

Juvenile Court for Caddo Parish

Shreveport, Louisiana

December 31, 2013

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Shreveport, Louisiana**

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Required Supplemental Information
Management's Discussion and Analysis (MD&A)

Juvenile Court for Caddo Parish Shreveport, Louisiana

Management's Discussion and Analysis (unaudited)
December 31, 2013

This section of the Juvenile Court for Caddo Parish's ("Juvenile Court") annual financial report presents our discussion and analysis of the Juvenile Court's financial performance during the fiscal year that ended on December 31, 2013. Please read it in conjunction with the Juvenile Court's financial statements, which follow this section.

Financial Highlights

The following exhibits some of the more important highlights of the financial results for the government-wide financial statements for the year ended December 31, 2013:

- The Juvenile Court's total net position from governmental activities decreased \$40,551 from the beginning of the fiscal year as a result of operations during the year;
- During the year ended December 31, 2013, the Juvenile Court's expenses were \$42,407 more than the \$515,022 recognized as revenue from charges for services and operating grants;
- The cost of operating the programs of the Juvenile Court was \$557,429 which represents an increase in the costs of operations over the prior year of \$15,061 or a 2.8% (percent) increase, and
- The General Fund reported unassigned fund balance of \$122,733.

Overview of the Financial Statements

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Juvenile Court:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Juvenile Court's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Juvenile Court's governmental operations, reporting the Juvenile Court's operations in more detail than the government-wide statements.
 - The governmental funds statements illustrate how general government services, like court operations, were financed in the short-term as well as what remains for future spending, including a special revenue fund that provides information about the use of revenue earmarked by law a particular purpose.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Exhibit 1 shows how the required parts of this annual report are arranged and relate to one another.

Exhibit 1 summarizes the major features of the Juvenile Court's financial statements, including the portion of the Juvenile Court's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

Exhibit 1
Major Features of Juvenile Court's Government and Fund Financial Statements

	Government-wide Statements	Governmental Funds
Scope	The entire Juvenile Court governmental unit	The activities of the Juvenile Court that are not proprietary or fiduciary
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position. • Statement of activities. 	<ul style="list-style-type: none"> • Balance sheet. • Statement of revenue, expenditures, and changes in fund balances.
Accounting basis and measurements focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.
Type of asset/liability	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets are included.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is paid or received.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter.

Government-Wide Statements

The government-wide statements report information about the Juvenile Court as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the Juvenile Court's net position and how they have changed. Net position (the difference between the Juvenile Court's total assets and total liabilities) is one way to measure the Juvenile Court's financial health, or position.

For instance:

- Over time, increases or decreases in the Juvenile Court's net position is an indicator of whether its financial health is improving or deteriorating.
- To assess the overall health of the Juvenile Court, you need to consider additional financial factors, such as changes in the finances of the State of Louisiana and the Caddo Parish Commission.

The government-wide financial statements of the Juvenile Court consist of:

- Governmental activities - all of the Juvenile Court's basic services are included here, such as services to protect the welfare of children

Fund Financial Statements

The fund financial statements provide more detailed information about the Juvenile Court's most significant funds, not the Juvenile Court as a whole. Funds are accounting devices that the Juvenile Court uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law or by bond covenants.

The Juvenile Court has one type of fund:

- Governmental funds – Most of the Juvenile Court's basic services are included in two governmental funds (general and special revenue) which focus on (1) how cash and other financial assets that can be readily converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the Juvenile Court's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the

bottom of the governmental funds statements, or on the subsequent page, that explains the relationships between the two types of financial statements.

Financial Analysis of the Juvenile Court as a Whole

Net Position The Juvenile Court's combined net position decreased during 2013 by \$40,551 or 7.45% (percent), from \$544,499, at December 31, 2013, as shown in the following table.

