

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
A COMPONENT UNIT OF THE STATE OF LOUISIANA  
METARIE, LOUISIANA**

**Basic Financial Statements  
and Independent Auditors' Reports  
As of and for the Year Ended June 30, 2006  
With Supplemental Information**

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

Release Date 10-17-2006

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**3300 WEST ESPLANADE AVE., SUITE 213**  
**METARIE, LOUISIANA 70002**  
**(504) 838-5215**

**GOVERNING BOARD**

As of June 30, 2006

<u>Board Member</u>	<u>Representing</u>
Eddie Barras	Mental Health, General
John Kevin Comboy	Mental Health, General
Vacant	Mental Health, General
Vacant	Mental Retardation, Representing Parents, Consumer or Advocacy Groups
Kerry Kissel	Substance Abuse, Professional
Carol Mancuso	Substance Abuse, General
Nancy Pearson	Substance Abuse, General
John Neal	Substance Abuse, Representing Parents, Consumer or Advocacy Groups
Joseph Lentini	Mental Retardation, General
Vacant	Mental Retardation, General
Frances Rush	Mental Retardation, Professional
Sal Scalia	Mental Retardation, Representing Parents, Consumer or Advocacy Groups

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**TABLE OF CONTENTS**  
**JUNE 30, 2006**

	<u>Page</u>
<b>Independent Auditors' Report on the Financial Statements</b> .....	4
 <b>Required Supplementary Information</b>	
Management's Discussion and Analysis .....	6
 <b>Basic Financial Statements:</b>	
Statement of Net Assets .....	12
Statement of Activities .....	13
Balance Sheet - Governmental Fund .....	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets .....	15
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds .....	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities .....	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	18
Notes to the Financial Statements .....	19
 <b>Other Report Required by <i>Government Auditing Standards</i>:</b>	
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of the Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	27
Schedule of Findings and Questioned Costs .....	29
Management's Corrective Action Plan .....	31
Resolution of Prior Year Findings .....	32
 <b>Other Supplemental Information:</b>	
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	34
Schedule of Expenditures of Federal Awards .....	36
 <b>Supplemental Information Required by Division of Administration:</b>	
Annual Financial Report .....	39

**LEROY J. CHUSTZ**  
**CPA, APAC**

P. O. Box 158  
Denham Springs, LA 70727-0158  
225/667-2700  
Fax: 225/667-3553

**BEVERLY A. RYALL**  
**CPA**

7426 President Drive  
Baton Rouge, LA 70817  
225/752-5147  
Fax: 225/752-5147

**GEORGE F. DELAUNE**  
**CPA, APC**

7663 Anchor Drive  
Ventress, LA 70783  
225/937-9735  
Fax: 225/638-3669

## **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS**

**Board Members of  
Jefferson Parish Human Services Authority  
State of Louisiana  
Metairie, Louisiana**

We have audited the accompanying basic financial statements of the **Jefferson Parish Human Services Authority**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2006, as listed in the Table of Contents. These basic financial statements are the responsibility of Jefferson Parish Human Services Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic 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, 2006, and the results of its operations and the respective budget comparison for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2006, on our consideration of the Jefferson Parish Human Services Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements, the accompanying State of Louisiana, Division of Administration Financial Statements are presented for the purposes of additional analysis and are not required parts of the basic financial statements of the Jefferson Parish Human Services Authority. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Government, and Non-

Profit Organizations and is also not a required part of the basic financial statements of the Jefferson Parish Human Services Authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

*Leroy J. Chutz*  
Certified Public Accountant, APAC

*Beverly A. Ryall*  
Certified Public Accountant

*George J. Delaune*  
Certified Public Accountant, APC

September 22, 2006

**Required Supplemental Information**  
**Management's Discussion and Analysis**

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006**

The Management's Discussion and Analysis of the *Jefferson Parish Human Services Authority's* (the Authority) financial performance presents a narrative overview and analysis of the Authority's financial activities for the year ended June 30, 2006. This document focuses on the current year's activities, resulting changes, and currently known fact is in comparison with the prior year's information. Please read this document in conjunction with the Authority's financial statements.

**FINANCIAL HIGHLIGHTS**

The Authority's assets exceeded its liabilities at the close of fiscal year 2005-2006 by \$2,386,172. The net assets increased by \$1,892,804 from the previous year.

The Authority's revenue decreased 8.8% from \$22,967,718 to \$21,094,327. Expenditures for the relevant period decreased 21.8% from \$23,422,664 to \$19,220,160. The results were an increase of \$1,874,167.

On August 29, 2005 Hurricane Katrina struck southeast Louisiana causing catastrophic damage to Jefferson Parish and surrounding areas. The hurricane had a tremendous impact on the Authority's human and physical resources. Approximately 46% of the Authority's employees resigned their positions due to issues directly related to the devastating impact of the hurricane. The Authority's main location on the east bank of Jefferson Parish sustained extensive damage caused by wind, rain, and vandalism.

All administrative and clinical services were consolidated at the Authority's facility located on the west bank of Jefferson Parish. The Authority reopened its west bank facility on September 19, 2005, serving individuals in need of behavioral health or developmental disabilities services. The Authority began serving individuals on the east bank in December 2005 at a satellite location. Administration, Community Support, and Developmental Disabilities offices were reopened at a new location on the east bank in April 2006. The Authority is planning to open a new behavioral health center on the east bank in August 2006.

The Authority received \$7,741,763 in Social Services Block Grant (SSBG) funds through the Department of Social Services to provide Immediate Intervention—Crisis Response, Substance Abuse Treatment and Prevention, Behavioral Health Services for Children and Adolescents, Preventing or Reducing Inappropriate Institutional Care, and Behavioral Health Program Restoration and Resumption to individuals affected by Hurricanes Katrina and Rita. The SSBG grant period ends September 30, 2007. The Authority is also advocating for Community Developmental Block Grant (CDBG) support dollars for permanent supportive housing. The Authority is still in the process of recovering losses from the Louisiana Office of Risk Management and FEMA for damages in the amount of \$214,323.

The Authority had planned to implement two initiatives during FY 05-06, the Accountable Care Model and Accreditation. Both initiatives were postponed due to Hurricane Katrina's impact on

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006**

the Authority. The Accountable Care initiative began in January 2006. The Authority will begin seeking Accreditation in January 2007.

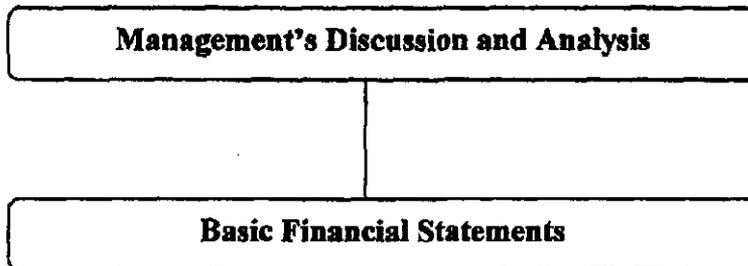
The Accountable Care Model emphasizes the following:

- Project management models that support organization-wide, regional and statewide accountable care re-engineering initiatives
- Community relations and marketing plans/strategies to enhance organizational awareness and public image
- Service unit/billable hour enhancement models that focus not on working harder, but rather reducing all non-billable activities such as "no-shows," meetings, paperwork, non-direct services, etc. so clinicians can spend more time delivering direct/billable services.
- A focus on time-management needs for direct care/line staff and managers and provides solutions to create more effective meetings supervision, documentation submission, etc.

Both initiatives will increase expenditures, however with the full implementation of the Accountable Care Model, direct/billable services will increase as non-billable activities will decrease therefore increasing revenues.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Governments established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.



These financial statements consist of two sections Management's Discussion and Analysis (this section) and the Basic Financial Statements (including the notes to the financial statements).

**Basic Financial Statements**

The basic financial statements present information for the Authority as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets and the Statement of Activities.

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006**

The Statement of Net Assets presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Activities presents information showing how the Authority's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

**FINANCIAL ANALYSIS OF THE ENTITY**

**Statement of Net Assets as of June 30, 2006 and 2005**

<b><u>ASSETS:</u></b>	<b><u>2005-2006</u></b>	<b><u>2004-2005</u></b>
Cash and Cash Equivalents	\$1,193,292	\$415,605
Receivables -		
State of Louisiana	2,334,994	863,911
Prepaid Rent	16,000	
Rent Deposit	16,000	
Inventory	136,675	150,749
Total Current Assets	\$3,696,961	\$1,430,265
Capital Assets, net of accumulated depreciation	921,912	1,099,149
<b>TOTAL ASSETS</b>	<b>\$4,618,873</b>	<b>\$2,529,414</b>
<b><u>LIABILITIES:</u></b>		
Current Liabilities -		
Accounts Payable	\$1,213,768	
Accrued Expenses	353,119	
Deferred Revenue	15,301	
Other Liabilities		1,342,092
Total Current Liabilities	\$1,582,188	\$1,342,092
Long-Term Liabilities -		
Obligations under Capital Lease	11,474	
Compensated Absences	639,039	693,954
Total Long-Term Liabilities	\$650,513	\$693,954
<b>TOTAL LIABILITIES</b>	<b>\$2,232,701</b>	<b>\$2,036,046</b>

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

**NET ASSETS:**

Invested in Capital Assets, net of related debt	\$910,439	\$1,096,010
Unreserved:		(602,642)
Undesignated – Beginning of Year	(417,071)	
Undesignated – Current Change in Fund Balance	1,874,166	
Prior Period Adjustment	18,638	
Total Unreserved	<u>1,475,733</u>	
Total Net Assets	2,386,172	493,368
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$4,618,873</u></b>	<b><u>\$2,529,414</u></b>

Assets increased by \$2,089,459 or 82.6% from June 30, 2005 to June 30, 2006. The Authority's revenues decreased at a rate of 8.8% whereas, expenditures decreased at a rate of 21.8%. Even though the Authority's revenues increased, expenditures were still greater than revenues resulting in a deficit of \$454,947 thereby depleting cash assets (need to reword). The value of inventory decreased by \$14,074, which was mainly due to replacement of computers and computer related items. Current inventory levels will be maintained for 2006.

