

5191

OFFICIAL  
FILE COPY

RECEIVED  
LEGISLATIVE CLERK

DO NOT SEND OUT

03001 00 AM 9:50

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

REPORT ON AUDIT OF  
GENERAL PURPOSE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2000

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 11-01-00

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS

As of And For The Year Ended June 30, 2000

CONTENTS

	<u>EXHIBIT</u>	<u>SCHEDULE</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	-	-	1 - 2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)			
Combined Balance Sheet, June 30, 2000 - All Fund Types and Account Groups	A	-	4 - 5
Governmental Funds:			
Statement of Revenues, Expenditures and Changes in Fund Balances	B	-	6 - 7
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual	C	-	8
NOTES TO FINANCIAL STATEMENTS	-	-	9 - 26
SUPPLEMENTARY INFORMATION:			
Schedule of Compensation Paid Board Members	-	1	29
Schedule of Expenditures by Classification Budget (GAAP Basis) and Actual - General Fund	-	2	31 - 32
OTHER INDEPENDENT AUDITOR'S REPORTS AND FINDINGS AND RECOMMENDATIONS			
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	-	-	35 - 36
Current Year Audit Findings and Recommendations	-	-	38 - 39
Corrective Action Plan for Current Year Audit Findings	-	-	41
Summary Schedule of Prior Audit Findings	-	-	43

# Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS  
• A PROFESSIONAL CORPORATION •  
HAMMOND, LA • AMITE, LA

John N. Durnin, CPA  
Dennis E. James, CPA  
Bryon C. Garrety, CPA

Member  
American Institute of  
Certified Public Accountants

Charles D. Mathews, CPA  
Jessie Travis-Gill, CPA

Member  
Society of Louisiana  
Certified Public Accountants

August 3, 2000

## INDEPENDENT AUDITOR'S REPORT

Mr. Robert G. Tyler, Jr., Chairman  
and Members of the Board of Commissioners  
Florida Parishes Juvenile Justice District  
Hammond, Louisiana

We have audited the accompanying general purpose financial statements of the Florida Parishes Juvenile Justice District, Hammond, Louisiana, as of June 30, 2000, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Florida Parishes Juvenile Justice District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Florida Parishes Juvenile Justice District as of June 30, 2000, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2000 on our consideration of the Florida Parishes Juvenile Justice District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Florida Parishes

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Juvenile Justice District. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,

*Durnin & James*

DURNIN & JAMES, CPA'S, P.C.

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

EXHIBIT A

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2000

	GOVERNMENTAL FUNDS				ACCOUNT GROUPS			TOTALS	
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	MEMORANDUM ONLY 2000	MEMORANDUM ONLY 1999	
<b>ASSETS AND OTHER DEBITS:</b>									
<b>Assets:</b>									
Cash	\$ 198,505	\$ 86,349	\$ -	\$ 97,229	\$ -	\$ -	\$ 382,083	\$ 526,905	
Investments	874,152	1,320,759	591	-	-	-	2,195,502	3,078,972	
Receivables Net:									
Accounts	1,328	-	-	-	-	-	1,328	-	
Court Costs	-	-	-	-	-	-	-	-	
Intergovernmental Grant	19,070	-	-	-	-	-	19,070	12,012	
Prepaid Insurance	68,787	-	-	-	-	-	68,787	54,865	
Land	-	-	-	-	24,031	-	24,031	24,031	
Building and Improvements	-	-	-	-	7,555,632	-	7,555,632	1,912,640	
Vehicles and Equipment	-	-	-	-	445,988	-	445,988	323,830	
Construction in Progress	-	-	-	-	-	-	-	4,908,351	
<b>Other Debits:</b>									
Amount available in Debt Service Fund	-	-	-	-	-	-	-	-	
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	-	-	2,135,292	2,135,292	2,409,351	
<b>TOTAL ASSETS</b>	<u>\$1,161,842</u>	<u>\$1,407,108</u>	<u>\$ 591</u>	<u>\$ 97,229</u>	<u>\$8,025,651</u>	<u>\$2,135,292</u>	<u>\$12,827,713</u>	<u>\$13,250,957</u>	

(CONTINUED)

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

EXHIBIT A (CONTINUED)

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)

