balance Sheet are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles.

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 1997, the carrying amount of the Authority's deposits was \$1,470,080 and the bank balance was \$1,682,797, of which \$100,000 was covered by federal depository insurance and \$1,582,797 was covered by collateralized securities held by the pledging financial institutions agent in the Authority's name. (See Note 1 for description of cash and cash equivalents.)

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 June 30, 1997

NOTE 3 - GENERAL FIXED ASSETS ACCOUNT GROUP

A summary of changes in General Fixed Assets during the year is as follows:

	<u>BALANCE</u> <u>07/01/96</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>06/30/97</u>
Furniture and equipment	\$ 795,210	\$ 98,668	\$ (1,030)	\$ 892,848
Leasehold improvements	<u>701,943</u>	<u>0</u>	<u>0</u>	<u>701,943</u>
	<u>\$ 1,497,153</u>	<u>\$ 98,668</u>	<u>\$ (1,030)</u>	<u>\$ 1,594,791</u>

NOTE 4 - GENERAL LONG-TERM DEBT ACCOUNT GROUP

General long-term debt, as discussed in Note 1, consisted of compensated absences and capital lease obligations. A summary of the changes in general long-term debt during the year ended June 30, 1997, is as follows:

	<u>BALANCE</u> <u>07/01/96</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>06/30/97</u>
Compensated absences	\$ 452,045	\$ 38,752	\$ 0	\$ 490,797
Capital lease obligations	<u>0</u>	<u>31,059</u>	<u>0</u>	<u>31,059</u>
	<u>\$ 452,045</u>	<u>\$ 69,811</u>	<u>\$ 0</u>	<u>\$ 521,856</u>

NOTE 5 - COMMITMENTS

Employment Contract

The Authority entered into an employment agreement with the Executive Director which extends through September 30, 1997. The Director's base salary for the fiscal year ended June 30, 1997, was \$84,800 with performance incentives based on the state's funding of the Authority.

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997

NOTE 5 - COMMITMENTS (Continued)

Office Facilities

The Authority has entered into several operating leases for office facilities. Future minimum lease payments required under these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
1998	\$ 607,869
1999	611,679
2000	534,378
2001	508,248
2002	508,248
Thereafter	<u>1,948,284</u>
	<u>\$ 4,718,706</u>

Payments under operating leases for the year ended June 30, 1997, amounted to \$617,910. An operating lease does not give rise to any property rights or lease obligations; therefore, the required payments of the lease agreements are not reflected in the Authority's account groups.

The Authority entered into two capital lease obligations for office equipment during the year ended June 30, 1997. Future minimum lease payments under these capital lease obligations are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
1998	\$ 11,798
1999	12,135
2000	12,135
2001	<u>338</u>
Total minimum lease payments	36,406
Less amount representing interest	<u>(5,347)</u>
Present value of future payments	<u>\$ 31,059</u>

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997

NOTE 6 - FUND BALANCE

Reserved

At June 30, 1997, the Authority's fund balance was reserved in the amount of \$140,943 for the inventory balance at year end. This reserve represents those portions of fund balance not appropriable for expenditures or legally segregated for a specific future use.

Designated

At June 30, 1997, the Authority's unreserved fund balance was designated by the Board of Governors as follows:

- \$400,000 designated for future repairs to a building facilitating the Westbank of Jefferson Parish.
- \$467,000 designated for anticipated state funding reductions in the future.

NOTE 7 - EMPLOYEES' RETIREMENT PLANS

Employees of the Authority participate in either the Louisiana State Employees' Retirement System (LASERS) or the Teachers' Retirement System of Louisiana (TRS).

LASERS was established on July 1, 1947, and is a system for classified and unclassified employees of state government. Employees are eligible for a service retirement annuity upon reaching age 60 or thereafter, and 25 years or more service credit or completion of 30 years or more credited service. The system is supported by contributions of its members and the state. The member contribution as of June 30, 1997, amounted to 7.5 percent of state employees' gross salaries, and the state contribution was 12.4 percent.

Annual retirement benefits consist primarily of 2.5 percent times the average annual compensation times years of creditable service. Average compensation is defined as the average annual compensation for the period of 36 consecutive months during which aggregate compensation was greatest. The plan also provides, based on a percentage of the average annual compensation, certain disability and survivor benefits.