**Statement of Activities for the years ended June 30, 2006 and 2005**

<b>REVENUES</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Intergovernmental -		
Federal Grants -		
DHH	\$2,261,227	
State of Louisiana	60,915	\$16,856,230
State of Louisiana	16,695,283	
Jefferson Parish	1,537,847	1,553,170
Charges for Services -		1,561,996
Medicaid	434,861	
Operating Grants & Contributions		2,996,322
Self-Generated	<u>104,194</u>	
Total Revenues	<u>\$21,094,327</u>	<u>\$22,967,718</u>
 <b>EXPENDITURES</b>		
Adult Services	\$3,644,852	\$5,359,349
Developmental Disabilities	705,912	4,155,515
Community Support	4,125,991	4,134,181
Administration	2,128,349	2,297,282
Access	3,784,098	889,448
Children and Family	3,421,252	4,450,279
Medical Services	1,378,665	2,136,610

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006**

Loss on Disposal of Capital Assets	31,041	
 Total Expenditures	 \$19,220,160	\$23,422,664
 Net Change in Fund Balance	 \$1,874,166	 \$(454,947)
Net Assets Beginning of Period	493,368	
Prior Period Adjustment	18,638	
Net Assets End of Period	\$2,386,172	

The increase in expenses that vary significantly from division to division is due in part to the way services are delivered by each division. Divisions that deliver services through employees showed increases in expenses higher than those that deliver services via contracts. These contract intensive services allow for greater scalability in their scope and therefore more flexibility in controlling costs.

**CAPITAL ASSETS**

At June 30, 2006, the Authority had \$921,912 invested in a broad range of capital assets, including equipment and leasehold improvements.

**Capital Assets at Year-end  
(Net of Depreciation)**

	<u>2006</u>	<u>2005</u>
Leasehold improvements	\$571,578	\$734,340
Equipment	\$249,666	364,809
Totals	<u>\$921,912</u>	<u>\$1,099,149</u>

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

The original adopted budget was amended four times during the fiscal year. The amendments were primarily to adjust for grant funding. Grant contract terms often span two fiscal years. The grant budget is not determined until the beginning of the grant period which differs from the Authority's fiscal reporting year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Some revenue and expense budget items for grants were not collected or expensed in the current year. Due to specific grants either not expending their budgets or their budgets transferring to the next fiscal year, funds were not expended for match requirements therefore resulting in a savings for the current fiscal year.

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006**

**ECONOMIC FACTORS AND NEXT FISCAL YEAR'S BUDGET**

The Authority's appointed officials consider the following factors and indicators when establishing the next fiscal year's budget, rates, and fees:

1. Persons and Families in crisis related to mental illness, substance abuse or developmental disabilities shall have their crisis resolved and a safe environment restored.
2. Persons with serious and disabling mental illness, substance abuse or developmental disabilities shall make use of natural supports and community resources and shall participate in the community.
3. Persons with mild to moderate needs related to mental illness, substance abuse or developmental disabilities shall make use of natural supports and community resources and shall participate in the community.
4. Persons not yet identified with specific serious mental illness, substance abuse or developmental disabilities, but who are at significant risk of such disorders due to the present of empirically established risk factors or the absence of empirically established protective factors do not develop the problems for which they are at risk.

The Authority expects that next year's results will improve based on the following:

- Even though State funding has stayed relatively flat, the Authority is projecting an increase in revenues. With the adoption of the Accountable Care Model, billable services will increase and non-billable activities will decrease therefore increasing revenues. The Authority was awarded \$7,741,763 in Social Services Block Grant funds and is advocating for Community Development Block Grant funds.

**CONTACTING THE JEFFERSON PARISH HUMAN SERVICES AUTHORITY'S  
MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jennifer Kopke, Executive Director or Marena Michel, Administrative Director at (504) 838-5215.

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
GOVERNMENT - WIDE FINANCIAL STATEMENTS  
STATEMENT OF NET ASSETS  
JUNE 30, 2006**

**ASSETS**

Cash	\$	1,193,292
Receivables:		
State of Louisiana		1,398,851
Jefferson Parish		262,062
Grants		674,081
Prepaid rent		16,000
Rent deposit		16,000
Inventory		136,675
Capital assets, net of accumulated depreciation		921,912
<b>Total Assets</b>	<b>\$</b>	<b><u>4,618,873</u></b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES:**

Accounts payable	\$	1,213,768
Accrued expenses		353,119
Deferred revenue		15,301
Capital lease obligations due within one year		4,265
Capital lease obligations due after one year		7,209
Compensated absences due after one year		639,039
<b>Total Liabilities</b>		<b><u>2,232,701</u></b>

**NET ASSETS:**

Invested in capital assets, net of related debt		910,439
Unrestricted		1,475,733
<b>Total Net Assets</b>		<b><u>2,386,172</u></b>
<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b><u>4,618,873</u></b>

See accompanying Notes to the Financial Statements.

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
 GOVERNMENT - WIDE FINANCIAL STATEMENTS  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 2006**

	Program Revenues		Net (Expenses)	
Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets	
<b><u>GOVERNMENTAL ACTIVITIES:</u></b>				
Program services and administration	\$ 19,220,164	\$ 502,965	\$ 3,799,075	(14,918,124)
Total governmental activities	<u>\$ 19,220,164</u>	<u>\$ 502,965</u>	<u>\$ 3,799,075</u>	<u>(14,918,124)</u>

**GENERAL REVENUES:**

State of Louisiana	16,756,198
Investment income	36,091
Total general revenues	<u>16,792,289</u>
Increase in net assets	1,874,165
Net Assets - Beginning of Year, restated	<u>512,007</u>
Net Assets - End of Year	<u>\$ 2,386,172</u>

See accompanying Notes to the Financial Statements.

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2006**

	<u>General Fund</u>
<b><u>ASSETS</u></b>	
Cash	\$ 1,193,292
Receivables:	
State of Louisiana	1,398,851
Jefferson Parish	262,062
Grants	674,081
Prepaid rent	16,000
Rent deposit	16,000
Inventory	136,675
Total Assets	\$ 3,696,961

**LIABILITIES AND FUND BALANCES**

**LIABILITIES:**

Accounts payable	\$ 1,213,768
Accrued expenses	353,119
Deferred revenue	15,301
Total Liabilities	1,582,188

**FUND BALANCES:**

Reserved for inventory	136,675
Unreserved:	
Designated for repairs and improvements	100,000
Undesignated	1,878,098
Total Fund Balances	2,114,773
Total Liabilities and Fund Balances	\$ 3,696,961

See accompanying Notes to the Financial Statements.

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2006**

Total fund balances - governmental funds	\$	2,114,773
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Purchases of capital assets are reported as expenditures as they are incurred in the governmental funds. The Statement of Net Assets reports capital assets as assets of the Authority. These capital assets are depreciated over their estimated useful lives in the Statement of Activities and are not reported in the governmental funds.</p>		
Cost of capital assets	2,763,033	
Less: Accumulated depreciation	<u>(1,841,121)</u>	
		921,912
<p>Long-term liabilities that are not due and payable with currently expendable resources are not reported as a fund liability. All liabilities - both current and long-term - are reported in the Statement of Net Assets:</p>		
Capital leases payable	(11,474)	
Compensated absences payable	<u>(639,039)</u>	
		<u>(650,513)</u>
Net assets of governmental activities	\$	<u><u>2,386,172</u></u>

See accompanying Notes to the Financial Statements

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2006**

	<b>General Fund</b>
<b><u>REVENUES:</u></b>	
Intergovernmental	\$ 20,553,773
Charges for services	540,555
Total revenues	21,094,328
<b><u>EXPENDITURES:</u></b>	
Adult services	3,630,637
Developmental disabilities	702,474
Community support	4,125,164
Administration	2,090,469
Access	3,777,493
Children and family	3,384,608
Medical services	1,361,446
Total expenditures	19,072,291
Net change in fund balance	2,022,037
Fund balances at beginning of year, as restated	106,810
Decrease in reserve for inventory	(14,074)
Fund balances at end of year	\$ 2,114,773

See accompanying Notes to the Financial Statements

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2006**

Net change in fund balances - total governmental funds	\$	2,022,037
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation of \$251,658 exceeded capital outlays of \$105,461 in the current period		(146,197)
In the Statement of Activities, the loss on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. The change in net assets differs from the change in fund balance by the cost of the assets discarded \$143,482, net of related accumulated depreciation of \$112,441.		(31,041)
Debt proceeds provide current financial resources to governmental funds; but issuing debt increases Long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which proceeds exceeded repayments.		(8,335)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net decrease in compensated absences.		51,775
Governmental funds report inventory using the purchases method which records pharmaceutical supplies as an expenditure immediately when purchased. The Statement of Activities reports inventory on the consumption method which records pharmaceutical supplies as an expenditure when the supplies are used. This is the amount by which the expense under the consumption method of \$721,975 exceeds the pharmaceutical supplies expense under the purchases method of \$707,901.		<u>(14,074)</u>
Change in net assets - statement of activities	\$	<u>1,874,165</u>