	2013	2012 (Restated)	Change
Current and other assets	\$ 526,473	\$ 585,359	
Current liabilities	22,525	40,860	
Net position			
Unrestricted	127,550	126,631	
Restricted	376,398	417,868	
Total net position	\$ 503,948	\$ 544,499	\$(40,551)

Changes in Net Position The following condensed government-wide governmental activity statement illustrates the major changes in operations for the Juvenile Court in 2013 as compared to 2012:

	2013	2012 (Restated)	Increase (decrease)	Percent change
Revenue	\$ 516,878	\$ 519,331	\$ (2,453)	(0.50%)
Expenses	557,429	542,368	15,061	2.80%
Excess (deficiency) of revenue over (under) expenditures	\$ (40,551)	\$ (23,037)	\$ (17,514)	

Governmental Activities

The Juvenile Court's total governmental revenue decreased from 2012 by \$2,453, or 0.5% (percent), while expenses increased by \$8,219 or 1.50% (percent), as compared to 2012. The decreases in revenues occurred primarily due to a prior year settlement related to hot checks. The increases in expenses occurred primarily in personnel services and other charges including contracted services, fees, dues and equipment.

	2013	2012	Increase (decrease)	Percent change
Revenue				
Charges for services	\$ 352,396	\$ 363,514	\$ (11,118)	(3.00%)
Grants and contributions and parish support	162,626	147,739	14,887	10.00%
Other	1,856	8,078	(6,222)	(77.02%)
Total revenues	516,878	519,331	(2,453)	(0.47%)
Expenses				
Personnel services	136,113	138,101	(1,988)	(1.44%)
Other costs to deliver governmental programs	421,316	411,109	10,207	2.48%
Total expenses	557,429	549,210	8,219	1.50%
Excess of expenses over revenues	\$ 40,551	\$ 29,879	\$ 10,672	

There were no significant changes to the make-up of revenue between 2012 and 2013.

Financial Analysis of the Juvenile Court's Funds

At the end of 2013, the Juvenile Court's governmental funds reported a combined fund balance, or net position, of \$503,948, which decreased a total of \$46,039 from prior year net position of \$549,987. The total decrease consists of a prior period adjustment of \$5,488 and a decrease in net position of \$40,551. The prior year operations showed a decrease in fund balance of \$29,879.

Economic Factors and Next Year's Budget

The Juvenile Court relies on the State of Louisiana, enforcement fees, and court fees the majority of its funding.

As with any company, the cost of business continues to rise. This office has taken steps to minimize those increases.

This office has done a good job of maximizing the funds that are generated through fines and costs and has steadily picked up an increasing share of the annual expenses.

General Fund Budgetary Highlights

The Juvenile Court has prepared and published budgets that cover its governmental activities in the General Fund and Special Revenue Fund. Included in this financial report are comparison schedules that illustrate the actual results of these funds compared to the original and revised budgets.

Contacting the Juvenile Court's Financial Management

This financial report is designed to provide the citizens, taxpayers, and creditors with a general overview of the Juvenile Court's finances and to demonstrate the Juvenile Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. H. Ted Cox, Administrator, 501 Texas Street, Shreveport, LA 71101.

Basic Financial Statements

**Juvenile Court for Caddo Parish
Shreveport, Louisiana**

**Statement of Net Position
December 31, 2013**

Assets	
Cash and cash equivalents	\$ 92,646
Investments	390,826
Receivables	38,184
Prepaid expenses	<u>4,817</u>
Total assets	<u>526,473</u>
Liabilities	
Accounts payable	22,145
Accrued expenses	<u>380</u>
Total liabilities	<u>22,525</u>
Net position	
Unrestricted	127,550
Restricted for:	
Child Support	<u>376,398</u>
Total net position	<u>\$ 503,948</u>

The accompanying notes are an integral part of the financial statements.

