

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

COMPENSATION PAID TO BOARD MEMBERS
For the Year Ended June 30, 1997

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, 1997, board members received no compensation. The Board consisted of the following members:

Whitney Joseph, Chairman
Post Office Box 2260
Reserve, Louisiana 70084
(504) 652-3311

Charles Watkins
181 Capt. George Meargout St.
LaPlace, Louisiana 70068
(504) 652-6060

Vernon Combee
1527 Delta Rd.
LaPlace, Louisiana 70068
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Theresa Robinson
179 Post 30th St.
Reserve, Louisiana 70084
(504) 536-3415

Richard Morris
Post Office Box 444
Creswell, Louisiana 70051
(504) 555-2193

Henry Joseph
Post Office Box 77
Mt. Airy, Louisiana 70076
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Oswelodyn Hall
Post Office Box 1853
LaPlace, Louisiana 70068
(504) 652-2233

Hon. Perry Bailey
1801 West Aclimo Hwy.
LaPlace, Louisiana 70068
(504) 652-9349

Hon. Dennis Duffy
1801 West Aclimo Hwy.
LaPlace, Louisiana 70068
(504) 652-9349

John Swafford
148 Star Terrace
Reserve, Louisiana 70084
(504) 536-8220

Beverly Miller
177 Fern Rd.
LaPlace, Louisiana 70068
(504) 651-3327

Rev. Willie Smith
114 Smith Dr.
LaPlace, Louisiana 70068
(504) 652-9936

Louis Lipps
1801 West Aclimo Hwy.
LaPlace, Louisiana 70068
(504) 536-3645

See Independent Auditor's Report.

SUPPLEMENTAL INFORMATION

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

STATUS OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 1997

The Agency has taken corrective action in the current year on all findings from the prior auditor's report dated November 5, 1996, for the year ended June 30, 1996.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 1997

REPORTABLE CONDITION

1. Accounting System

Condition:

We noted that the Agency did not maintain its financial records on its computerized accounting system, but maintained a manual system which was transferred to the computer several months after year-end. As a result, numerous material adjustments to the accounting records were required at year-end to record prior-year adjusting entries and to properly record and classify significant transactions.

Criteria:

Generally accepted accounting principles require maintenance of detailed and accurate accounting information throughout the year to provide management with sufficient data to make timely financial decisions. The Agency's grant agreements further require the maintenance of such information.

Effect:

Failure to maintain a complete, fund-based accounting system severely limits the Agency's ability to provide timely, accurate financial information to management and funding sources, and reduces management's ability to make financial decisions based on complete data.

Cause:

Employees responsible for preparing these records relied on external sources to provide support for the computer system, and had not received satisfactory training on the system.

Recommendation:

We recommend that Agency employees receive training on the computerized accounting system to allow the Agency to perform this function internally.

Management Response:

In prior years, our predecessor auditor would perform the close-out function for our general ledger software package. Because the predecessor auditor did not perform this function in the current year, our personnel did not know how to perform this function. With the assistance of St. John Parish Accounting Department personnel, the general ledger was closed out for the current year approximately five months subsequent to year-end. Since Community Action personnel are now able to close out the general ledger software, the close-out function will not cause a problem in the future.

deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the St. John the Baptist Parish Community Action Agency's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

This report is intended for the information of management, the State of Louisiana Legislative Auditor, and officials of applicable federal and state agencies. However, this report in a matter of public record and its distribution is not limited.

Roberts & Company

November 30, 1997

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CORPORATE FINANCE
& PROFESSIONAL CORPORATION

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FD-97 (Rev. 10-8)

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 ACCOUNTING STANDARDS

To the Board of Directors
St. John the Baptist Parish
Community Action Agency
St. John the Baptist Parish Council
Bossier, 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, 1997, and have issued our report thereon dated November 30, 1997. 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 these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. John the Baptist Parish Community Action 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. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant

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

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Houma, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1997

NOTE 9 - DEFERRED COMPENSATION PLAN (Continued)

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Parish (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Parish's general creditors. Participants' rights under the plan are equal to those of general creditors of the Parish in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the Parish's legal counsel that the Parish has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Parish believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

All assets and related liabilities related to the Plan are included in the financial statements of the St. John the Baptist Parish Council.

NOTE 10 - RISK MANAGEMENT

The Agency is exposed to various risks of loss related to theft, 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, 1997.

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 \$4,637 was reserved at June 30, 1997.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY

St. John the Baptist Parish Council

Bayou, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1987

NOTE 6 - PENSION PLAN (Continued)

ten 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 employee 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 Agency's contributions to the System under Plan A for the year ending June 30, 1987, totaled \$6,625, which equaled the required contribution for the year. The costed payroll totaled approximately \$54,000, which included substantially all of the salaries of the Agency.

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 employee and the Council. Benefits for active employees are paid in full by the Council. The Council recognizes the cost of providing these benefits as an expenditure when paid during the year. No post-employment benefits were paid by the Agency during the year ended June 30, 1987.