See accompanying Notes to the Financial Statements

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	General Fund					
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Original Budget	Final Budget	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
State of Louisiana	\$ 16,756,198		\$ 16,756,198	\$ 17,639,898	\$ 17,890,574	\$ (1,134,376)
Jefferson Parish	1,537,848		1,537,848	1,553,170	1,553,170	(15,322)
Grants and contracts	2,261,227		2,261,227	0	2,554,867	(293,640)
Medicare patient service fees	0		0	162,094	162,094	(162,094)
Medicaid patient service fees	434,861		434,861	1,237,739	1,237,739	(802,878)
Other patient service fees	68,104		68,104	70,358	70,358	(2,254)
Interest earned	36,091		36,091	0	0	36,091
Total revenues	<u>21,094,329</u>	<u>0</u>	<u>21,094,329</u>	<u>20,663,259</u>	<u>23,468,802</u>	<u>(2,374,473)</u>
<b>EXPENDITURES:</b>						
Personal services	10,000,776		10,000,776	10,711,334	11,379,725	1,378,949
Travel	147,652		147,652	185,424	314,311	166,659
Professional services	6,784,777		6,784,777	6,879,728	8,502,380	1,717,603
Operating services	1,184,999		1,184,999	1,020,144	1,346,542	161,543
Supplies	164,868		164,868	130,601	149,849	(15,019)
Pharmacy	707,901		707,901	1,458,033	1,458,033	750,132
Major repairs	0		0	90,686	90,686	90,686
Acquisitions	95,392		95,392	187,309	227,277	131,885
Total expenditures	<u>19,086,365</u>	<u>0</u>	<u>19,086,365</u>	<u>20,663,259</u>	<u>23,468,803</u>	<u>4,382,438</u>
Net change in fund balances	<u>2,007,964</u>	<u>0</u>	<u>2,007,964</u>	<u>\$ 0</u>	<u>\$ (1)</u>	<u>\$ 2,007,965</u>
Fund balances at beginning of year	<u>106,810</u>		<u>106,810</u>			
Fund balances at end of year	<u>\$ 2,114,774</u>	<u>\$ 0</u>	<u>\$ 2,114,774</u>			

See accompanying Notes to the Financial Statements

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Jefferson Parish Human Services Authority (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. 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, with Act 723 of the 1995 Regular Session of the Louisiana Legislature repealing the "sunset clause". The Authority was created as a Special Parish District to direct the operations and management of outpatient services, developmental disabilities, community support, and special services for Jefferson Parish.

**Reporting Entity**

Due to its fiscal dependency on the State of Louisiana, the Authority has been determined to be a component unit of the reporting entity of the State of Louisiana. The accompanying financial statements present information only on the funds maintained by the Authority and do not present information from the State of Louisiana, the general government services provided by that governmental unit, or the other governmental units that comprise the State of Louisiana's financial reporting entity. The Authority has no component units.

**Basis of Presentation**

The accompanying financial statements of the Authority have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. Application of GAAP often requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The State of Louisiana and its components have adopted the provisions of GASB Statement No. 34, Statement No.37 and Interpretation No. 6 effective July 1, 2001. This statement calls for significant changes to a governmental entity's financial presentation format, including the requirement for management's discussion and analysis and presentation of "government-wide" financial statements (statement of net assets and statement of activities) on a full accrual basis of accounting. A more complete discussion of the government-wide financial statements is presented below.

**Basis of Accounting**

**Government-Wide Financial Statements**

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report information about the Authority as a whole.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities. Program revenues include: (1) charges for services which report fees and other charges to users of the Authority's services and (2) operating grants and contributions which finance annual operating activities. These revenues are subject to externally imposed restrictions to these program uses. State appropriation, Jefferson Parish administrative agreements and other revenue sources not properly included with program revenues are reported as general revenues.

The government-wide statements report using the economic resources measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net assets and financial position. All assets and liabilities (whether current or non-current) associated with the government's activities are reported. Fund equity is classified as net assets. Government activities are presented using the accrual basis of accounting, the Statement of Net Assets and Statement of Activities present revenues, expenses, and fixed assets as follows: Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, except for donated assets which are recorded at their estimated fair value at the date of donation.

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**Fund Financial Statements**

Fund financial statements are provided for governmental funds. Governmental entities use fund accounting 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 self-balancing accounts. Currently, the Authority has only one fund, the general fund, which is used to account for all financial resources and expenditures.

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

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., 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 liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt is recognized when due.

**Budgetary Data**

For the year ended June 30, 2006, the Authority adopted an annual budget for the General Fund. The budget is legally enacted and amended through a meeting of the Board of Governors. The budgetary information included in the financial statement includes the originally adopted budget and the final budget following amendments.

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 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 on the budgetary basis. Budgeted amounts are as originally adopted and 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.

**Cash**

The Authority is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, and the laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent.

At June 30, 2006 the carrying amount of the Authority's deposits was \$1,191,882 and the bank balance was \$1,751,011. Of the bank balances, \$100,000 was covered by federal depository insurance, and \$1,651,011, which is considered uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name.

**Receivables**

No allowance has been made for uncollectible receivables as it been the Authority's experience that all amounts are collected in full.

**Inventory**

Inventory consists of expendable pharmaceutical supplies held for consumption and are carried at cost on a first-in, first-out basis. The government-wide financial statements report the cost as an expenditure at the time the individual inventory items are used. In the fund financial statements, the cost is recorded as an expenditure when purchased. Inventories reported in the General Fund are offset by a fund balance reserve which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets.

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**Capital Assets and Depreciation**

For the government-wide financial statements, capital assets with a cost of \$1,000 or more are recorded at the cost in the statement of net assets. Depreciation is computed using the straight-line method over estimated useful lives of 10 to 15 years for leasehold improvements and 5 to 7 years for furniture and equipment.

In the fund financial statements, capital assets are recorded as expenditures in the governmental funds at the time purchased.

**Compensated Absences**

Compensated absences consist of annual leave and compensatory leave are accrued at year-end according to leave policy. The accrued leave is valued at wage rates plus any payments required to be made by the Authority, including Social Security and Medicare. At June 30, 2006, employees of the Jefferson Parish Human Services Authority had accumulated and vested \$639,039 in leave privileges. Compensated absences are reported as accrued liabilities in government-wide financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable.

**Reserve for Encumbrances**

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

**Designated Fund Balances**

Designated governmental fund balance 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.

**2. CAPITAL ASSETS**

A summary of changes in capital assets in capital assets and accumulated depreciation follows:

	Balance at June 30, 2005	Additions	Disposals	Adjustments	Balance at June 30, 2006
Furniture and equipment	\$ 1,070,266	\$ 95,392	\$ (143,482)		\$ 1,022,176
Accumulated depreciation	(708,136)	(155,614)	112,441		(751,309)
Total furniture and fixtures	362,130	(60,222)	(31,041)	0	270,867
Equipment under capital lease	14,365	10,070			24,435
Accumulated depreciation	(11,685)	(2,750)			(14,435)
Total Equipment under capital lease	2,680	7,320	0	0	10,000
Leasehold improvement	1,678,402				1,678,402
Accumulated depreciation	(944,062)	(93,294)			(1,037,356)
Total leasehold improvement	734,340	(93,294)	0	0	641,046
Net capital assets	<u>\$ 1,099,150</u>	<u>\$ (146,196)</u>	<u>\$ (31,041)</u>	<u>\$ 0</u>	<u>\$ 921,913</u>

Depreciation expenses for the year ended June 30, 2006 has been charged to functions as follows:

Adult services	\$ 14,215
Development disabilities	4,202
Community support	826
Administration	185,049
Access	7,576
Children and family	36,643
Medical services	3,147
	<u>\$ 251,658</u>

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**3. SIGNIFICANT ACCOUNTING ESTIMATES**

As further described in Note 9, the Authority has use of the buildings for the Westbank clinic to operate. The Authority has capitalized improvements to the facility. The Authority has no agreed term for the use of the building. The useful life of the leasehold improvements is 15 years. Actual life of the improvements may differ materially from the life of 15 years and could result in a material adjustments to future results of operations if the lease is terminated any time before 15 years.

**4. LONG-TERM LIABILITIES**

A summary of long-term liabilities is as follows:

	Balance at June 30, 2005	Increases	Decrease	Balance at June 30, 2006	Amounts Due Within One Year
Capital Lease Obligations	\$ 3,139	\$ 10,070	\$ 1,735	\$ 11,474	\$ 4,265
Compensated absences	690,814	210,792	262,567	639,039	
	<u>\$ 693,953</u>	<u>\$ 220,862</u>	<u>\$ 264,302</u>	<u>\$ 650,513</u>	<u>\$ 4,265</u>

**5. LEASES**

**Operating Leases**

The Authority has entered into three operating leases for office facilities which expire on October 31, 2008, February 28, 2011 and June 30, 2011. Future minimum lease payments required under these leases are as follows:

Years ended June 30,	
2007	449,976
2008	401,292
2009	379,706
2010	387,015
2011	299,847
	<u>\$ 1,917,836</u>

The total amount charged to property rent as a result of these leases was \$208,020 for the year ended June 30, 2006. In addition, the lease requires payments for operating expenses of the building after they exceed a set limit. The Authority cannot estimate the lessor's additional operating expenses. Therefore no rent expense is accrued for these contingent payments.

**Capital Leases:**

The Authority is the lessee of office equipment under capital leases. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset in government-wide financial statements. Minimum future lease payments under these capital lease obligations are as follows:

Year ended June 30, 2006	<u>\$ 12,626</u>
Total minimum lease payments	\$ 12,626
Less amount representing interest	(1,152)
Present value of future payments	<u>\$ 11,474</u>

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

Amortization of the leased property in the amount of \$13,286 for the year ended June 30, 2006 is included in depreciation expense. Future required payments are \$4,971, \$4,866 and \$2,789 for the years 2007, 2008 and 2009 respectively.

**6. FUND BALANCE**

**Designated**

Designations of funds are used to show the amounts within unreserved equity which are intended to be used for specific purposes. At June 30, 2006, the majority of the Authority's unreserved fund balance was designated by the Board of Governors as follows:

- > \$100,000 designated for building repairs

**7. DEFINED BENEFIT PENSION PLAN**

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 cost-sharing multiple-employer defined benefit plan administered by a board of trustees. It 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, 2006, amounted to 7.5% of State employees' gross salaries, and the State contribution was 19.1%.