**Juvenile Court for Caddo Parish
Shreveport, Louisiana**

**Statement of Activities
for the Year ended December 31, 2013**

		Program Revenues		
	Expenses	Charges for services	Operating grants and contributions	Net (expense) revenue and changes in net position
Functions/programs				
Governmental activities				
Judicial	\$ <u>557,429</u>	<u>352,396</u>	\$ <u>162,626</u>	\$ (<u>42,407</u>)
Total governmental activities	\$ <u><u>557,429</u></u>	<u><u>352,396</u></u>	\$ <u><u>162,626</u></u>	(<u><u>42,407</u></u>)
General revenues				
Interest and investment earnings				834
Other				<u>1,022</u>
Total general revenues				<u>1,856</u>
Change in net position				(40,551)
Net position, January 1, 2013				549,987
Prior period adjustment				(<u>5,488</u>)
Net position, January 1, 2013, as restated				<u>544,499</u>
Net position, December 31, 2013				\$ <u><u>503,948</u></u>

The accompanying notes are an integral part of the financial statements.

Fund Financial Statements

Juvenile Court for Caddo Parish
Shreveport, Louisiana

Balance Sheet - Governmental Funds
December 31, 2013

	Governmental Funds		
	General Fund	Child Support Special Revenue Fund	Total
Assets			
Cash and cash equivalents	\$ 18,302	\$ 74,344	\$ 92,646
Investments	98,104	292,722	390,826
Receivables	12,542	25,642	38,184
Prepaid expenses	4,817	-	4,817
	<u>4,817</u>	<u>-</u>	<u>4,817</u>
Total assets	\$ <u>133,765</u>	\$ <u>392,708</u>	\$ <u>526,473</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 6,215	\$ 15,930	\$ 22,145
Accrued expenses	-	380	380
Total liabilities	<u>6,215</u>	<u>16,310</u>	<u>22,525</u>
Fund balances			
Nonspendable	4,817	-	4,817
Restricted to:			
Support enforcement	-	376,398	376,398
Unassigned	122,733	-	122,733
	<u>122,733</u>	<u>-</u>	<u>122,733</u>
Total fund balances	<u>127,550</u>	<u>376,398</u>	<u>503,948</u>
Total liabilities and fund balances	\$ <u>133,765</u>	\$ <u>392,708</u>	\$ <u>526,473</u>

The accompanying notes are an integral part of the financial statements.

**Juvenile Court for Caddo Parish
Shreveport, Louisiana**

**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2013**

Fund balances - total governmental funds	\$ 503,948
Amounts reported for governmental activities in the statement of net assets are different because:	<u>None</u>
Net position of governmental activities	<u><u>\$ 503,948</u></u>

The accompanying notes are an integral part of the financial statements.

Juvenile Court for Caddo Parish
Shreveport, Louisiana

Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
for the Year ended December 31, 2013

	Governmental Funds		
	General Fund	Child Support Special Revenue Fund	Total
Revenue			
Fines, charges and commissions for services:			
Support enforcement fees	\$ -	\$ 281,845	\$ 281,845
Court fees and costs	70,285	-	70,285
Intergovernmental revenue			
Federal financial assistance	142,763	-	142,763
State of Louisiana	19,863	-	19,863
Earnings on investments	87	747	834
Other	1,288	-	1,288
Total revenue	234,286	282,592	516,878
Expenditures			
Current operating			
Costs to Caddo Parish	-	215,000	215,000
Costs to other governmental agencies	7,041	-	7,041
Dues	1,460	-	1,460
Education, travel and training	16,772	4,775	21,547
Employee benefits reimbursement	-	11,670	11,670
Family Drug Treatment Court:			
Administrative and personnel	62,627	-	62,627
Treatment	73,486	-	73,486
Testing and laboratory	3,270	-	3,270
Office expenses	3,057	-	3,057
Other services	4,980	-	4,980
Equipment	16,005	-	16,005
Travel and training	1,785	-	1,785
Indigent Defender fees	-	25,000	25,000
Insurance	5,694	-	5,694
Legal and auditing	4,200	2,000	6,200
Library	184	-	184
Miscellaneous	890	-	890
Office costs	3,256	2,544	5,800
Professional services	28,660	63,073	91,733
Total expenditures	233,367	324,062	557,429
Net change in fund balance	919	(41,470)	(40,551)
Fund balance at beginning of year	126,631	417,868	544,499
Fund balance at end of year	\$ 127,550	\$ 376,398	\$ 503,948

The accompanying notes are an integral part of the financial statements.