June 30, 2000

	GOVERNMENTAL FUNDS				ACCOUNT GROUPS		TOTALS	
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	GENERAL FIXED ASSETS	LONG-TERM DEBT	2000	1999
<b>LIABILITIES AND FUND EQUITY:</b>								
<b>Liabilities:</b>								
Accounts Payable	\$ 145,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,582	\$ 415,594
Accrued Expenditures	-	-	-	-	75,292	-	75,292	139,593
Retainage Payable	-	-	-	4,231	-	-	4,231	229,612
Certificate of Indebtedness	-	-	-	-	2,060,000	-	2,060,000	2,340,000
<b>Total Liabilities</b>	<b>\$ 143,582</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,231</b>	<b>\$ -</b>	<b>\$ 2,135,292</b>	<b>\$ 2,283,105</b>	<b>\$ 3,124,799</b>
<b>Fund Equity:</b>								
Investment in General	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	8,025,651	-	8,025,651	7,168,852
<b>Fund balances:</b>								
Reserved for Debt Service	-	-	591	-	-	-	591	561
Unreserved - Undedicated	1,018,260	1,407,108	-	-	-	-	2,425,368	2,084,136
Dedicated for Capital Outlay	-	-	-	92,998	-	-	92,998	872,609
<b>Total Fund Equity</b>	<b>\$ 1,018,260</b>	<b>\$ 1,407,108</b>	<b>\$ 591</b>	<b>\$ 92,998</b>	<b>\$ 8,025,651</b>	<b>\$ -</b>	<b>\$ 10,544,608</b>	<b>\$ 10,126,158</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 1,161,842</b>	<b>\$ 1,407,108</b>	<b>\$ 591</b>	<b>\$ 97,229</b>	<b>\$ 8,025,651</b>	<b>\$ 2,135,292</b>	<b>\$ 12,827,713</b>	<b>\$ 13,250,957</b>

The accompanying notes are an integral part of this statement.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

EXHIBIT B

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For The Year Ended June 30, 2000

	GOVERNMENTAL FUND TYPES				TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	06/30/00	06/30/99
<b>REVENUES</b>						
Court costs	\$ 280,699	-	\$ -	-	\$ 280,699	\$ 259,967
Fees for services	47,361	-	-	-	47,361	6,128
Intergovernmental	284,663	225,696	-	-	510,359	536,012
Ad valorem taxes	-	2,562,333	-	-	2,562,333	2,379,508
Interest and other	152,742	65,062	30	6,664	224,498	259,341
Total Revenues	\$ 765,465	\$ 2,853,091	\$ 30	\$ 6,664	\$ 3,625,250	\$ 3,440,956
<b>EXPENDITURES</b>						
Public Safety:						
Salaries and related benefits	\$ 1,897,265	-	\$ -	-	\$ 1,897,265	\$ 1,159,423
Travel and training	10,410	-	-	-	10,410	12,579
Operating services	284,601	-	-	-	284,601	193,645
Operating supplies	245,819	-	-	-	245,819	130,116
Professional services	236,859	-	-	-	236,859	102,697
Other	-	133,341	-	-	133,341	84,550
Capital outlay	142,562	-	-	714,237	856,799	4,266,676
Debt Service:						
Principal retirement	-	-	280,000	-	280,000	265,000
Interest and fiscal charges	-	-	118,505	-	118,505	130,695
Total Expenditures	\$ 2,817,516	\$ 133,341	\$ 398,505	\$ 714,237	\$ 4,063,599	\$ 6,345,381

(CONTINUED)

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

EXHIBIT B (CONTINUED)

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)

For The Year Ended June 30, 2000

	GOVERNMENTAL FUND TYPES				TOTALS		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	(MEMORANDUM ONLY)	06/30/00	06/30/99
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (2,052,051)	\$ 2,719,750	\$ (398,475)	\$ (707,573)	\$ (438,349)	\$ (2,904,425)	
OTHER FINANCING SOURCES (USES):							
Sale of bonds -	-	-	-	-	-	-	
Operating transfers in	2,192,137	-	398,505	1,187,025	3,777,667	2,742,648	
Operating transfers out	-	(3,777,667)	-	-	(3,777,667)	(2,742,648)	
Total other financing sources (uses)	2,192,137	(3,777,667)	398,505	1,187,025	-	-	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	140,086	(1,057,917)	30	479,452	(438,349)	(2,904,425)	
FUND BALANCE - BEGINNING OF YEAR	878,174	2,465,025	561	(386,454)	2,957,306	5,861,731	
FUND BALANCE - END OF YEAR	\$ 1,018,260	\$ 1,407,108	\$ 591	\$ 92,998	\$ 2,518,957	\$ 2,957,306	

The accompanying notes are an integral part of this statement.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