Annual retirement benefits consist primarily of 2.5% times the average annual compensation times year 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.

TRS was established an August 1, 1936, and is also a cost-sharing multiple-employer defined benefit plan administered by a board of trustees. It is supported by contributions of its members and the State. The annual maximum retirement benefit for those who retired at age 65 with 20 years service, or at age 55 with 25 years service or at any age after 30 years service is 2.5% 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% 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, 2006, for all employees follows:

<u>Pension Plan</u>	<u>Covered Payroll</u>	<u>Total Payroll</u>
Louisiana State Employees' Retirement System	<u>\$ 7,092,422</u>	<u>\$ 7,672,397</u>

Employer and employee contributions to the retirement system during the year ended June 30, 2006 are as follows:

<u>Pension Plan</u>	<u>Employer Contributions</u>	<u>% of Eligible Salary</u>	<u>Employee Contributions</u>	<u>% of Eligible Salary</u>
Louisiana State Employees' Retirement System	<u>\$ 1,352,728</u>	19.1%	<u>\$ 531,182</u>	7.5%

The Authority did not have any participants in the TRS system during the year ended June 30, 2006.

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

The retirement systems issue annual publicly financial reports that include financial statements and required supplementary information for the systems. The reports may be obtained by writing to the Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0600 and the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446. Benefits granted by the retirement systems are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974.

The contribution requirements of plan members and the Authority are established and may be amended by the State Legislature. The Legislature annually sets the required employer contribution rate equal to the actuarially required employer contribution as set forth in R.S.11:102. The Authority's employer contributions to LASERS for the years ended June 30, 2006, 2005, and 2004 were \$1,352,728, \$1,479,063 and \$996,852, respectively, and to TRS for the years June 30, 2006, 2005 and 2004 were zero, zero and \$20,358, respectively, equal to the required contribution for each year for the retirement system.

**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 those 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, 2006, twenty-five (25) employees were eligible to receive post-retirement benefits.

Employer contributions applicable to these benefits for the year ended June 30, 2006, was \$175,443.

**9. RELATED PARTY TRANSACTIONS**

**State of Louisiana, Department of Health and Hospitals**

The State of Louisiana, through the governor's office, approves the appointment of 3 of the 12 members of the Board of Governors of the Authority. A material part of the Authority's revenues are received from State appropriation. The State appropriation, including amounts received from the Department of Health and Hospitals for the year ended June 30, 2006, provided actual revenues of \$16,756,198 (79% of total revenues). Revenue receivable from the State of Louisiana totaled \$1,384,697 as of June 30, 2006.

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

**Jefferson Parish**

Jefferson Parish, through the parish council office, approves the appointment of 9 of the 12 members of the Board of Governors. Under administrative agreements with Jefferson Parish and its local law enforcement agencies, the Authority received \$1,537,848 of revenue for the year ended June 30, 2006. As of June 30, 2006, Jefferson Parish and its local law enforcement agencies owed the Authority \$262,062 under these agreements.

Other services provided by Jefferson Parish at no cost to the Authority 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.

**10. COMMITMENTS**

The Authority has an employment agreement with the Executive Director which terminates February 8, 2008. Base salary for the fiscal year was \$100,339. Future salary increases will be awarded via Board action and will be included in the approved state-funded portion of the budget.

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

11. **PRIOR PERIOD ADJUSTMENT**

A portion of accrued salaries and benefits at year end are charged to various programs which are reimbursed from grants and other funding sources. At June 30, 2005, \$18,638 was accrued on these programs; but the unbilled reimbursement was not recorded in the financial statements. Consequently, the corresponding fund balance for governmental reporting and net assets for government-wide reporting has been restated to account for this prior period adjustment.

12. **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.

13. **SUBSEQUENT EVENT**

On August 29, 2005 Hurricane Katrina struck southeast Louisiana causing catastrophic damage to Jefferson Parish and surrounding areas. Subsequently, levees in the area were breached and significant flooding occurred. At the time of the issuance of these financial statements, the effect that these events has had or will have on the Jefferson Parish Human Services Authority is undeterminable.

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

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

**LEROY J. CHUSTZ**  
CPA, APAC

P. O. Box 158  
Denham Springs, LA 70727-0158  
225/667-2700  
Fax: 225/667-3553

**BEVERLY A. RYALL**  
CPA

7426 President Drive  
Baton Rouge, LA 70817  
225/752-5147  
Fax: 225/752-5147

**GEORGE F. DELAUNE**  
CPA, APC

7663 Anchor Drive  
Ventress, LA 70783  
225/937-9735  
Fax: 225/638-3669

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

**Board Members of  
Jefferson Parish Human Services Authority  
State of Louisiana  
Metairie, Louisiana**

We have audited the basic financial statements of the **Jefferson Parish Human Services Authority**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2006, and have issued our report thereon dated September 22, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered **Jefferson Parish Human Services Authority's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Authority's ability to initiate, record, process, 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 2006-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the basic 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, of the reportable conditions described above, we consider item 2006-1 to be a material weakness.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether **Jefferson Parish Human Services Authority's** basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contract, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide*.

This report is intended solely for the information and use of management, the Legislative Auditor for the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under provisions of state law, this report is a public document, and it has been distributed to appropriate officials.

*Leroy J. Chutz*  
Certified Public Accountant, APAC

*Beverly A. Ryall*  
Certified Public Accountant

*George J. Delaune*  
Certified Public Accountant, APC

September 22, 2006

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2006**

**SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of Jefferson Parish Human Services Authority.
2. One reportable condition disclosed during the audit of the financial statements is reported in the annual financial report which is reported as a material weakness.
3. No instances of noncompliance material to the financial statements of Jefferson Parish Human Services Authority, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No instances of noncompliance with other matters is required to be reported in accordance with the *Louisiana Audit and Accounting Guide*.
5. No reportable conditions in internal control over major federal award programs was disclosed during the audit of Jefferson Parish Human Services Authority.
6. The auditors' report on compliance for the major federal award programs for Jefferson Parish Human Services Authority expresses an unqualified opinion on all major federal programs.
7. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
8. The programs tested as major programs included: Supportive Housing Program, CFDA 14.235
9. The threshold used for distinguishing between Type A and B programs was \$500,000.
10. Jefferson Parish Human Services Authority qualified as a low-risk auditee.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**Reportable Condition - Material Weakness**

**2006-1 Accounting Records Maintained on the Modified Accrual Basis of Accounting**

*Criteria:*

The Authority's accounting transactions are to be recorded and maintained on the modified accrual basis of accounting

*Condition:*

The following conditions were noted:

1. The original trial balance submitted was not in balance.
2. We found significant errors in the next trial balance where certain accounts were not being reconciled and account balances had significant errors in posting transactions.
3. Upon receiving the second revision to the trial balance, we noted that some of the prior year audit adjustments had not been posted to the accounting records.

*Effect:*

Since accounting transactions were not processed on the modified accrual basis of accounting, trial balances and financial statements could not be prepared in accordance with generally accepted accounting principles. Consequently, internal controls over financial reporting were deficient during the fiscal year to monitor the Authority's operations.

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2006**

*Cause:*

Undetermined

*Auditors' Recommendation:*

Accounting policies must be improved to ensure that transactions are processed and recorded on the modified accrual basis of accounting.

*Management's Response:*

See response which follows.

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT**

None



Jefferson Parish  
Human Services Authority

September 26, 2006

Mr. Steve J. Theriot, CPA  
Louisiana Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Theriot:

Jefferson Parish Human Services Authority (JPHSA) has reviewed the finding and recommendation resulting from the audit of our financial statements for fiscal year ended June 30, 2006. JPHSA concurs with the finding and will implement the following corrective action:

**Audit Finding 2006-1—Modified Accrual Basis of Accounting**

JPHSA prepared and maintained the accounting records on the cash basis of accounting. JPHSA will prepare and maintain the accounting records on the modified accrual basis of accounting in accordance with GAAP.

Management recognizes its responsibility to maintain its accounting records on the modified accrual basis of accounting in accordance with GAAP. Marena Michel, Administrative Director, will be the contact person responsible for ensuring the above mentioned corrective action plan is implemented and enforced.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer R. Kopke", is written over a faint, larger version of the same name.

Jennifer R. Kopke, M.A., LAC  
Executive Director

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
RESOLUTION OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2005**

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**Reportable Conditions**

**2005-1 Purchasing**

*Criteria:*

The Authority's Purchasing Policy Number 2101 procedures requires every purchase to be made as follows:

1. Purchase requisitions must be signed by the requesting party, approved by the immediate supervisor and then in some cases it must be approved by the Division Director before purchase.
2. If the purchase is over \$500, it must be sent to the Purchasing Specialist and also must be ordered by the Purchasing Specialist.
3. Any purchase over \$500 requires a Purchase Order. PO's up to \$5,000 are approved by the Accounting Supervisor.
4. Purchases of laptop computers have a set maximum of \$1,650

*Corrective Action Taken:*

The Authority has revised its internal controls to ensure that purchases of goods and services are obtained in accordance with established policies and procedures.

**2005-2 Purchasing**

*Criteria:*

The Authority's Purchasing Policy Number 2101 allows the purchase of items on State or Parish Contract. In addition, should a price be quoted by a vendor that is less than the price for an identical item or one of equal or greater value, as listed on State or Parish Contract, that item may be awarded without further bids.

*Corrective Action Taken:*

The Authority has revised its internal controls to ensure that purchases of goods and services are obtained in accordance with established policies and procedures.

**Other Matters**

**2005-3 Ethics Violation**

*Criteria:*

According to Louisiana Revised Statute 42:1119, it is unlawful to employ an immediate family member of an agency's top management.

*Corrective Action Taken:*

The professional services contract was terminated and the Authority made changes to its procedures to ensure compliance with the Louisiana Code of Governmental Ethics.