**Juvenile Court for Caddo Parish
Shreveport, Louisiana**

**Reconciliation of the Statement of Revenue, Expenditures and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
for the Year ended December 31, 2013**

Net change in fund balances - total governmental funds	\$ (40,551)
Amounts reported for governmental activities in the statement of activities are different because:	<u>None</u>
Change in net position of governmental activities	<u><u>\$ (40,551)</u></u>

The accompanying notes are an integral part of the financial statements.

Juvenile Court for Caddo Parish Shreveport, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2013

Introduction

The Juvenile Court for Caddo Parish (the "Juvenile Court") is provided for under Louisiana Revised Statutes Sections 13:1564 through 13:1565. Three elected judges serve as the governing body of the Juvenile Court. All sessions of the Juvenile Court shall be held separate and apart from the First Judicial District Court in quarters to be provided by the governing authority of the Caddo Parish Commission (the "Commission"). The Commission is required to make all necessary provisions for the proper conduct of the Juvenile Court and to provide for all necessary expenses in connection with the operation of the Juvenile Court, except for expenses directly related to employees of the Caddo Parish Clerk of Court who serves as the ex officio clerk of the Juvenile Court, including the stenographer and all necessary and legitimate expenses incurred by the probation officers in the discharge of their official duties.

The Juvenile Court has exclusive juvenile jurisdiction in Caddo Parish including, but not limited to all juvenile violations, abuse and neglect, delinquency, traffic, non-support issues, and all other administrative and judicial matters involving juveniles in Caddo Parish, Louisiana.

During 2007, through an intergovernmental Agreement between the Commission and the Juvenile Court, all programs involving care and rehabilitation of juveniles and the related resources of the Juvenile Court were transferred to the Department of Juvenile Services, created by Caddo Parish Commission Ordinance 4484.

Note 1 Summary of Significant Accounting Policies

A. Basis of Presentation

The Juvenile Court's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant policies established in GAAP, and used by the Juvenile Court, are discussed below.

Government-wide and Fund Financial Statements

The financial statements comply with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

The government-wide financial statements (GWFS) (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Juvenile Court.

Effective January 1, 2013, the Juvenile Court adopted GASB Statement No. 65: *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. At December 31, 2013, the Juvenile Court had no deferred outflows or inflows of resources, as defined by GASB Concepts Statement No. 4, and no reclassifications affecting the statement of net position from the prior year are required.

B. Reporting Entity

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

Government Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Commission for financial reporting purposes. The basic criterion for

including a potential component unit within a reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

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

The Commission has determined that the Juvenile Court is not a component unit of the parish because it is legally separate from the Commission and is governed by independently elected officials. The Commission is not considered accountable for the Juvenile Court due to the inability of the Commission to impose its will over the daily operations. While some financial burdens are placed on the Commission by the Juvenile Court, it is not significant enough to warrant inclusion in the reporting entity.

Using the above criteria, it was also determined that the Juvenile Court has no component units.