EXHIBIT C

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET (GAAP BASIS) AND ACTUAL

For The Year Ended June 30, 2000

	GENERAL FUND			SPECIAL REVENUE FUND		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>						
Ad valorem tax	\$ -	\$ -	\$ -	\$ 2,377,167	\$ 2,562,333	\$ 185,166
Court costs	237,000	280,699	43,699	-	-	-
Fees for services	29,000	47,361	18,361	-	-	-
Intergovernmental	278,780	284,663	5,883	206,259	225,696	19,437
Interest and other	114,915	152,742	37,827	42,000	65,062	15,062
Total Revenues	<u>\$ 659,695</u>	<u>\$ 765,465</u>	<u>\$ 105,770</u>	<u>\$ 2,625,426</u>	<u>\$ 2,853,091</u>	<u>\$ 227,665</u>
<b>EXPENDITURES</b>						
Public Safety:						
Salaries and related benefits	\$ 1,808,628	\$ 1,897,265	\$ ( 88,637)	\$ -	\$ -	\$ -
Travel and training	11,600	10,410	1,190	-	-	-
Operating services	337,245	284,601	52,644	-	-	-
Operating supplies	302,800	245,819	56,981	-	-	-
Professional services	114,150	236,859	(122,709)	-	-	-
Other	-	-	-	-	133,341	( 133,341)
Debt Service	-	-	-	-	-	-
Capital outlay	156,961	142,562	14,399	-	-	-
Total Expenditures	<u>\$ 2,731,384</u>	<u>\$ 2,817,516</u>	<u>\$ ( 86,132)</u>	<u>\$ -</u>	<u>\$ 133,341</u>	<u>\$ ( 133,341)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (2,071,689)</b>	<b>\$ (2,052,051)</b>	<b>\$ 19,638</b>	<b>\$ 2,625,426</b>	<b>\$ 2,719,750</b>	<b>\$ 94,324</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	1,924,835	2,192,137	267,302	274,500	-	( 274,500)
Operating transfers out	( 274,500)	-	274,500	(2,954,760)	(3,777,667)	( 822,907)
Total Other Financing Sources (Uses)	<u>1,650,335</u>	<u>2,192,137</u>	<u>541,802</u>	<u>(2,680,260)</u>	<u>(3,777,667)</u>	<u>(1,097,407)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>( 421,354)</b>	<b>140,086</b>	<b>561,440</b>	<b>( 54,834)</b>	<b>(1,057,917)</b>	<b>(1,003,083)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>529,102</u>	<u>878,174</u>	<u>349,072</u>	<u>1,208,247</u>	<u>2,465,025</u>	<u>1,256,778</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 107,748</u>	<u>\$ 1,018,260</u>	<u>\$ 910,512</u>	<u>\$ 1,153,413</u>	<u>\$ 1,407,108</u>	<u>\$ 253,695</u>

The accompanying notes are an integral part of this statement.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

	<u>Page</u>
Introduction	10
1. Summary of Significant Accounting Policies	10
A. Basis of Presentation	10 - 11
B. Financial Reporting Entity	11
C. Fund Accounting	12
D. Property, Plant and Equipment and Long-Term Liabilities	12 - 13
E. Basis of Accounting	13
F. Budgets	14
G. Encumbrances	14
H. Cash and Cash Equivalents	15
I. Inventories	15
J. Prepaid Items	15
K. Fixed Assets	15
L. Compensated Absences	15 - 16
M. Long-Term Obligations	16
N. Total Columns on Statements	16
2. Cash and Investments	16 - 18
3. Receivables	18
4. Ad Valorem Taxes	18 - 19
5. Changes in General Fixed Assets	19
6. Employees Pension Plan	19 - 21
7. Compensated Absences	21
8. Other Post Employment Benefits	22
9. Compensation Paid Board Members	22
10. Changes in Long-Term Debt	22 - 23
11. Dedication of Proceeds and Flow of Funds - Ad Valorem Tax	23
12. Compliance with Certificate Covenants	24
13. Stewardship, Compliance and Accountability	24 - 25
14. Reserved and Designated Fund Balances	25
15. Litigation and Claims	25 - 26

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS

As of and for the year Ended June 30, 2000

**INTRODUCTION**

The Florida Parishes Juvenile Justice District (hereinafter referred to as the "District") was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 15:1094, as a political subdivision of the state, with territorial jurisdiction throughout the Twenty-First and Twenty-Second Judicial Districts, including the parishes of Livingston, St. Helena, St. Tammany, Tangipahoa and Washington. The District is governed by a Board of Commissioners composed of seven commissioners who are residents of the District. Two commissioners are appointed for terms of four years by the judges of the Twenty-First Judicial District; two commissioners are appointed for terms of four years by the judges of the Twenty-Second Judicial District; one commissioner is jointly appointed for a term of four years by the judges of the city courts of Bogalusa and Slidell; one commissioner is jointly appointed for a term of four years by the judges of the city courts of Denham Springs and Hammond; and, on an alternating basis, one commissioner shall be appointed for a term of two years by the District Attorney of the Twenty-First Judicial District and by the District Attorney of the Twenty-Second Judicial District. All appointments must be confirmed by the Senate. The Board of Commissioners receive no compensation for their services on the board.

The purpose of the commission is to assist and afford opportunities to children who enter the juvenile justice system, or who are children in need of care or supervision, to become productive, law-abiding citizens of the community, parish, and state by the establishment of rehabilitative programs within a structured environment and to provide physical facilities and related services for children throughout the parishes of Livingston, St. Helena, St. Tammany, Tangipahoa, and Washington.

The board has authority to purchase or otherwise acquire, construct, reconstruct, rehabilitate, improve, repair, operate, lease as lessor or lessee, manage, and administer or enter into contracts for the management, administration, and operation of a juvenile detention facility or facilities, shelter care facility or facilities, or such other juvenile justice facilities as are useful, necessary, expedient, or convenient to carry out the plans and purposes of the commission and for the orderly conduct of its business.