## **OTHER SUPPLEMENTAL INFORMATION**

The following pages contain the Independent Auditors' Report on Compliance with Requirements applicable to each major program and on Internal Control Over Compliance in accordance with OMB Circular A-133 and the Schedule of Expenditures of Federal Awards with accompanying notes.

**LEROY J. CHUSTZ**  
CPA, APAC

P. O. Box 158  
Denham Springs, LA 70727-0158  
225/667-2700  
Fax: 225/667-3553

**BEVERLY A. RYALL**  
CPA

7426 President Drive  
Baton Rouge, LA 70817  
225/752-5147  
Fax: 225/752-5147

**GEORGE F. DELAUNE**  
CPA, APC

7663 Anchor Drive  
Ventress, LA 70783  
225/937-9735  
Fax: 225/638-3669

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

Board Members of  
Jefferson Parish Human Services Authority  
State of Louisiana  
Metairie, Louisiana

**Compliance**

We have audited the compliance of **Jefferson Parish Human Services Authority** (a component unit of the State of Louisiana) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. Jefferson Parish Human Services Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Jefferson Parish Human Services Authority's management. Our responsibility is to express an opinion on Jefferson Parish Human Services Authority's compliance based on our audit.

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

In our opinion, Jefferson Parish Human Services Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

**Internal Control Over Compliance**

The management of Jefferson Parish Human Services Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Jefferson Parish Human Services Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or

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

This report is intended solely for the information and use of management, State of Louisiana - Division of Administration, the Legislative Auditor for the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Leroy J. Christy*  
Certified Public Accountant, APAC

*Beverly A. Ryall*  
Certified Public Accountant

*George J. Calauer*  
Certified Public Accountant, APC

September 22, 2006

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2006**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Disbursements/ Expenditures
<b>U.S. Dept of Housing and Urban Development</b>			
Direct program:			
Supportive Housing Program	14.235*	LA48-B30-3026	\$ 59,303
Supportive Housing Program	14.235*	LA48-B30-3026	131,363
Total direct programs			<u>190,666</u>
Pass-through program from:			
Unity for the Homeless, Inc.			
Supportive Housing Program	14.235*	LA48B-40-3002	258,839
Supportive Housing Program	14.235*	LA48B-50-3016	90,338
Jefferson Parish			
Home of My Own Program	14.218	Resolution #102536	30,000
Home of My Own Program	14.218	Resolution #104787	10,000
City of New Orleans, Mayor's Office of Health Policy			
Housing Opportunities for Persons with AIDS	14.241	05-DHND-044	166,391
Total pass-through programs			<u>555,568</u>
Total U.S. Department of Housing and Urban Development			<u>746,234</u>
<b>U.S. Department of Education</b>			
Pass-through program from:			
Louisiana Office of Public Health			
Special education grant for infants and families with disabilities	84.181	DHH #045498	54,227
Total pass-through programs			<u>54,227</u>
Total U.S. Department of Education			<u>54,227</u>
<b>U.S. Department of Health and Human Services</b>			
Pass-through program from:			
City of New Orleans, Mayor's Office of Health Policy			
HIV Emergency Relief Project Grants	93.914	05-HLTH-019-20/06-HLTH-019-020	138,713
Jefferson Parish District Attorney Office			
Substance abuse prevention and intervention	93.243	1H79SP10833-01	750
Louisiana Department of Social Services, Office of Community Services			
Promoting Safe and Stable Families	93.556	DHH #687682	283,537
Louisiana Department of Health and Hospitals, Office of Public Health			
HIV Prevention Activities Health Dept. Based	93.940	DHH #032706 & 045135	54,841
Comprehensive Community Mental Health Services	93.104	DHH #045090	72,157
Maternal and Child Health Federal Consolidated Programs	93.110	DHH #042514 & 044649	197,458
Total pass-through programs			<u>747,456</u>
Total U.S. Department of Health and Human Services			<u>747,456</u>
<b>Total expenditures of federal awards</b>			<b>\$ <u>1,547,917</u></b>

\* Major Programs

See accompanying Notes to Schedule of Expenditure of Federal Awards

**JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2006**

**Note A - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Jefferson Parish Human Services Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note B - Subrecipients**

Jefferson Parish Human Services Authority provided no funds to subrecipients.

**SUPPLEMENTAL INFORMATION REQUIRED BY**

**STATE OF LOUISIANA  
DIVISION OF ADMINISTRATION  
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY**

The following pages contain a report on the **Jefferson Parish Human Services Authority's Annual Financial Report** prepared in accordance with the requirements of the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy.

STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
Annual Financial Statements  
June 30, 2006

CONTENTS

TRANSMITTAL LETTER  
AFFIDAVIT

Statements

MD&A

Balance Sheet	A
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
Statement of Activities	C
Statement of Cash Flows	D

Notes to the Financial Statements

A.	Summary of Significant Accounting Policies
B.	Budgetary Accounting
C.	Deposits with Financial Institutions and Investments (Information in Appendix B)
D.	Capital Assets – Including Capital Lease Assets
E.	Inventories
F.	Restricted Assets
G.	Leave
H.	Retirement System
I.	Post Retirement Health Care and Life Insurance Benefits
J.	Leases
K.	Long-Term Liabilities
L.	Contingent Liabilities
M.	Related Party Transactions
N.	Accounting Changes
O.	In-Kind Contributions
P.	Defeased Issues
Q.	Cooperative Endeavors
R.	Government-Mandated Nonexchange Transactions (Grants)
S.	Violations of Finance-Related Legal or Contractual Provisions
T.	Short-Term Debt
U.	Disaggregation of Receivable Balances
V.	Disaggregation of Payable Balances
W.	Subsequent Events
X.	Segment Information
Y.	Due to/Due from and Transfers
Z.	Liabilities Payable from Restricted Assets
AA.	Prior-Year Restatement of Net Assets
BB.	Net Assets Restricted by Enabling Legislation (Information in Appendix C)
CC.	Impairment of Capital Assets (Additional Info in Appendix D)
DD.	Employee Termination Benefits

Schedules

1	Schedule of Per Diem Paid to Board Members
2	Schedule of State Funding
3	Schedules of Long-Term Debt
4	Schedules of Long-Term Debt Amortization
15	Schedule of Comparison Figures and Instructions

**Appendix**

- A Instructions for the Simplified Statement of Activities**
- B Information for Note C - "Deposits with Financial Institutions and Investments"**
- C Information for Note BB - "Net Assets Restricted by Enabling Legislation"**
- D Information for Note CC - "Impairment of Capital Assets"**

STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
Annual Financial Statements  
Fiscal Year Ending June 30, 2006

Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Jennifer Kopke, Executive Director of Jefferson Parish Human Services Authority who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Jefferson Parish Human Services Authority at June 30, 2006 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.

Sworn and subscribed before me, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Signature of Agency Official

\_\_\_\_\_  
NOTARY PUBLIC

Prepared by: George F. Delaune, CPA

Title: \_\_\_\_\_

Telephone No.: (225) 937-9735

Date: September 22, 2006

**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
BALANCE SHEET  
AS OF JUNE 30, 2006**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$	1,193,292
Investments		
Receivables (net of allowance for doubtful accounts)(Note U)		2,334,994
Due from other funds (Note Y)		
Due from federal government		
Inventories		136,675
Prepayments		16,000
Notes receivable		
Other current assets		16,000
<b>Total current assets</b>		<b>3,696,961</b>

**NONCURRENT ASSETS:**

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Notes receivable		
Investments		
Capital assets (net of depreciation)(Note D)		
Land		
Buildings and improvements		641,045
Machinery and equipment		280,887
Infrastructure		
Construction in progress		
Other noncurrent assets		
<b>Total noncurrent assets</b>		<b>921,912</b>
<b>Total assets</b>	<b>\$</b>	<b>4,618,873</b>

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$	1,566,887
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		15,301
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities:		
Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		639,039
Capital lease obligations - (Note J)		11,474
Claims and litigation payable (Note K)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
<b>Total current liabilities</b>		<b>2,232,701</b>

**NON-CURRENT LIABILITIES:**

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations (Note J)		
Claims and litigation payable (Note K)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
<b>Total long-term liabilities</b>		<b>-</b>
<b>Total liabilities</b>		<b>2,232,701</b>

**NET ASSETS**

Invested in capital assets, net of related debt		910,439
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		1,475,733
<b>Total net assets</b>		<b>2,386,172</b>
<b>Total liabilities and net assets</b>	<b>\$</b>	<b>4,618,873</b>

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2006**

<b>OPERATING REVENUES</b>	
Sales of commodities and services	\$ 502,964
Assessments	
Use of money and property	36,091
Licenses, permits, and fees	
Other	20,556,273
Total operating revenues	21,094,328
<b>OPERATING EXPENSES</b>	
Cost of sales and services	16,994,162
Administrative	1,943,302
Depreciation	251,658
Amortization	
Total operating expenses	19,189,122
Operating income(loss)	1,905,206
<b>NON-OPERATING REVENUES(EXPENSES)</b>	
State appropriations	
Intergovernmental revenues (expenses)	
Taxes	
Use of money and property	
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	(31,041)
Federal grants	
Interest expense	
Other revenue	
Other expense	
Total non-operating revenues(expenses)	(31,041)
Income(loss) before contributions and transfers	1,874,165
Capital contributions	
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	
Change in net assets	1,874,165
Total net assets – beginning as restated	512,007
Total net assets – ending	\$ 2,386,172

The accompanying notes are an integral part of this financial statement.