The accompanying financial statements include all organizations, activities, and functions that comprise the Juvenile Court and do not present information on the Caddo Parish Commission, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The Juvenile Court organizes its accounts on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. The Juvenile Court uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds of the Juvenile Court are classified as governmental funds. Governmental funds account for all of the Juvenile Court's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between the governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations. The following are the Juvenile Court's governmental funds:

Governmental Fund Type

General Fund

Accounts for revenues received through state and federal grants for Family Drug Treatment Court, fees, fines and costs imposed and collected by the Juvenile Court. The funds collected are under the control of the juvenile judges and may be used for any operating expense of the Juvenile Court including salaries for court reporters and other personnel, establishing and maintaining a law library, and buying or maintaining any type of equipment, supplies, or other items germane to or consistent with the efficient operation of the Juvenile Court, however, no judge's salary may be paid from the General Fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue resources that are legally restricted to expenditure for specific purposes. The Juvenile Court has one special revenue fund:

Child Support Fund

Accounts for a five per cent (5%) fee assessed in non-support cases that are processed through the state's Child Support Enforcement Program.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements were prepared using the economic resources measurement focus and accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange transactions*.

Program Revenues – Program revenues included in the Statement of Activities are derived directly from court costs, fines, forfeitures, and grants. Program revenues reduce the costs of the function to be financed from the Juvenile Court's general revenues.

Revenues represented by reimbursements and incentives under the Temporary Assistance for Needy Families (TANF) program are recognized when program expenditures are incurred in accordance with program guidelines. Court costs and fees provided for in Louisiana Statutes are recorded as received in cash. Investment earnings are recorded as earned since they are measureable and available.

Fund Financial Statements (FFS) – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a currently 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., revenue and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual – that is, when they become measureable and available to pay current liabilities. Grants are recorded when the Juvenile Court is entitled to such funds. Earnings on investments are recorded when earned. Substantially all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Operating transfers between funds – Transfers between funds that are not expected to be repaid are accounting for as other financial sources (uses). These transactions are recorded as they occur. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts. Generally, these transfers are to pay operating costs of the Juvenile Court borne by one or the other of the Juvenile Court's funds.

E. Budgetary Practices

Budgets are adopted on a modified accrual basis, which is consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. All annual appropriates lapse at fiscal year-end.

The proposed budgets for the calendar year 2013 were published on December 4, 2012.

The Louisiana Local Government Budget Act provides that "the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing year." The "total estimated funds available" is the sum of the estimated fund balance at the beginning of the year and the anticipated revenues for the current year.

Through the budget, the Juvenile Court allocates its resources and establishes its priorities. The annual budget assures the efficient and effective use of the Juvenile Court's economic resources. It establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the Juvenile Court's performance.

The budget is structured such that revenues are budgeted by source and appropriations are budgeted by principal type of expenditure. Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year end. The juvenile court judges may revise or amend the budget at their discretion. Management may not amend the budget.

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, and savings deposits. Cash equivalents include short term, highly liquid investments with original maturities of 90 days or less when purchased. Under state law, the Juvenile Court may deposit funds in demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Investments

Investments are reported at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

State statutes generally authorize the Juvenile Court to invest in direct United States Treasury obligations; indebtedness issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government); indebtedness issued or guaranteed by federally sponsored U.S. government agencies; time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana; or mutual or trust fund institutions which are registered with the Securities and Exchange Commission. In addition, local governmental entities in Louisiana are authorized to invest in the Louisiana Asset Management Pool Inc. ("LAMP"), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a-7, which governs registered money market funds. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. The dollar weighted average portfolio maturity of LAMP investments is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized costs. LAMP is designed to be highly liquid to give participants immediate access to their account balances.

H. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the receivable. At December 31, 2013, no amounts were deemed to be uncollectible.

I. Interfund Transactions

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient fund and as expenditure by the providing fund. Quasi-external transactions, if any, are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

J. Risks and Uncertainties

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Net Position Classifications

In the government-wide statements, net position is classified and displayed in two components:

- Restricted net position – Consists of components of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – Consists of all other components of net position that do not meet the definition of “restricted” or “invested in capital assets”.

The Juvenile Court applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

L. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Juvenile Court is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable - resources, which cannot be spent because they are either (a) not in spendable form (such as prepaid items) or; (b) legally or contractually, required to be maintained intact.