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 June 30, 1997

NOTE 7 - EMPLOYEES' RETIREMENT PLANS (Continued)

TRS was established on August 1, 1936, and is supported by contributions of its members and the state. At June 30, 1997, one employee of the Authority contributed 8 percent of his gross salary, and the state contributed 16.3 percent. The annual maximum retirement benefit for those who retired prior to June 1, 1975, at age 60 after 10 years' service or at any age after 20 years' service is 2 percent times the years of creditable service (including unused accumulated sick leave and/or unused accumulated annual leave) times the average salary of the 36 highest successive months. For those retiring after June 1, 1975, at age 65 with 20 years' service or at age 55 with 25 years' service or at any age after 30 years' service, the annual retirement benefit is 2.5 percent times the years of creditable service, including certified sick leave service, but excluding unused accumulated annual and sick leave. However, no retirement benefit can exceed 100 percent of the member's average salary for the highest 36 successive months. The plan also provides for disability and survivor benefits.

The Authority's covered payroll and total payroll for the year ended June 30, 1997, for all employees follows.

<u>Pension Plan</u>	<u>Covered Payroll</u>	<u>Total Payroll</u>
Louisiana State Employees' Retirement System	\$ 5,101,411	\$ 5,455,339
Teachers' Retirement System of Louisiana	<u>288,112</u>	<u>288,112</u>
	<u>\$ 5,389,523</u>	<u>\$ 5,743,451</u>

Employer and employee contributions to the two retirement systems during the year ended June 30, 1997, are as follows:

<u>Pension Plan</u>	<u>Employer Contributions</u>	<u>% of Eligible Salary</u>	<u>Employee Contribution</u>	<u>% of Eligible Salary</u>
Louisiana State Employees' Retirement System	\$ 632,596	12.4%	\$ 382,606	7.5%
Teachers' Retirement System of Louisiana	<u>46,962</u>	16.3%	<u>23,049</u>	8.0%
	<u>\$ 679,558</u>		<u>\$ 405,655</u>	

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997

NOTE 7 - EMPLOYEES' RETIREMENT PLANS (Continued)

Information concerning the actuarial present value of accumulated plan benefits, vested plan benefits, net assets available for benefits, and 10-year historical trend information which are relevant to the Authority are not available because such determinations are made on a statewide basis and not for individual participating governmental units. This information is reported in the State of Louisiana Comprehensive Annual Financial Report. Benefits granted by the retirement systems are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974.

NOTE 8 - POST-RETIREMENT EMPLOYEE BENEFITS

The Authority provides certain continuing health care and life insurance benefits for its retired state employees. Substantially all of the Authority's state employees become eligible for these benefits if they reach normal retirement age while working for the Authority. The retired employee has the option of using the state-funded insurance policies or an outside insurance company for the applicable coverage desired. The premiums to cover these insurance policies are partially paid by the state after the employee retires. As of June 30, 1997, two employees were eligible to receive postretirement benefits.

Information regarding the employer contributions applicable to these benefits for the year ended June 30, 1997, is not available.

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997

NOTE 9 - TRANSACTIONS WITH RELATED PARTIES

State of Louisiana, Department of Health and Hospitals

The administrative agreement with the Department of Health and Hospitals (the Department) for the year ended June 30, 1997, provided actual revenues of \$12,153,485 (78 percent of total revenues). The administrative agreement as revised for the year ending June 30, 1998, has \$12,612,257 of budgeted revenues.

Other services provided by the Department of Health and Hospitals at no cost included the maintenance of certain accounting records, payroll and disbursement processing, retirement plan administration, insurance plan administration, and legal services provided by General Counsel. The Department also provided the Authority with various types of equipment and office furniture.

Jefferson Parish

Under administrative agreements with Jefferson Parish, the Authority received \$1,079,542 of revenue for the year ended June 30, 1997. Jefferson Parish did not owe the Authority any funds as of June 30, 1997 related to these agreements.

Effective July 1, 1994 through December 31, 1995, the Authority entered into an agreement with Jefferson Parish and other local law enforcement agencies to provide "competency to stand trial" evaluations and support. Under this agreement, the Authority had recognized \$184,411 of revenue for the year ended June 30, 1997.

Other services provided by Jefferson Parish at no cost included legal counsel by the Jefferson Parish Attorney's Office, use of various types of equipment and office furniture, and buildings for the Westbank clinic to operate.

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997

NOTE 10 - BUDGETARY REPORTING BASIS

The Board of Governors of the Jefferson Parish Human Services Authority develops the annual budget for the Authority. The budget is prepared primarily on the modified accrual basis of accounting (budget basis). Budgetary control over expenditures is exercised by the Authority on a departmental basis. The actual results of operations are presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget (Budgetary Basis) - General Fund in accordance with the budget basis to provide a meaningful comparison of actual results of the budget. The differences between the modified accrual basis (budget basis) and GAAP are principally the cash basis recognition of payroll expenditures and certain unbudgeted revenues and expenditures.