The District presently owns and operates the Florida Parishes Juvenile Detention Center, a 95-bed secure detention facility housing juveniles. Management and operation of the detention center is performed by a superintendent and 90 employees; all of whom are appointed by the board. Funding for the District is provided by: (1) court costs levied on all felony and misdemeanor prosecutions, including traffic offenses, by any court in the District, (2) charges for services provided by the detention center and (3) grants from the Department of Corrections, State of Louisiana.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

establishing governmental accounting and financial reporting principals. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies.

B. FINANCIAL REPORTING ENTITY

As the governing authority of the District, for reporting purposes, the Florida Parishes Juvenile Justice District is the financial reporting entity for the District. The financial reporting entity consists of (a) the primary government (board), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the State of Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the District 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 District.
2. Organizations for which the Board does not appoint a voting majority but are fiscally dependent on the District.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the application of the above criteria, it was determined the Florida Parishes Juvenile Justice District has no potential component unit. As a result, this report includes all funds and account groups which are controlled by or dependent on the District. Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. FUND ACCOUNTING

The District uses funds and account groups 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 relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

1. General Fund - the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Fund - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.
3. Capital Projects Fund - accounts for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds.
4. Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

D. PROPERTY, PLANT AND EQUIPMENT AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus and only current assets and current liabilities are generally included in their balance sheet.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

other general fixed assets. No depreciation has been provided on general fixed assets.

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

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

E. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The records of the Florida Parishes Juvenile Justice District are maintained on a cash basis of accounting. However, the governmental funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following practices:

Revenues

Governmental fund revenues (fees and interest earned) are accounted for using the modified accrual basis of accounting. The revenues are recognized when they become measurable and available as net current assets. Exceptions to this rule are state grants and court costs which are recorded as revenue when received.

Expenditures

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

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

F. BUDGETS

Budgetary procedures applicable to the District are defined in state law, Louisiana Revised Statutes 39:1301-14. The major requirements of the Local Government Budget Act are summarized as follows:

1. The District must adopt a budget each year for the general fund and each special revenue fund, if applicable.
2. The President must prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$250,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the District has jurisdiction. The proposed budget was submitted to the board of commissioners on May 12, 1999. Upon acceptance by the board, the proposed budget was first published in the official journal in each parish in which the District has jurisdiction on May 24, 1999.
3. A public hearing on the proposed budget must be held at least ten days after publication of the call for the hearing. A public hearing was held on the proposed budget on June 6, 1999.
4. After the public hearing, the budget is adopted by ordinance. All action necessary to adopt and implement the budget must be completed prior to the end of the fiscal year in progress. The budget was adopted on June 6, 1999.
5. The District must certify completion of all actions required to adopt and implement the budget by publishing a notice in the official journal in each parish in which the District has jurisdiction.
6. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners. The budget was amended on June 14, 2000.
7. All budgetary appropriations lapse at the end of each fiscal year.

The District did not comply with certain provisions of state law which require a budget amendment when actual expenditures exceed amounts budgeted by five percent or more.

G. ENCUMBRANCES

The District does not utilize encumbrance accounting.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

H. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash also includes amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at original cost.

I. INVENTORIES

The District uses the purchase method for accounting for expendable supplies whereby expenditures are recognized when the items are purchased. The District did not record any inventory at June 30, 2000, as the amount is not material.

J. PREPAID ITEMS

The District recorded prepaid insurance in the amount of \$68,787 at June 30, 2000.

K. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

L. COMPENSATED ABSENCES

In accordance with the provisions of GASB Statement No. 16, vacation leave is accrued as a liability when earned by the employees since the employees "right to receive compensation is already rendered and it is probable that the District will compensate the employees for benefits through paid time off or through cash payments at termination." A liability for sick pay is not recorded since sick pay does not vest.

Vacation leave liability that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that is responsible for payment. Amounts that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

reported for these amounts.

M. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

N. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CASH AND INVESTMENTS

At June 30, 2000, the book balance of the District's deposits was \$382,083 and the bank balance was \$505,793. Of the bank balance, \$100,000 was covered by federal deposit insurance and \$405,793 was covered by collateral held by the Federal Reserve Bank of New Orleans in the fiscal agent bank's name.

The collateral for the District's deposits is categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes deposits that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered deposits for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered deposits for which the securities are held by the counterparty's trust department or agent, but not in the District's name.

Bank Deposit Covered By	Category			Confirmed 3	Collateral Bank Balance	Market Value
	1	2				
U. S. Treasury Notes	\$ -	\$ -		\$405,793	\$405,793	\$1,253,218
FDIC Insurance	<u>100,000</u>	-		-	<u>100,000</u>	<u>100,000</u>
Total Deposits	<u>\$100,000</u>	<u>\$ -</u>		<u>\$405,793</u>	<u>\$505,793</u>	<u>\$1,353,218</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Investments

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash. Investments are stated at cost.

Some investments at June 30, 2000 are in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc. a nonprofit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations. Only local governments 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. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

As of June 30, 2000, the District invested \$346,398 in LAMP and \$1,849,104 in U.S. Government Obligations. The District records all interest revenue related to investment activity in the respective funds.