Restricted - resources with constraints placed on their use that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - resources which are subject to limitations or constraints to specific purposes the government imposes upon itself at its highest level of decision making (the juvenile court judges). These amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned - resources neither restricted nor committed for which the juvenile court judges have a stated intended use.

Unassigned - resources which cannot be properly classified in one of the other four categories. The Judicial Expense Fund is the only fund that reports a positive unassigned fund balance amount.

The Juvenile Court would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

M. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 Cash and Cash Equivalents

At December 31, 2013, the Juvenile Court had cash and cash equivalents (book balances) of \$92,646 in the governmental funds. These funds were held for the Juvenile Court by the Commission in its pooled cash account. These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. There were no uninsured cash balances as of December 31, 2013.

Note 3 Investments

At December 31, 2013, the Juvenile Court had investments with a fair value totaling \$390,826. These investments were held for the Juvenile Court by the Caddo Parish Commission in its pooled investment account.

Investment securities are stated at fair value based on market quotations. The investments in LAMP are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

Custodial Credit Risk of Investments:

Custodial credit risk of investments is the risk that, in the event of the failure of a counterparty, the Caddo Parish Commission will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The Commission has not adopted a policy to address custodial credit risk of investments; however, the Commission's investments in securities are protected by the Securities Investment Protection Corporation.

Interest Rate Risk:

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, investments with longer maturities have a greater sensitivity to fair value due to changes in market interest rates. The Commission's investment policy requires all securities to be investment grade obligations, but does not address specific credit quality ratings. The Commission does not limit the amount that may be invested in the securities of any one issuer. In accordance with the investment policy, the maximum permitted maturity of any individual security in the Commission's portfolio is five years. It is a further requirement that the overall portfolio be structured to provide a minimum cash flow, through maturities, equal to 20% of the portfolio balance on an annual basis.

Information about the exposure of the Caddo Parish Commission's investments to this risk, using the segmented time distribution model is as follows:

Investment Type	Fair Value	Investment Maturities (in Months)			
		0-6	7 - 12	13-24	Over 24
Federal National Mortgage Association	\$ 34,319,491	\$ 8,026,506	\$ -	\$ 3,078,507	\$ 23,214,478
Federal Home Loan Mortgage Corporation	22,408,130	742,757	4,814,344	1,000,359	15,850,670
Federal Farm Credit Bank	20,870,826	580,545	4,349,186	2,050,384	13,890,710
Federal Home Loan Bank	12,882,155	1,881,975	905,954	3,006,180	7,088,047
U.S. Treasury Obligation	13,081,046	7,024,535	-	-	6,056,511
Municipal Bonds	14,829,727	3,007,527	2,842,039	8,980,161	-
Louisiana Asset Management Pool	13,241,206	13,241,206	-	-	-
Total investments	<u>\$ 131,632,581</u>	<u>\$ 34,505,051</u>	<u>\$ 12,911,523</u>	<u>\$ 18,115,591</u>	<u>\$ 66,100,416</u>

Credit Risk:

Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. U.S. Government securities or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk exposure. The Commission's investments comply with Louisiana Statutes (LSA - R.S. 33:2955). Under state law, the Commission may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Commission may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Investments held at December 31, 2013, including \$13,241,206 invested with the Louisiana Asset Management Pool (LAMP), a local government investment pool. The Louisiana Asset Management Pool is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality

investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA – R.S. 33:2955.

Note 4 Receivables

Receivables at December 31, 2013, primarily consisted of drug court reimbursements, support enforcement fees, and interest income which were earned during the year ended December 2013, but not remitted by the collecting agency until after year-end.