Adjustments necessary to convert the results of operations and fund balances at the end of the year on the GAAP basis to the budget basis are as follows:

	<u>General Fund</u>
Revenues on GAAP basis	\$ 15,383,135
Net accruals	
Intergovernmental revenue	
Department of Health and Hospitals	(67,916)
Revenues on budget basis	<u>\$ 15,315,219</u>
Expenditures on GAAP basis	\$ 15,280,320
Net accruals	
Personnel	(67,916)
Expenditures on budget basis	<u>\$ 15,212,404</u>

JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
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**JEFFERSON PARISH
HUMAN SERVICES AUTHORITY
REPORTS ON INTERNAL CONTROL STRUCTURE
REPORTS ON COMPLIANCE
REPORT AND SCHEDULE
OF FEDERAL FINANCIAL ASSISTANCE
Year Ended June 30, 1997**

JEFFERSON PARISH HUMAN SERVICES AUTHORITY
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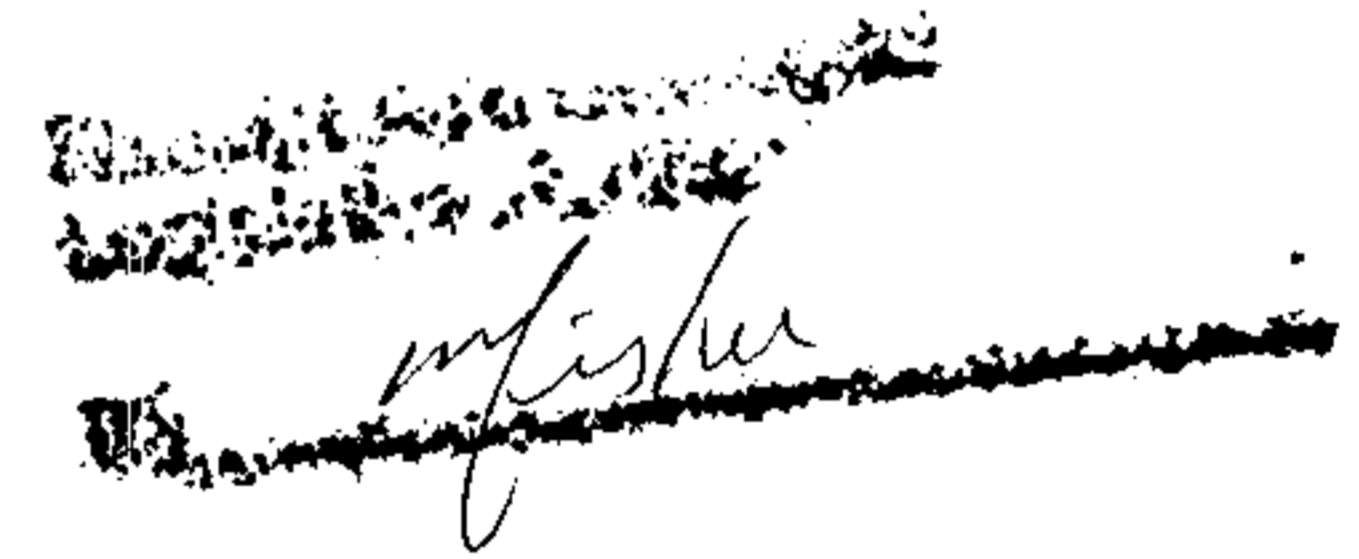
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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Governors
Jefferson Parish Human Services Authority
Metairie, Louisiana



We have audited the general-purpose financial statements of Jefferson Parish Human Services Authority as of and for the year ended June 30, 1997, and have issued our report thereon dated October 23, 1997.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

In planning and performing our audit of the general-purpose financial statements of the Authority for the year ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The management of the Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control

**INDEPENDENT AUDITORS' REPORT
ON THE INTERNAL CONTROL STRUCTURE BASED ON
AN AUDIT OF GENERAL-PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
- CONTINUED**

structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the general-purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general-purpose 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 structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of management, the Board of Governors, the Legislative Auditor of the State of Louisiana, and the Louisiana Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Kushner, LaGraize & Moore, L.L.P.

Metairie, Louisiana
October 23, 1997

Kushner, LaGraize & Moore, L.L.P.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To The Board of Governors
Jefferson Parish Human Services Authority
Metairie, Louisiana

We have audited the general-purpose financial statements of Jefferson Parish Human Services Authority as of and for the year ended June 30, 1997, and have issued our report thereon dated October 23, 1997.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Jefferson Parish Human Services Authority is the responsibility of the Authority's management. As part of obtaining reasonable assurance about whether the general-purpose financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS BASED ON
AN AUDIT OF GENERAL-PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS - CONTINUED**

This report is intended for the information of management, the Board of Governors, the Legislative Auditor of the State of Louisiana, and the Louisiana Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Kushner, LaGraize & Moore, L.L.P.