The District's investments are categorized to give an indication of level of risk assumed by the District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent, but not in the District's name.

Investments are stated at amortized cost, and all investment activities are conducted through the fiscal agent. During 2000, the District did not invest through any security brokers or dealers. Treasury notes and bills are bought and held at the Federal Reserve Bank of New Orleans in the District's name.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

<u>Description</u>	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>	<u>Collateral Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>			
LAMP	\$ -	\$ -	\$ -	\$ 346,398	\$ 346,398	\$ -
Federal Government Obligations	<u>1,849,104</u>	-	-	<u>1,849,104</u>	<u>1,849,104</u>	-
Total Investments	<u>\$1,849,104</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,195,502</u>	<u>\$2,195,502</u>	<u>\$ -</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

At June 30, 2000, the District complied with the provisions of state law which requires public funds to be secured from risk by a pledge of securities by the fiscal agent bank.

**3. RECEIVABLES**

The following is a summary of receivables at June 30, 2000:

<u>Class of Receivable</u>	<u>Capital</u>		<u>Total</u>
	<u>General Fund</u>	<u>Projects Fund</u>	
Accounts	\$ 1,328	\$ -	\$ 1,328
State Grant	<u>19,070</u>	-	<u>19,070</u>
Total	\$ 20,398	\$ -	\$ 20,398
Less allowance for uncollectible ad valorem taxes	-	-	-
Total	<u>\$ 20,398</u>	<u>\$ -</u>	<u>\$ 20,398</u>

**4. AD VALOREM TAXES**

The following is a summary of authorized and levied ad valorem taxes:

Special Revenue Fund	1999 Authorized and Levied <u>Millage</u> 3.00
----------------------	--

Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the District during the year and actually billed to taxpayers and become due in November. Billed taxes become delinquent on December 31 of each year. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Tangipahoa Parish, Livingston Parish, St. Helena Parish, Washington Parish and St. Tammany Parish Sheriff's Office bills and

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

collects the property taxes using the assessed value determined by the Tax Assessors of Tangipahoa Parish, Livingston Parish, St. Helena Parish, Washington Parish and St. Tammany Parish. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2000, the District levied 3.00 mills for a total tax levy of \$2,618,351 on taxable property valuation totaling \$872,783,779.

5. **CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	<u>Land</u>	<u>Buildings &amp; Improvements</u>	<u>Vehicles &amp; Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
Balance,					
June 30, 1999,	\$ 24,031	\$1,912,640	\$ 323,830	\$ 4,908,351	\$ 7,168,852
Additions for the Year Ended:					
June 30, 2000	-	5,642,992	122,158	714,238	6,479,388
Retirements for Year Ended:					
June 30, 2000	-	-	-	(5,622,589)	(5,622,589)
Balance,					
June 30, 2000	<u>\$ 24,031</u>	<u>\$7,555,632</u>	<u>\$ 445,988</u>	<u>\$ -</u>	<u>\$ 8,025,651</u>

6. **EMPLOYEES PENSION PLAN**

LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM (LASERS)

All employees of the Florida Parishes Juvenile Justice District participate in the Louisiana State Employees' Retirement System.

For the year ended June 30, 2000, employees contributed \$103,903 and the District contributed \$170,734 for a total of \$274,637.

The Louisiana State Employees' Retirement System ("LASERS" or the "System") is an agency of the State of Louisiana established under the provisions of Title 11, Section 401, of the Louisiana Revised Statutes of 1950, as amended (the "Statutes"). LASERS is a single-employer public employee retirement system which is organized for the purpose of providing retirement and other benefits for employees of the State and its various departments and agencies and their beneficiaries. LASERS is supervised by an eleven-member Board of Trustees and is funded through employee and employer contributions and investment earnings.

The following information describing LASERS is necessarily general in nature and is not intended to be a full and complete description of the numerous and varied statutory provisions applicable to LASERS and its members. Reference should be made to the applicable Statutes for specific detailed information.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Eligibility Requirements

All state employees except certain classes of employees specifically excluded by Statutes become members of the System as a condition of employment unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Elected officials and officials appointed by the governor may, at their option, become members of LASERS.

Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by Statute and may vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age, upon completing thirty years of creditable service, to age sixty, upon completing ten years of creditable service.

The basic annual retirement benefit for substantially all members is equal to 2-1/2% of average compensation multiplied by the number of years of creditable service plus \$300. Participants who became members of LASERS on or after July 1, 1986, are not eligible for the \$300 addition to the annual retirement benefit formula. Average compensation is defined as the member's average annual earned compensation for the period of thirty-six consecutive months of employment during which the member's aggregate earned compensation was greatest. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or certain specified dollar amounts of actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges and court officers and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the above basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

Contributions

Covered employees are required by state statute to contribute 7.50% of their salary to the plan. The District is required by the same statute to contribute the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended June 30, 2000, was \$274,637 which consisted of \$170,734 from the District and \$103,903 from employees. Each employer was required by Statute to contribute 12.7% of each employee's earned compensation to finance participation of its employees in LASERS. The following provides certain disclosures for the District and the retirement system.