Statement B

**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2006**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Entity	\$ 19,220,164	\$ 502,965	\$ 3,799,075	\$ (14,918,124)
<b>General revenues:</b>				
Taxes				
State appropriations				16,756,198
Grants and contributions not restricted to specific programs				
Interest				36,091
Miscellaneous				
<b>Special items</b>				
Extraordinary item - Loss on impairment of capital assets				
<b>Transfers</b>				
Total general revenues, special items, and transfers				16,792,289
Change in net assets				1,874,165
Net assets - beginning as restated				512,007
Net assets - ending				\$ 2,386,172

**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2006**

<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 502,935	
Cash payments to suppliers for goods and services	<u>(8,677,592)</u>	
Cash payments to employees for services	<u>(10,035,078)</u>	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)	<u>19,048,428</u>	
Net cash provided(used) by operating activities		\$ <u>838,723</u>
<b>Cash flows from non-capital financing activities</b>		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		<u>-</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	<u>(95,392)</u>	
Proceeds from sale of capital assets		
Capital contributions		
Other	<u>(1,735)</u>	
Net cash provided(used) by capital and related financing activities		<u>(97,127)</u>
<b>Cash flows from investing activities</b>		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	<u>36,091</u>	
Net cash provided(used) by investing activities		<u>36,091</u>
Net increase(decrease) in cash and cash equivalents		<u>777,687</u>
Cash and cash equivalents at beginning of year		<u>415,605.00</u>
Cash and cash equivalents at end of year		<u>\$ 1,193,292</u>

The accompanying notes are an integral part of this statement.

Statement D (continued)



**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
Notes to the Financial Statement  
As of and for the year ended June 30, 2006**

**INTRODUCTION**

The Jefferson Parish Human Services Authority was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 28:831. The following is a brief description of the operations of Jefferson Parish Human Services Authority which includes the parish/parishes in which the Jefferson Parish Human Services Authority is located:

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Jefferson Parish Human Services Authority present information only as to the transactions of the programs of the Jefferson Parish Human Services Authority as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Jefferson Parish Human Services Authority are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B. BUDGETARY ACCOUNTING**

The appropriations made for the operations of the various programs of the Jefferson Parish Human Services Authority are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:



**STATE OF LOUISIANA**  
**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2006**

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ <u>1,191,882</u>	\$ _____	\$ _____	\$ <u>1,191,882.00</u>
<b>Bank Balances of Deposits Exposed to Custodial Credit Risk</b>				
a. Uninsured and uncollateralized	\$ _____	\$ _____	\$ _____	\$ _____
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	_____
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	<u>1,651,011</u>	_____	_____	<u>1,651,011.00</u>
<b>Total Bank Balances - All Deposits</b>	<b>\$ <u>1,751,011</u></b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ <u>1,751,011.00</u></b>

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>JP Morgan Chase Bank</u>	<u>General Fund</u>	\$ <u>1,751,011</u>
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
Total		\$ <u>1,751,011</u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ _____
Petty cash	\$ <u>1,410</u>

2. INVESTMENTS – Not Applicable

The Jefferson Parish Human Services Authority does not maintain investment accounts.

**Custodial Credit Risk**

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. Using the following table, list each



**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
Notes to the Financial Statement  
As of and for the year ended June 30, 2006**

<u>Rating</u>	<u>Fair Value</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
<b>Total</b>	<b>\$ _____ -</b>

**B. Interest rate Risk**

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type.

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Agency obligations	_____	_____	_____	_____	_____
U.S. Treasury obligations	_____	_____	_____	_____	_____
Mortgage backed securities	_____	_____	_____	_____	_____
Collateralized mortgage obligations	_____	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____	_____
Other bonds	_____	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____
<b>Total debt investments</b>	<b>\$ _____ -</b>	<b>\$ _____ -</b>	<b>\$ _____ -</b>	<b>\$ _____ -</b>	<b>\$ _____ -</b>

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (e.g. coupon multipliers, reset dates, etc.):

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
<b>Total</b>	<b>\$ _____ -</b>	

**C. Concentration of Credit Risk**

List, by amount and issuer, investments in any one issuer (not including U.S. government securities, mutual funds, and external investment pools) that represents 5% or more of total investments.

**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
Notes to the Financial Statement  
As of and for the year ended June 30, 2006**

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
<b>Total</b>	<b>\$ _____</b>	

**D. Foreign Currency Risk**

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies); list by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
<b>Total</b>	<b>\$ _____</b>	<b>\$ _____</b>

**5. Policies**

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**6. Other Disclosures Required for Investments**

- a. Investments in pools managed by other governments or mutual funds \_\_\_\_\_
- b. Securities underlying reverse repurchase agreements \_\_\_\_\_
- c. Unrealized investment losses \_\_\_\_\_
- d. Commitments as of \_\_\_\_\_ (fiscal close), to resell securities under yield maintenance repurchase agreements:
  - 1. Carrying amount and market value at June 30 of securities to be resold \_\_\_\_\_
  - 2. Description of the terms of the agreement \_\_\_\_\_
- e. Losses during the year due to default by counterparties to deposit or investment transactions \_\_\_\_\_

**STATE OF LOUISIANA**  
**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2006**

- 
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet
- 

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements \_\_\_\_\_
- 
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year \_\_\_\_\_
- 

Reverse Repurchase Agreements as of Year-End

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest \_\_\_\_\_
- 
- j. Commitments on \_\_\_\_\_ (fiscal close) to repurchase securities under yield maintenance agreements \_\_\_\_\_
- k. Market value on \_\_\_\_\_ (fiscal close) of the securities to be repurchased \_\_\_\_\_
- 
- l. Description of the terms of the agreements to repurchase \_\_\_\_\_
- 
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements \_\_\_\_\_
- 
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement \_\_\_\_\_
- 

Fair Value Disclosures

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices \_\_\_\_\_
- 
- p. Basis for determining which investments, if any, are reported at amortized cost \_\_\_\_\_
- 
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool \_\_\_\_\_
- 
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares \_\_\_\_\_
- 
- s. Any involuntary participation in an external investment pool \_\_\_\_\_
-

**STATE OF LOUISIANA**  
**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2006**

t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate \_\_\_\_\_

u. Any income from investments associated with one fund that is assigned to another fund \_\_\_\_\_

**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

	Year ended June 30, 2006						
	Balance 6/30/2005	Prior Period Adjustment	Adjusted Balance 7/1/2005	Additions	Transfers*	Retirements	Balance 6/30/2006
<b>Capital assets not being depreciated</b>							
Land	\$	\$	\$	\$	\$	\$	\$
Non-depreciable land improvements							
Capitalized collections							
Construction in progress							
<b>Total capital assets not being depreciated</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Other capital assets</b>							
Furniture, fixtures, and equipment	\$ 1,084,631	\$	\$ 1,084,631	\$ 105,462	\$	\$ (143,482)	\$ 1,046,611
Less accumulated depreciation	(719,821)		(719,821)	(158,364)		112,441	(765,744)
Total furniture, fixtures, and equipment	364,810		364,810	(52,902)		(31,041)	280,867
Buildings and improvements	1,678,402		1,678,402				1,678,402
Less accumulated depreciation	(944,062)		(944,062)	(93,294)			(1,037,356)
Total buildings and improvements	734,340		734,340	(93,294)			641,046
Depreciable land improvements							
Less accumulated depreciation							
Total depreciable land improvements							
Infrastructure							
Less accumulated depreciation							
Total infrastructure							
<b>Total other capital assets</b>	<b>\$ 1,099,150</b>	<b>\$</b>	<b>\$ 1,099,150</b>	<b>\$ (146,196)</b>	<b>\$</b>	<b>\$ (31,041)</b>	<b>\$ 921,913</b>
<b>Capital Asset Summary:</b>							
Capital assets not being depreciated	\$	\$	\$	\$	\$	\$	\$
Other capital assets, at cost	2,763,033		2,763,033	105,462		(143,482)	2,725,013
Total cost of capital assets	2,763,033		2,763,033	105,462		(143,482)	2,725,013
Less accumulated depreciation	(1,863,883)		(1,663,883)	(251,658)		112,441	(1,803,100)
<b>Capital assets, net</b>	<b>\$ 1,099,150</b>	<b>\$</b>	<b>\$ 1,099,150</b>	<b>\$ (146,196)</b>	<b>\$</b>	<b>\$ (31,041)</b>	<b>\$ 921,913</b>

\* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

**STATE OF LOUISIANA**  
**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2006**

**E. INVENTORIES**

The Jefferson Parish Human Services Authority's inventories are valued at cost. These are perpetual inventories and are expensed when used.

**F. RESTRICTED ASSETS – Not Applicable**

Restricted assets in the Jefferson Parish Human Services Authority at June 30, 2006, reflected at \$\_\_\_\_\_ in the non-current assets section on Statement A, consisting of \$\_\_\_\_\_ in cash with fiscal agent, \$\_\_\_\_\_ in receivables, and \$\_\_\_\_\_ investment in \_\_\_\_\_ (identify the type of investments held.) State the purpose of the restrictions:  
\_\_\_\_\_

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The Jefferson Parish Human Services Authority has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

**2. COMPENSATORY LEAVE**

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2006 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$639,039. The leave payable is recorded in the accompanying financial statements.

**H. RETIREMENT SYSTEM**

Substantially all of the employees of the Jefferson Parish Human Services Authority are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Jefferson Parish Human Services Authority employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter,

**STATE OF LOUISIANA**  
**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2006**

upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2005 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and is also available on-line at: [http://www.lasers.state.la.us/PDFs/Publications and Reports/Fiscal Documents/Comprehensive Financial Reports/Comprehensive%20Financial%20Reports\\_05.pdf](http://www.lasers.state.la.us/PDFs/Publications%20and%20Reports/Fiscal%20Documents/Comprehensive%20Financial%20Reports/Comprehensive%20Financial%20Reports_05.pdf)

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the Jefferson Parish Human Services Authority is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2006, increased to 19.1% of annual covered payroll from the 17.8% and 15.8% required in fiscal years ended June 30, 2005 and 2004 respectively. The Jefferson Parish Human Services Authority contributions to the System for the years ending June 30, 2006, 2005, and 2004, were \$1,352,728, \$1,479,063, and \$996,852, respectively, equal to the required contributions for each year.