Metairie, Louisiana
October 23, 1997

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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To The Board of Governors
Jefferson Parish Human Services Authority
Metairie, Louisiana

We have audited the general-purpose financial statements of Jefferson Parish Human Services Authority as of and for the year ended June 30, 1997, and have issued our report thereon dated October 23, 1997. We have also audited the Jefferson Parish Human Services Authority's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated October 23, 1997.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement and about whether Jefferson Parish Human Services Authority complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended June 30, 1997, we considered the internal control structure of Jefferson Parish Human Services Authority, in order to determine our auditing procedures for the purpose of expressing our opinion on the Authority's general-purpose financial statements and on its compliance with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to com

**INDEPENDENT AUDITORS' REPORT
ON THE INTERNAL CONTROL STRUCTURE
USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS - CONTINUED**

pliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general-purpose financial statements in a separate report dated October 23, 1997.

The management of Jefferson Parish Human Services Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs into the following categories: cash receipts/revenues, purchases/disbursements/expenditures, general requirements, and specific requirements applicable to major and nonmajor programs.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1997, Jefferson Parish Human Services Authority expended 41.5 percent of its total federal financial assistance under one major federal financial assistance program.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material non-

**INDEPENDENT AUDITORS' REPORT
ON THE INTERNAL CONTROL STRUCTURE
USED IN ADMINISTERING
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compliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned major federal financial assistance program which is identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program 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 structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of management, the Board of Governors, the Legislative Auditor of the State of Louisiana, and the Louisiana Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Kushner, LaGratze & Moore, L.L.P.

Metairie, Louisiana
October 23, 1997

Kushner, LaGraize & Moore, L.L.P.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Board of Governors
Jefferson Parish Human Services Authority
Metairie, Louisiana

We have audited the general-purpose financial statements of Jefferson Parish Human Services Authority as of and for the year ended June 30, 1997, and have issued our report thereon dated October 23, 1997.

We have also audited Jefferson Parish Human Services Authority's compliance with the requirements governing types of services allowed or unallowed; matching and level of effort; reporting; cost sharing/allocation; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance for the year ended June 30, 1997. The management of Jefferson Parish Human Services Authority is responsible for compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with *generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments.* Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Jefferson Parish Human Services Authority's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
- CONTINUED**

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to above.

In our opinion, Jefferson Parish Human Services Authority complied, in all material respects, with the requirements governing types of services allowed or unallowed; matching, level of effort; reporting; cost sharing/allocation; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1997.

This report is intended for the information of management, the Board of Governors, the Legislative Auditor of the State of Louisiana, and the Louisiana Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Kushner, LaGrange & Moore, L.L.P.

Metairie, Louisiana
October 23, 1997

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Board of Governors
Jefferson Parish Human Services Authority
Metairie, Louisiana

We have audited the general-purpose financial statements of Jefferson Parish Human Services Authority as of and for the year ended June 30, 1997, and have issued our report thereon dated October 23, 1997.

In connection with our audit of the general-purpose financial statements of Jefferson Parish Human Services Authority, and with our consideration of the Authority's control structure used to administer federal financial assistance programs, as required by OMB Circular A-128, *Audits of State and Local Governments*, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1997. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, reporting, and claims for advances that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Authority's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Authority had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
- CONTINUED**

This report is intended for the information of management, the Board of Governors, the Legislative Auditor of the State of Louisiana, and the Louisiana Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Kushner, LaGraize & Moore, L.L.P.

Metairie, Louisiana
October 23, 1997

Kushner, LaGraize & Moore, L.L.P.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO MAJOR AND NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Board of Governors
Jefferson Parish Human Services Authority
Metairie, Louisiana

We have audited the general-purpose financial statements of Jefferson Parish Human Services Authority as of and for the year ended June 30, 1997, and have issued our report thereon dated October 23, 1997.

We have applied procedures to test Jefferson Parish Human Services Authority's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1997; political activity, civil rights, cash management, federal financial reports, allowable costs/cost principles, Drug Free Workplace Act, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Jefferson Parish Human Services Authority's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Jefferson Parish Human Services Authority had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
MAJOR AND NONMAJOR FEDERAL FINANCIAL
ASSISTANCE PROGRAMS - CONTINUED**

This report is intended for the information of management, the Board of Governors, the Legislative Auditor of the State of Louisiana, and the Louisiana Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Kushner, LaGraize & Moore, L.L.P.