The District's total payroll in the fiscal year ended June 30, 2000 was \$1,660,958 and the District's contributions were based on a payroll of \$1,399,859. Both the District and the covered employees made the required contributions, amounting to \$274,637. There were no related party transactions.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Trend Information

Contributions required by state statute:

<u>Fiscal Year</u> <u>June 30</u>	<u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contribution</u>
1998	\$115,516	100%
1999	\$168,523	100%
2000	\$274,637	100%

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225)922-0600.

**7. COMPENSATED ABSENCES**

Employees of the District earn annual leave and sick leave based on the equivalent of years of service for the District and the leave is credited at the end of each regular pay period in accordance with the following schedule:

<u>Years of Service</u>	<u>Hours Earned Per Month</u>	
	<u>Annual</u> <u>Leave</u>	<u>Sick</u> <u>Leave</u>
0 - 2 Years	8 Hours	8 Hours
3 - 4 Years	10 Hours	10 Hours
5 - 9 Years	12 Hours	12 Hours
10 - 14 Years	14 Hours	14 Hours
Over 15 Years	16 Hours	16 Hours

The District's present written policy provides annual leave hours may be accumulated up to 80 hours and is paid upon separation from service in good standing. Sick leave up to 80 hours may be accumulated but is not paid upon separation from service. As a result, no liability for accrued sick leave is recorded by the District.

Certain employees of the District earn compensatory leave (K-time) at the rate of 1 ½ hours of K-time for each hour worked in excess of the normal work schedule. Compensatory time may be accumulated up to 80 hours and is paid upon separation from service. As of June 30, 2000, the District records a liability for accrued annual leave and compensatory time totaling \$75,292. This liability is recorded in the general long-term debt account group.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. OTHER POST EMPLOYMENT BENEFITS

The District has no other post employment benefits.

9. COMPENSATION PAID BOARD MEMBERS

Louisiana Revised Statute 15:1094.1(B) provides "The members of the board of commissioners shall serve without salary or per diem but the board may authorize a reasonable travel allowance for its members in the performance of their official duties."

10. CHANGES IN LONG-TERM DEBT

The following is a summary of debt transactions for the Florida Parishes Juvenile Justice District for the year ended June 30, 2000:

	Balance July 1, <u>1999</u>	Certificates Issued	Certificates Retired	Balance June 30, <u>2000</u>
Certificates of Indebtedness	\$2,340,000	\$ -	\$280,000	\$2,060,000
	<u>\$2,340,000</u>	<u>\$ -</u>	<u>\$280,000</u>	<u>\$2,060,000</u>

Long-term debt at June 30, 2000, is comprised of the following:

Compensated Absences	\$ <u>75,292</u>
----------------------	------------------

Certificates of Indebtedness:

\$3,100,000 Certificates of Indebtedness  
Series 1996 dated October 22, 1996;  
Due in Annual Installments of \$245,000 -  
\$390,000 through March 1, 2006, Interest  
at 4.60% - 6.5%.

2,060,000

Total General Long-Term Debt

\$2,135,292

Payments of Certificates of Indebtedness principal and interest are secured solely by an irrevocable pledge and dedication of the funds to be derived from the levy and collection of a three (3) mills tax authorized to be levied in each of the years 1996 to 2005, inclusive. Said special tax has been authorized to be levied on all the property subject to taxation within the corporate boundaries of the District pursuant to an election held therein on October 21, 1995.

The annual requirements to amortize all debt outstanding at June 30, 2000, including interest payments of \$387,140 are as follows:

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

<u>CERTIFICATES OF INDEBTEDNESS, SERIES 1996</u>			
<u>YEAR ENDED</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
<u>JUNE 30</u>			
2001	\$ 300,000	\$ 104,345	\$ 404,345
2002	315,000	89,945	404,945
2003	335,000	74,510	409,510
2004	350,000	57,760	407,760
2005	370,000	39,910	409,910
2006	390,000	20,670	410,670
	<u>\$2,060,000</u>	<u>\$ 387,140</u>	<u>\$2,447,140</u>

Specific years for payment of compensated absences are not determinable.

11. **DEDICATION OF PROCEEDS AND FLOW OF FUNDS - AD VALOREM TAX**

Proceeds of the 10-year special tax of 3 mills on the dollar of assessed valuation on all property subject to taxation in the District (1998 collections - \$2,379,508) are dedicated for the purpose of improving, maintaining and operating the Florida Parishes Juvenile Detention Center, including enlarging said Center and acquiring, maintaining and operating all necessary equipment and furnishings for said Center, said tax subject to homestead exemption as provided by law.

The District, through its governing authority, adopted a resolution on July 10, 1996, as supplemented by a resolution adopted on September 11, 1996, authorizing the issuance of \$3,100,000 of Certificates of Indebtedness, Series 1996 for the purpose of improving the Florida Parishes Juvenile Detention Center, including enlarging said Center and acquiring necessary equipment and furnishings for said Center, and paying the costs of issuance of the Certificates. In those resolutions the proceeds of the 10-year special tax were irrevocably and irrepealably pledged and dedicated in an amount sufficient for payment of the certificates authorized and interest as they become due and for other purposes.