**I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.\*
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

\*If the cost of any post retirement health care or life insurance benefits for retirees cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed (part (b) below).

The Jefferson Parish Human Services Authority provides certain continuing health care and life insurance benefits for its retired employees. Substantially all Jefferson Parish Human Services Authority employees become eligible for post employment health care and life insurance benefits if they reach normal retirement age while working for the Jefferson Parish Human Services Authority. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Jefferson Parish Human Services Authority.

For 2006, the cost of providing those benefits for the 25 retirees totaled \$175,443.

**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
Notes to the Financial Statement  
As of and for the year ended June 30, 2006**

**J. LEASES**

**1. OPERATING LEASES**

The total payments for operating leases during fiscal year June 30, 2006 amounted to \$208,020. A schedule of payments for operating leases follows:

Nature of lease	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012- 2016	FY 2017- 2021
Office space	\$ 449,976	\$ 401,292	\$ 379,706	\$ 387,015	\$ 299,847	\$	\$
<b>Total</b>	<b>\$ 449,976</b>	<b>\$ 401,292</b>	<b>\$ 379,706</b>	<b>\$ 387,015</b>	<b>\$ 299,847</b>	<b>\$ -</b>	<b>\$ -</b>

**2. CAPITAL LEASES**

Capital leases are / are not recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

**SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF**

		Gross Amount of Leased Asset (Historical Costs)	Remaining Interest to end of lease	Remaining principal to end of lease
	<b>Nature of lease</b>			
	a. Office space	\$	\$	\$
	b. Equipment	14,912	1,152	11,474
	c. Land			
	<b>Total</b>	<b>\$ 14,912</b>	<b>\$ 1,152</b>	<b>\$ 11,474</b>

**STATE OF LOUISIANA**  
**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2006**

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of June 30, 2006 and a breakdown of yearly principal and interest:

Year ending June 30 :	<u>Total</u>
2007	\$ <u>4,971</u>
2008	<u>4,866</u>
2009	<u>2,789</u>
2010	<u>          </u>
2011	<u>          </u>
2012-2016	<u>          </u>
2017-2021	<u>          </u>
2022-2026	<u>          </u>
Total minimum lease payments	<u>12,626</u>
Less amounts representing executory costs	<u>          </u>
Net minimum lease payments	<u>12,626</u>
Less amounts representing interest	<u>(1,152)</u>
Present value of net minimum lease payments	<u>\$ 11,474</u>

**SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>
b. Equipment	<u>          </u>	<u>          </u>	<u>          </u>
c. Land	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
Notes to the Financial Statement  
As of and for the year ended June 30, 2006**

Year ending June 30:	<u>Total</u>
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total minimum lease payments	-
Less amounts representing executory costs	_____
Net minimum lease payments	-
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

**SCHEDULE C – LEAF CAPITAL LEASES**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
<b>Total</b>	<b>\$ _____ -</b>	<b>\$ _____ -</b>	<b>\$ _____ -</b>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

Year ending June 30:	<u>Total</u>
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
<b>Total minimum lease payments</b>	<b>-</b>
<b>Less amounts representing executory costs</b>	_____
<b>Net minimum lease payments</b>	<b>-</b>
<b>Less amounts representing interest</b>	_____
<b>Present value of net minimum lease payments</b>	<b>\$ _____ -</b>

**STATE OF LOUISIANA**  
**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2006**

**3. LESSOR DIRECT FINANCING LEASES - *Not Applicable***

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	_____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		_____	-	
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		_____	-	
Less estimated residual value of leased property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____	-	

Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2006 were \$\_\_\_\_\_ for office space, \$\_\_\_\_\_ for equipment, and \$\_\_\_\_\_ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of \_\_\_\_\_ (the last day of your fiscal year):

Year ending _____:	
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total	\$ _____

**STATE OF LOUISIANA**  
**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2006**

**4. LESSOR – OPERATING LEASE – *Not Applicable***

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of \_\_\_\_\_ 20\_\_:

	Cost	Accumulated depreciation	Carrying amount
a. Office space	\$	\$	\$
b. Equipment			
c. Land			
Total	\$ -	\$ -	\$ -

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of \_\_\_\_\_ (the last day of your fiscal year):

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2007	\$	\$	\$	\$	-
2008					-
2009					-
2010					-
2011					-
2012-2016					-
2017-2021					-
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Current year lease revenues received in fiscal year \_\_\_\_\_ totaled \$\_\_\_\_\_.

Contingent rentals received from operating leases received for your fiscal year was \$\_\_\_\_\_ for office space, \$\_\_\_\_\_ for equipment, and \$\_\_\_\_\_ for land.

**STATE OF LOUISIANA**  
**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2006**

**K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2006:

	<u>Year ended June 30, 2006</u>			Balance June 30, 2006	Amounts due within one year
	Balance June 30, 2005	Additions	Reductions		
<b>Notes and bonds payable:</b>					
Notes payable	\$	\$	\$	\$	\$
Reimbursement contracts payable					
Bonds payable					
Total notes and bonds	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Other liabilities:</b>					
Contracts payable					
Compensated absences payable	690,814	210,792	262,567	639,039	
Capital lease obligations	3,139	10,070	1,735	11,474	4,265
Claims and litigation					
Liabilities payable from restricted assets					
Other long-term liabilities					
Total other liabilities	<u>693,953</u>	<u>220,862</u>	<u>264,302</u>	<u>650,513</u>	<u>4,265</u>
Total long-term liabilities	<u>\$ 693,953</u>	<u>\$ 220,862</u>	<u>\$ 264,302</u>	<u>\$ 650,513</u>	<u>\$ 4,265</u>

**L. CONTINGENT LIABILITIES** *(All litigation for any damages is handled by the Office of Risk Management)*

GAAP require that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. Losses or ending litigation that is probable should be reflected on the balance sheet.

The Jefferson Parish Human Services Authority is a defendant in litigation seeking damages as follows:  
*(Only list litigation not being handled by the Office of Risk Management or the Attorney General.)*

Date of Action	Description of Litigation and Probable outcome (Remote, reasonably possible, or probable)	*Damages Claimed	Insurance Coverage
		\$	\$
Totals		\$	\$

\*Note: Liability for claims and judgments should include should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)

**STATE OF LOUISIANA**  
**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2006**

Claims and litigation costs of \$\_\_\_\_\_ (include incremental cost discussed above) were incurred in the current year and are reflected in the accompanying financial statement.

Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it can not be estimated. \_\_\_\_\_

Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee. \_\_\_\_\_

**M. RELATED PARTY TRANSACTIONS**

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions.

**State of Louisiana, Department of Health and Hospitals**

The State of Louisiana, through the governor's office, approves the appointment of 3 of the 12 members of the Board of Governors of the Authority. A material part of the Authority's revenues are received from State appropriation. The State appropriation, including amounts received from the Department of Health and Hospitals for the year ended June 30, 2006, provided actual revenues of \$16,756,198 (79% of total revenues). Revenues receivable from the State of Louisiana totaled \$1,384,697 as of June 30, 2006.

Other services provided by the Department of Health and Hospitals at no cost to the Authority included maintenance of certain accounting records, 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**

Jefferson Parish, through the parish council office, approves the appointment of 9 of the 12 members of the Board of Governors. Under administrative agreements with Jefferson Parish and local law enforcement agencies, the Authority received \$1,537,848 of revenue for the year ended June 30, 2006. Jefferson Parish and local law enforcement agencies owed the Authority \$262,062 as of June 30, 2006.

Other services provided by Jefferson Parish at no cost to the Authority 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.

**N. ACCOUNTING CHANGES – Not Applicable**

Accounting changes made during the year involved a change in accounting \_\_\_\_\_ (principle, estimate or entity). The effect of the change is being shown in \_\_\_\_\_.

**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
Notes to the Financial Statement  
As of and for the year ended June 30, 2006**

**O. IN-KIND CONTRIBUTIONS – Not Applicable**

List all in-kind contributions that are not included in the accompanying financial statements.

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
None	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ _____

**P. DEFEASED ISSUES – Not Applicable**

In \_\_\_\_\_, 20\_\_\_\_, the \_\_\_\_\_ (BTA), issued \$\_\_\_\_\_ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of \_\_\_\_\_ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$\_\_\_\_\_, plus an additional \$\_\_\_\_\_ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated \_\_\_\_\_ between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$\_\_\_\_\_ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$\_\_\_\_\_.

**Q. COOPERATIVE ENDEAVORS – Not Applicable**

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

Some cooperative endeavor contracts are not coded with a document type of "COP" on the Contract Financial Management Subsystem (CFMS), but are considered cooperative endeavors. Include these below with your cooperative endeavor contracts coded with a document type of "COP". Examples of contracts that are considered cooperative endeavors, but are not coded with a document type of "COP" include contracts that fall under delegated authority, Facility Planning and Control "CEA" contracts, certain federal government contracts, contracts that legislative auditors may have designated as such within your agency, work incumbent programs, etc. In prior years, this information was requested as supplemental documentation after the AFRs were submitted, usually in October or November.

**STATE OF LOUISIANA**  
**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2006**

The liability outstanding for fiscal year ending June 30, 2006, by funding source, is as follows:

<u>Funding Source</u>	<u>Balance</u> <u>June 30, 2006</u>
State General Fund	\$ _____
Self-generated revenue	_____
Statutorily dedicated revenue	_____
General obligation bonds	_____
Federal funds	_____
Interagency transfers	_____
Other funds/combination	_____
<b>Total</b>	<b>\$ _____</b>

**NOTE:** Amounts in excess of contract limits cannot be used to reduce the outstanding contract balance at June 30, 2006. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

**NOTE:** In order to compute ending balances by funding source, you should begin with your balances at June 30, 2005. These amounts will be increased by amounts for new contracts and amendments and decreased for payments and liquidations.