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, 1987, the Agency's employees had no accumulated or unused employer 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 defined 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 and beneficiaries, retirement, death, or unforeseeable emergency.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY

St. John the Baptist Parish Council

Kenner, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1997

NOTE 5 - DUE TO OTHERS

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. At June 30, 1997, \$9,042 was due to the Council for salaries and benefits.

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 (ERS), 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 20 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 percent 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 percent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980, plus 3 percent 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 70804-4619, or by calling (504) 928-3360.

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. The current rate is 8.0 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish (except Orleans and East Baton Rouge Parishes). These

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1997

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

insurance becomes effective the first day of the fiscal year, unless otherwise provided herein.

- (3) The Parish Council may amend the budgets before adoption except that no items for debt service may be retained before 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, 1997, the Agency has cash and cash equivalents (bank balances) totaling \$6,472.

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, 1997, the Agency had \$15,516 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) and the St. John the Baptist Parish Council as follows:

CSBG	\$ 9,842
St. John Council	_____ 605
Total due from others	<u>\$ 9,847</u>

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Nonrecuring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

K. Total Columns on Combined Statements

Total columns on the combined statements are captioned Memorandums Only to indicate that they are presented only to facilitate financial analysis. Data in those 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 five-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

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Bossier, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

In prior years, certain property and equipment owned by the Council incorrectly appeared in the Agency's financial statements. Such items have been removed in the current year, and appear in the St. John the Baptist Parish Council's General Fixed Asset Account Group.

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 minimal at June 30, 1997, 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 expense.

I. Fund Equity

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

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1987

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Louisiana Revised Statutes, at RSA-R.S. 33:2935, 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. 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, 1987.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY

St. John the Baptist Parish Council

Reserve, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Those revenues considered measurable 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.

The Agency reports deferred revenues on its combined balance sheet. 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 the deferred revenue is removed from the balance sheet and revenue is recognized.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Reserve, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Rayne, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

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

ST. JOHN THE BAPTIST PARISH COMMUNITY ACTION AGENCY
St. John the Baptist Parish Council
Bossier, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 all various taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various state and federal grants.

St. John the Baptist Parish occupies 551 square miles with a population of approximately 40,000. Council offices are located in the parish office building at 1800 West Aviana Highway, LaPlace.

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, 1997

	Governmental Funds		Total (Memorandum Only)
	General Fund	Special Revenue Funds	
Revenues			
Intergovernmental			
Federal and state grants	\$ -	\$ 161,554	\$ 161,554
Donations	8,216	-	8,216
Other	3,448	-	3,448
Total Revenues	<u>11,664</u>	<u>161,554</u>	<u>173,218</u>
Expenditures			
Health and welfare			
Personal services	-	84,729	84,729
Employee benefits	-	23,454	23,454
Operating services	9,890	41,783	51,673
Operating supplies	2,134	12,657	14,791
Total Expenditures	<u>12,089</u>	<u>162,623</u>	<u>174,712</u>
Excess of Expenditures over Revenues	(341)	(1,069)	(1,410)
Fund balance, beginning of year	<u>2,921</u>	<u>6,046</u>	<u>8,967</u>
Fund balance, end of year	<u>\$ 2,580</u>	<u>\$ 4,977</u>	<u>\$ 7,557</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

Combined Balance Sheet
All Fund Types
June 30, 1997

	Governmental Funds		Total (Memorandum Only)
	General Fund	Special Revenue Funds	
Assets			
Current assets			
Cash and cash equivalents	\$ 1,775	\$ 4,677	\$ 6,452
Due from St. John Council	885	-	885
Due from other governments			
State of Louisiana	-	9,042	9,042
Total Assets	\$ 2,580	\$ 13,719	\$ 16,299
Liabilities and Fund Equity			
Liabilities			
Current liabilities			
Due to St. John Council	\$ -	\$ 9,042	\$ 9,042
Total liabilities	-	9,042	9,042
Fund equity			
Fund balance:			
Reserved	-	4,677	4,677
Unreserved, undesignated	2,580	-	2,580
Total fund equity	2,580	4,677	7,257
Total Liabilities and Fund Equity	\$ 2,580	\$ 13,719	\$ 16,299

The accompanying notes are an integral part of this statement.

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.

In accordance with Government Auditing Standards, we have also issued a report dated November 30, 1997, 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.

Roberts & Company

November 30, 1997

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CORPORATE TAXPERS
& PROFESSIONAL CORPORATION

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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
Bossier, 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, 1997, 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. These 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.

As discussed in Note 1, the financial statements present only the St. John the Baptist Parish Community Action Agency, a component unit of the St. John the Baptist Parish Council, and are not intended to present fairly the financial position of the St. John the Baptist Parish Council, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds in conformity with generally accepted accounting principles.

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, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

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**ST. JOHN THE BAPTIST PARISH
COMMUNITY ACTION AGENCY
ST. JOHN THE BAPTIST PARISH COUNCIL
Kennerly, Louisiana**

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

For the Year Ended June 30, 1987

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the Auditor, or reviewed, edited 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 04 1988**
Auditor Copy: _____