The certificate resolution requires that the District shall deposit with the District's fiscal agent bank in a "Sinking Fund" at least 3 days in advance of the date on which each payment of principal and/or interest falls due, funds fully sufficient to promptly pay the maturing principal and/or interest so falling due on such date.

After the funds have actually been set aside out of the revenues of the tax for any fiscal year sufficient to pay the principal and interest on the certificates for that fiscal year, and all required amounts have been deposited in the aforesaid Sinking Fund, then any annual revenues of the tax remaining in that fiscal year shall be free for expenditure by the District for the purposes for which the tax was authorized by the voters.

The balance in the Sinking Fund at June 30, 2000, was in accordance with the certificate covenant.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

12. COMPLIANCE WITH CERTIFICATE COVENANTS

The District, through its governing authority, adopted a resolution on July 10, 1996, as supplemented by a resolution adopted on September 11, 1996, authorizing the issuance of \$3,100,000 of Certificates of Indebtedness, Series 1996 for the purpose of improving the Florida Parishes Juvenile Detention Center, including enlarging said Center and acquiring necessary equipment and furnishings for said Center, and paying the costs of issuance of the Certificates. Those certificate resolutions contained certain covenants and agreements in connection with the security and payment of the certificates. The major covenants contained in the certificate resolution and the manner in which the District has complied with these covenants is described as follows:

Sinking Fund - According to the certificate resolution, the District shall deposit with the District's fiscal agent bank in a "Sinking Fund" at least 3 days in advance of the date on which each payment of principal and/or interest falls due, funds fully sufficient to promptly pay the maturing principal and/or interest so falling due on such date.

As of June 30, 2000, the District was in compliance with this certificate covenant.

Securing of deposits of public funds - In the certificate resolution it is required that all moneys deposited with the regularly designated fiscal agent bank or banks of the District or the paying agent under the terms of the resolution shall constitute sacred funds for the benefit of the owner of the certificate, and shall be secured by said fiduciaries at all times to the full extent thereof in the manner required by law for the securing of deposits of public funds.

As of June 30, 2000, the District was in compliance with this certificate covenant.

Other Requirements - The certificate resolution contains additional covenants regarding collection of tax, legal right to collection of tax, and other miscellaneous provisions.

As of June 30, 2000, the District was in compliance with these other certificate covenants in all material respects.

13. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Expenditures Exceeding Appropriations (GAAP Budgetary Basis)

Excess of expenditures over appropriations in individual funds occurred as follows:

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Special Revenue Fund	\$ -	\$133,34	\$(133,341)

B. Compliance with Local Government Budget Act

The Florida Parishes Juvenile Justice District did not comply with certain provisions of state law which require a budget amendment when actual expenditures exceed amounts budgeted by five percent or more.

**14. RESERVED AND DESIGNATED FUND BALANCES**

The District records reserves and dedications to indicate that a portion of the fund equity is legally segregated for a specific future use. The following details the description and amount of all reserves and dedications used by the District.

	<u>Balance at June 30, 2000</u>
Reserves of Fund Balance:	
1. Debit Service Fund	
(a) Reserved for Certificate of Indebtedness Debt Service	\$ <u>591</u>
	\$ <u>591</u>
Designations of Fund Balance:	
1. Capital Projects Fund	
(a) Designated for Capital Projects	\$ <u>92,998</u>
	\$ <u>92,998</u>

**15. LITIGATION AND CLAIMS**

The Florida Parishes Juvenile Justice District is a defendant in several lawsuits as of June 30, 2000.

One lawsuit involves a claim by contractor for extra compensation as a result of change orders issued during the construction of the original Juvenile Detention Center in Tangipahoa Parish, Louisiana. This suit is scheduled for trial in December 2000. No accrual for loss contingencies for this case has been recorded in the financial statements as responsibility has not been determined and the possible loss or range of loss for this legal action cannot be reasonably estimated.

Another lawsuit involves a claim by the mother of former juvenile detainee of the Florida Parishes Juvenile Detention Center who alleges that the former superintendent, Wayne

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Summers, who is also named as a defendant in this action, physically and sexually assaulted the juvenile. This action is not covered by insurance. The district has agreed to settle this claim. The amount remaining to be paid at June 30, 2000 as a result of this settlement totals \$25,000. As a result, a loss contingency in the amount of \$25,000 has been accrued at June 30, 2000, as a result of this claim.

Another lawsuit involves a claim by the mother of former juvenile detainee of the Florida Parishes Juvenile Detention Center who alleges that the former superintendent, Wayne Summers, who is also named as a defendant in this action, physically and sexually assaulted the juvenile. This action is not covered by insurance. The district has agreed to settle this claim. The settlement amount to be paid at June 30, 2000 as a result of this settlement totals \$40,000. As a result, a loss contingency in the amount of \$40,000 has been accrued at June 30, 2000, as a result of this claim.