Metairie, Louisiana
October 23, 1997

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INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

To The Board of Governors
Jefferson Parish Human Services Authority
Metairie, Louisiana

We have audited the general-purpose financial statements of Jefferson Parish Human Services Authority, as of and for the year ended June 30, 1997, and have issued our report thereon dated October 23, 1997. These general-purpose financial statements are the responsibility of Jefferson Parish Human Services Authority's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements of Jefferson Parish Human Services Authority, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Kushner, LaGraize & Moore, L.L.P.

Metairie, Louisiana
October 23, 1997

JEFFERSON PARISH HUMAN SERVICES AUTHORITY
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Year Ended June 30, 1997

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Amount</u>
U.S. Department of Health & Human Services:		
Pass-through from State Department of Social Services		
Family Preservation Grant - 1996	93.656	\$ 10,000
Family Preservation Grant - 1997	93.656	7,500
Pass-through from State Department of Social Services		
Social Services Block Grant - 1996	93.667	239,347
Social Services Block Grant - 1997	93.667	217,151
Pass-through from City of New Orleans, Louisiana		
HIV Emergency Release Formula Grant - 1996	93.915	90,253
HIV Emergency Release Formula Grant - 1997	93.915	61,905
HIV Emergency Release Formula Grant - 1998	93.915	78,709
Pass-through from City of New Orleans, Louisiana		
HIV Transportation	93.915	20,848
Pass-through from State Department of Health & Hospitals		
HIV Prevention - 1997	93.940	51,780
HIV Prevention - 1998	93.940	<u>60,528</u>
Total U.S. Department of Health & Human Services		838,021
U.S. Department of Justice:		
Pass-through from Jefferson Parish Council, Jefferson Parish, Louisiana		
Drug Court Clinic - 1997	16.579	45,000
Drug Court Clinic - 1998	16.579	37,500
Juvenile After School Program - 1997	16.579	60,000
Family Strengthening Grant - 1996	16.540	8,727
Family Strengthening Grant - 1997	16.540	32,059
Family Strengthening Grant - 1998	16.540	<u>24,914</u>
Total U.S. Department of Justice		208,200
U.S. Department of Housing & Urban Development:		
*Pass-through from Unity for the Homeless		
Supportive Housing Program - 1997 #1	14.235	263,491
Supportive Housing Program - 1998 #1	14.235	672,902
Supportive Housing Program - 1998 #2	14.235	366,793
Pass-through from City of New Orleans, Louisiana		
Housing Opportunities for People with AIDS - 1997	14.241	60,000
Housing Opportunities for People with AIDS - 1998	14.241	<u>95,000</u>
Total U.S. Department of Housing & Urban Development		<u>1,458,186</u>
Total		<u>\$2,504,407</u>

* Major Program

Accrued Revenue at June 30, 1996	Cash Received During Year	Accrued Revenue at June 30, 1997	Total Revenue Recognized	Total Expenditures	
				Federal	Other
\$ 0	\$ 10,000	\$ 0	\$ 10,000	\$ 10,000	\$ 0
0	0	349	349	349	117
36,190	40,394	0	4,204	4,204	0
0	180,961	36,190	217,151	217,151	0
31,448	31,448	0	0	0	0
0	51,000	0	51,000	51,000	12,750
0	4,253	16,236	20,489	20,489	0
0	4,542	5,120	9,662	9,662	0
8,905	38,056	0	29,151	29,151	0
<u>0</u>	<u>17,756</u>	<u>4,486</u>	<u>22,242</u>	<u>22,242</u>	<u>0</u>
76,543	378,410	62,381	364,248	364,248	12,867
31,582	41,112	34,817	44,347	44,347	28,317
0	0	11,830	11,830	11,830	4,156
0	0	4,858	4,858	4,858	2,774
8,727	8,727	0	0	0	0
0	17,962	0	17,962	17,962	0
<u>0</u>	<u>0</u>	<u>6,229</u>	<u>6,229</u>	<u>6,229</u>	<u>263</u>
40,309	67,801	57,734	85,226	85,226	35,510
41,006	106,132	(3,257)	61,869	61,869	0
0	232,208	57,516	289,724	289,724	0
0	0	5,000	5,000	5,000	0
8,530	41,900	18,753	52,123	52,123	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>49,536</u>	<u>380,240</u>	<u>78,012</u>	<u>408,716</u>	<u>408,716</u>	<u>0</u>
<u>\$ 166,388</u>	<u>\$ 826,451</u>	<u>\$ 198,127</u>	<u>\$ 858,190</u>	<u>\$ 858,190</u>	<u>\$ 48,377</u>