	General Fund	Support Fund	Total
Louisiana Supreme Court:			
Drug court reimbursement	\$ 12,161	\$ -	\$ 12,161
Office of Family Support:			
Support enforcement fees	-	24,623	24,623
Other	41	-	41
Interest receivable	340	1,019	1,359
Totals	<u>\$ 12,542</u>	<u>\$ 25,642</u>	<u>\$ 38,184</u>

Note 5 Operating Transfers

In the ordinary course of business, the Juvenile Court routinely transfers resources between its funds. Transfers are used to (1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, and (2) use unrestricted revenues to finance various programs account for in other funds in accordance with budgetary authorizations.

The Juvenile Court made one operating transfer between the General Fund and the Judicial Expense Fund during December 31, 2013.

Note 6 Related Party Transactions

The Juvenile Court reimburses the Caddo Parish Commission for costs associated with the operation of the Juvenile Court. For the year ended December 31, 2013, the Juvenile Court reimbursed the Caddo Parish Commission \$215,000.

Note 7 Contingencies

Grant Disallowances - The Juvenile Court participates in one federally assisted grant program, Temporary Assistance for Needy Families (TANF). The program is subject to various compliance audits. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grant. The Juvenile Court management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Note 8 Prior Period Adjustment

A prior period adjustment was recorded to correct capital assets that were recorded in the government-wide financial statements, but were disposed prior to January 1, 2013. The effect of the prior period adjustment was a decrease of net capital assets and invested in capital assets (net position) of \$5,488. The error had no effect on change in net position in 2013.

Required Supplementary Information

**Juvenile Court for Caddo Parish
Shreveport, Louisiana**

**Budgetary Comparison Schedule
General Fund
for the Year ended December 31, 2013**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenue			
Fees, charges, and commissions for services:			
Court ordered classroom	\$ 15,000	\$ 12,655	(\$ 2,345)
Court fees and costs	60,000	57,630	(2,370)
Grant Revenue	156,000	162,626	6,626
Restitution fees & fines	10,000	-	(10,000)
Outside agency collections	500	266	(234)
Earnings on investments	2,000	87	(1,913)
Other	-	1,022	1,022
Total revenue	243,500	234,286	(9,214)
Expenditures			
General government			
Current operating			
Books and subscriptions	6,000	184	5,816
Dues	2,000	1,460	540
Education, travel and training	23,500	16,771	6,729
Office supplies	3,000	1,993	1,007
Copy supplies	3,000	-	3,000
Telephone	2,500	950	1,550
Legal and auditing	3,000	4,200	(1,200)
Professional services	-	8,660	(8,660)
Grant programs expenses	156,000	165,210	(9,210)
Insurance	6,000	5,694	306
Restitution payments	10,000	-	10,000
Costs to other governmental entities	15,000	7,041	7,959
Outside agency distributions	500	266	234
Office Equipment	3,000	14	2,986
Other equipment	10,000	300	9,700
Miscellaneous expense	-	624	(624)
Juvenile Court Facts of Life	-	20,000	(20,000)
Total expenditures	243,500	233,367	10,133
Excess (deficiency) of revenue over expenditures	-	919	(919)
Beginning fund balance	126,631	126,631	-
Ending fund balance	\$ 126,631	\$ 127,550	\$ 919

See independent auditor's report.

**Juvenile Court for Caddo Parish
Shreveport, Louisiana**

**Budgetary Comparison Schedule
Child Support Fund
for the Year ended December 31, 2013**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenue			
Fees, charges, and commissions for services:			
Support Enforcement	\$ 250,000	\$ 281,845	\$ 31,845
Earnings on investments	4,000	747	(3,253)
Miscellaneous	500	-	(500)
Total revenue	254,500	282,592	\$ 28,092
Expenditures			
General government			
Current operating			
Parochial retirement	1,750	1,658	92
Medicare insurance	175	124	51
Supplemental benefits	10,000	9,888	112
Education, travel and training	5,000	4,775	225
Office supplies	2,000	2,394	(394)
Copy supplies	1,000	150	850
Indigent defender grant	25,000	25,000	-
Legal and auditing	4,000	2,000	2,000
Professional services	70,000	63,073	6,927
Costs to Caddo Parish	215,000	215,000	-
Total expenditures	333,925	324,062	9,863
Deficiency of revenue over expenditures	(79,425)	(41,470)	(37,955)
Beginning fund balance	417,868	417,868	-
Ending fund balance	\$ 338,443	\$ 376,398	\$ (37,955)

See independent auditor's report.