**R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) – Not Applicable**

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2005-2006:

<u>CFDA</u> <u>Number</u>	<u>Program Name</u>	<u>State Match</u> <u>Percentage</u>	<u>Total Amount</u> <u>of Grant</u>
_____	_____	\$ _____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total government-mandated nonexchange transactions (grants)			\$ _____ -

**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS – Not Applicable**

**T. SHORT-TERM DEBT – Not Applicable**

The \_\_\_\_\_ (BTA) issues short-term notes for the following purpose(s)  
 \_\_\_\_\_  
 \_\_\_\_\_

**STATE OF LOUISIANA**  
**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2006**

Short-term debt activity for the year ended June 30, 20\_\_, was as follows:

List the type of Short-term debt (e.g., tax anticipation notes)	Beginning Balance	Issued	Redeemed	Ending Balance
_____	\$ _____	\$ _____	\$ _____	\$ _____ -

The \_\_\_\_\_ (BTA) uses a revolving line of credit for the following to finance \_\_\_\_\_ (list purpose for the S-T debt).  
 Short-term debt activity for the year ended June 30, 20\_\_, was as follows:

	Beginning Balance	Draws	Redeemed	Ending Balance
Line of credit	\$ _____	\$ _____	\$ _____	\$ _____ -

**U. DISAGGREGATION OF RECEIVABLE BALANCES**

Receivables at June 30, 2006, were as follows:

Fund	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Various	\$ _____	\$ _____	\$ 2,334,994	\$ _____	\$ 2,334,994
Gross receivables	\$ -	\$ -	\$ 2,334,994	\$ -	\$ 2,334,994
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	\$ -	\$ 2,334,994	\$ -	\$ 2,334,994
Amounts not scheduled for collection during the subsequent year	\$ _____	\$ _____	\$ _____	\$ _____	\$ -

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at June 30, 2006, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$ 1,213,768	\$ 353,119	\$ _____	\$ _____	\$ 1,566,887
Total payables	\$ 1,213,768	\$ 353,119	\$ -	\$ -	\$ 1,566,887

**STATE OF LOUISIANA**  
**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2006**

**W. SUBSEQUENT EVENTS – Not Applicable**

**X. SEGMENT INFORMATION – Not Applicable**

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by the segment \_\_\_\_\_

**A. Condensed balance sheet:**

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTA's should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTA's should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

**Condensed Balance sheet:**

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

**B. Condensed statement of revenues, expenses, and changes in net assets:**

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

**STATE OF LOUISIANA**  
**JEFFERSON PARISH HUMAN SERVICES AUTHORITY**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2006**

**Condensed Statement of Revenues, Expenses, and Changes in Net Assets:**

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	_____ -	_____ -
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	_____ -	_____ -
Beginning net assets	_____	_____
Ending net assets	_____ -	_____ -

**C. Condensed statement of cash flows:**

- (1) Net cash provided (used) by:
  - (a) Operating activities
  - (b) Noncapital financing activities
  - (c) Capital and related financing activities
  - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

**Condensed Statement of Cash Flows:**

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	_____ -	_____ -

**Y. DUE TO/DUE FROM AND TRANSFERS – Not Applicable**

- 1. List by fund type the amounts due from other funds detailed by individual fund at fiscal year end: (Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
Total due from other funds	_____	\$ _____

**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
Notes to the Financial Statement  
As of and for the year ended June 30, 2006**

2. List by fund type the amounts due to other funds detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
<b>Total due to other funds</b>		<b>\$ _____</b>

3. List by fund type all transfers from other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
<b>Total transfers from other funds</b>		<b>\$ _____</b>

4. List by fund type all transfers to other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
<b>Total transfers to other funds</b>		<b>\$ _____</b>

**2. LIABILITIES PAYABLE FROM RESTRICTED ASSETS - Not Applicable**

Liabilities payable from restricted assets in the \_\_\_\_\_ (BTA) at \_\_\_\_\_ (fiscal year end), reflected at \$ \_\_\_\_\_ in the current liabilities section on Statement A, consist of \$ \_\_\_\_\_ in accounts payable, \$ \_\_\_\_\_ in notes payable, and \$ \_\_\_\_\_ in \_\_\_\_\_.

Liabilities payable from restricted assets in the \_\_\_\_\_ (BTA) at \_\_\_\_\_ (fiscal year end), reflected at \$ \_\_\_\_\_ in the non-current liabilities section on Statement A, consist of \$ \_\_\_\_\_ in accounts payable, \$ \_\_\_\_\_ in notes payable, and \$ \_\_\_\_\_ in \_\_\_\_\_.

**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS**

The following adjustments were made to restate beginning net assets for June 30, 2006  
Each adjustment must be explained in detail on a separate sheet.

<u>Ending net assets July 1, 2005, previously reported</u>	<u>Adjustments + or (-)</u>	<u>Beginning net assets, July 1, 2005, as restated</u>
493,368	\$ 18,638	\$ 512,006
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
Notes to the Financial Statement  
As of and for the year ended June 30, 2006**

**BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46) – Not Applicable**

Of the total net assets reported on Statement A at June 30, 20\_\_, \$\_\_\_\_\_ are restricted by enabling legislation (which includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation). Refer to Appendix C for more details on the determination of the amount to be reported as required by GASB Statement 46.

**CC. IMPAIRMENT OF CAPITAL ASSETS – Not Applicable**

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. **See Appendix D for more information on GASB 42 and the Impairment of Capital Assets.**

The following capital assets are considered impaired: (There are five indicators of impairment described in Appendix D, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

Type of asset	Amount of Impairment Loss	Indication of Impairment	Insurance Recovery in the same FY	Reason for Impairment (e.g. hurricane)
Buildings				
Movable Property				
Infrastructure				

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year. (Include the capital assets listed above that were idle at the end of the fiscal year.)

Type of asset	Carrying Value
Buildings	\$
Movable Property	\$
Infrastructure	\$

**DD. EMPLOYEE TERMINATION BENEFITS – Not Applicable**

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as payment for unused leave balances. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan and payment for unused leave balances. Other termination benefits may include:

**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
Notes to the Financial Statement  
As of and for the year ended June 30, 2006**

1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
2. Health care coverage when none would otherwise be provided (COBRA)
3. Compensated absences, including payments for leave balances
4. Payments due to early release from employment contracts

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits.

1. A description of the termination benefit arrangement(s)
2. Period the employer becomes obligated
3. Number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported)

**The GASB 47 note disclosures listed below are provided as an example and should be modified as necessary.**

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For 2006, the cost of providing those benefits for \_\_\_\_\_ (number of) voluntary terminations totaled \$\_\_\_\_\_. For 2006, the cost of providing those benefits for \_\_\_\_\_ (number of) involuntary terminations totaled \$\_\_\_\_\_. [The termination benefits (voluntary and involuntary) paid in FY 2006 should also be included in the Statement of Revenues, Expenses, and Changes in Fund Net Assets on the account line "Administrative" in the Operating Expense Section.]

The liability for the accrued voluntary terminations benefits payable at June 30, \_\_\_\_\_ is \$\_\_\_\_\_. This liability consists of \_\_\_\_\_ (number of) voluntary terminations. The liability for the accrued involuntary terminations benefits payable at June 30, \_\_\_\_\_ is \$\_\_\_\_\_. This liability consists of \_\_\_\_\_ (number of) involuntary terminations.

[The termination benefits (voluntary and involuntary) payable at fiscal year end should also be included on the Balance Sheet in the "compensated absences payable" account line.]

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact. Briefly describe termination benefits provided to employees as discussed above. If none, please state that fact.

---

---

---

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.



**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
SCHEDULE OF STATE FUNDING  
For the Year Ended June 30, 2006**

<u>Description of Funding</u>	<u>Amount</u>
1. <u>State General Fund</u>	\$ _____
2. <u>Inter-Agency Transfers</u>	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
<b>Total</b>	<b>\$ _____</b>







**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION  
For The Year Ended June 30, 2006**

**Not Applicable**

Fiscal Year <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ _____	\$ _____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
<b>Total</b>	<b>\$ _____ --</b>	<b>\$ _____ --</b>

**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
SCHEDULE OF CAPITAL LEASE AMORTIZATION  
For The Year Ended June 30, 2006**

Fiscal Year Ending:	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2007	\$ 4,971	\$ 706	\$ 4,265	\$ 0
2008	4,866	366	4,500	0
2009	2,789	80	2,709	0
2010	_____	_____	_____	0
2011	_____	_____	_____	0
2012-2016	_____	_____	_____	0
2017-2021	_____	_____	_____	0
2022-2026	_____	_____	_____	0
2027-2031	_____	_____	_____	0
 Total	 \$ 12,626	 \$ 1,152	 \$ 11,474	 \$ 0

**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
SCHEDULE OF NOTES PAYABLE AMORTIZATION  
For the Year Ended June 30, 2006**

**Not Applicable**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2007	\$ _____	\$ _____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012-2016	_____	_____
2017-2021	_____	_____
2022-2026	_____	_____
2027-2031	_____	_____
<b>Total</b>	<b>\$ _____</b>	<b>\$ _____</b>

**STATE OF LOUISIANA  
JEFFERSON PARISH HUMAN SERVICES AUTHORITY  
SCHEDULE OF BONDS PAYABLE AMORTIZATION  
For The Year Ended June 30, 2006**

**Not Applicable**

Fiscal Year <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ _____	\$ _____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
Total	\$ _____	\$ _____

STATE OF LOUISIANA

JEFFERSON PARISH HUMAN SERVICES AUTHORITY

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2006</u>	<u>2005</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ _____	\$ <u>22,879,717</u>	\$ _____	\$ _____
Expenses	_____	<u>23,458,944</u>	_____	_____
2) Capital assets	_____	<u>1,099,149</u>	_____	_____
Long-term debt	_____	<u>692,981</u>	_____	_____
Net Assets	_____	<u>493,368</u>	_____	_____
Explanation for change:	_____			
	_____			
	_____			
	_____			