Other Supplemental Information

**Juvenile Court for
Caddo Parish, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013**

<u>Federal Grantor/Pass Through Grantor/ Program Name</u>	<u>CFDA Number</u>	<u>Grant Number/Pass Through Number</u>	<u>Federal Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Health and Human Services			
Passed through Louisiana Supreme Court Drug Court Office:			
Temporary Assistance for Needy Families	93.558	Unknown	\$ <u>142,763</u>
Total United States Department of Health and Human Services			<u>142,763</u>
Total Federal Expenditures			\$ <u><u>142,763</u></u>

See independent auditor's report.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

The Honorable Judges
Juvenile Court for Caddo Parish
Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Juvenile Court for Caddo Parish (Juvenile Court), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Juvenile Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Juvenile Court, as well as the fiduciary funds of the Juvenile Court as of December 31, 2013, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, and Judicial Expense Fund Budgetary Comparison Schedule*, on pages 1 through 4, and 18-19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Juvenile Court's basic financial statements. The schedule of TANF revenue and expenditures is presented for purposes of additional analysis as required by the Supreme Court Drug Court Office, and is not a required part of the basic financial statements. The information is the responsibility of management, was derived from, and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of TANF revenue and expenditures is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2014, on our consideration of the Juvenile Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Juvenile Court's internal control over financial reporting and compliance.

CARR, RIGGS & INGRAM, LLC

CARR, RIGGS, & INGRAM, LLC

Shreveport, Louisiana
June 30, 2014

**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**

The Honorable Judges
Juvenile Court for Caddo Parish
Shreveport, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Juvenile Court for Caddo Parish, Shreveport, Louisiana, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Juvenile Court for Caddo Parish's basic financial statements, and have issued our report thereon dated June 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Juvenile Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Juvenile Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Juvenile Court's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Juvenile Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses at Finding 2013-1.

The Juvenile Court for Caddo Parish's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Court's responses and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

CARR, RIGGS & INGRAM, LLC

CARR, RIGGS, & INGRAM, LLC

Shreveport, Louisiana
June 30, 2014

**Juvenile Court for Caddo Parish
Shreveport, Louisiana**

**Schedule of Findings and Responses
for the Year ended December 31, 2013**

We have audited the basic financial statements of the Juvenile Court for Caddo Parish as of and for the year ended December 31, 2013, and have issued our report thereon dated June 30, 2013. 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. Our audit of the financial statements as of December 31, 2013 resulted in an unqualified opinion. No management letter was issued for the year ended December 31, 2013.

Section 1 – Summary of Auditor’s Report

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	
Material Weakness	No
Other Conditions	No
Compliance	
Compliance Material to Financial Statements	No

Federal Awards

N/A

Section II – Financial Statement Findings

None

Prior Year Findings

Finding 2012-1

Statement of Condition - The Juvenile Court’s annual financial audit was not completed and filed with Louisiana Legislative Auditor on or before June 30, 2013.

Recommendation – The annual financial statements should be issued on or before June 30 in accordance with the requirements of Louisiana Revised Statute 24:513(A)(5)(a).

Current Status – Resolved

Finding 2012-2

Statement of Condition - The administrative expenses for TANF reimbursed services for the year ended December 31, 2012, was approximately twenty-two percent (22%) of the annual TANF reimbursement. The maximum amount of allowable administrative expenses for reimbursement is ten percent (10%).

Recommendation – Management should closely monitor administrative expenses for TANF reimbursed services to ensure that they do not exceed ten percent (10%) of the annual TANF reimbursement.

Current Status - Resolved