The district is a defendant in several other lawsuits which are covered by insurance. No accrual for loss contingencies for these legal actions has been recorded in the financial statements as responsibility has not been determined and the possible loss or range of loss for this legal action cannot be reasonably estimated.

SUPPLEMENTARY INFORMATION

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

SCHEDULE 1

SUPPLEMENTAL INFORMATION SCHEDULE  
As of and for the Year Ended June 30, 2000

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

This schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Louisiana Revised Statute 15:1094.1(B) provides that "board members shall serve without salary or per diem but the board may authorize a reasonable travel allowance for its members in the performance of their official duties."

<u>BOARD MEMBER</u>	<u>TITLE</u>	<u>COMPENSATION</u>	<u>TRAVEL ALLOWANCE</u>
Robert G. Tyler, Jr.	President	\$ -	\$ -
Melissa R. Easley	Secretary	-	-
Judge James R. Strain, Jr.	Commissioner	-	-
Rev. Willie G. Johnson	Commissioner	-	-
Michael Forbes	Treasurer	-	-
Richard Sylvest	Commissioner	-	-
Peggy G. Hoover	Commissioner	-	-
		<u>-</u>	<u>-</u>
Total		<u>\$ -</u>	<u>\$ -</u>

See auditor's report.

SCHEDULE OF EXPENDITURES BY CLASSIFICATION -  
BUDGET (GAAP BASIS) AND ACTUAL

GENERAL FUND

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

SCHEDULE 2

SUPPLEMENTAL INFORMATION SCHEDULE

For the Year Ended June 30, 2000

SCHEDULE OF EXPENDITURES BY CLASSIFICATION - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND

	2000		VARIANCE FAVORABLE (UNFAVORABLE)	1999 ACTUAL
	REVISED BUDGET	ACTUAL		
Salaries and related benefits:				
Salaries	\$1,591,900	\$1,632,308	\$ (40,408)	\$ 992,263
Benefits	<u>216,728</u>	<u>264,957</u>	<u>(48,229)</u>	<u>167,160</u>
	<u>\$1,808,628</u>	<u>\$1,897,265</u>	<u>\$ (88,637)</u>	<u>\$1,159,423</u>
Travel and training	\$ <u>11,600</u>	\$ <u>10,410</u>	\$ <u>1,190</u>	\$ <u>12,579</u>
Operating services:				
Printing	\$ 34,020	\$ 18	\$ 34,002	\$ -
Insurance	137,000	135,181	1,819	100,642
Bank charges	65	1,262	( 1,197)	15
Maintenance - auto	4,000	4,088	( 88)	2,195
Maintenance - building	11,000	14,602	( 3,602)	14,447
Maintenance - other	13,470	10,663	2,807	7,769
Rental - other	2,000	1,122	878	818
Dues and subscriptions	2,140	2,050	90	2,947
Postage	4,200	3,400	800	2,668
Telephone	20,000	25,400	( 5,400)	10,912
Utilities	82,000	61,245	20,755	37,627
Accounting and auditing	-	-	-	-
Training	-	-	-	980
Rural trash collection	3,500	3,349	151	1,852
Emergency funds - maintenance	-	-	-	-
Pest control	2,500	2,483	17	731
Legal advertisement	4,050	3,988	62	570
Cable TV	300	482	( 182)	764
Copier lease	6,500	5,958	542	4,499
Internet	1,500	1,507	( 7)	-
College tuition reimbursement	1,000	849	151	-
Security Drug Testing	8,000	6,954	1,046	2,954
Other operating services	-	-	-	<u>1,255</u>
	<u>\$ 337,245</u>	<u>\$ 284,601</u>	<u>\$ 52,644</u>	<u>\$ 193,645</u>

(CONTINUED)

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
Hammond, Louisiana

SCHEDULE 2  
(CONTINUED)

SUPPLEMENTAL INFORMATION SCHEDULE (CONTINUED)

For the Year Ended June 30, 2000

SCHEDULE OF EXPENDITURES BY CLASSIFICATION - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND

	2000		VARIANCE FAVORABLE (UNFAVORABLE)	1999 ACTUAL
	REVISED BUDGET	ACTUAL		
Operating supplies:				
Office supplies	\$ 15,200	\$ 17,727	\$ ( 2,527)	\$ 10,992
Medical supplies	18,000	16,838	1,162	7,797
Food	123,000	97,407	25,593	45,348
Automotive supplies	5,000	4,761	239	3,927
Maintenance supplies	73,500	37,243	36,257	29,217
Juvenile personal	15,000	16,980	( 1,980)	6,013
Security supplies	21,000	17,091	3,909	4,306
Recreation supplies	2,000	573	1,427	5,090
Uniforms	8,750	19,945	( 11,195)	7,585
Kitchen supplies	5,000	5,003	( 3)	2,899
Educational supplies	2,000	344	1,656	2,682
Social services supplies	1,500	1,666	( 166)	209
Religious program supplies	300	18	282	185
Volunteer program	300	-	300	-
Computer software	2,500	2,235	265	-
Kentwood water	3,800	2,127	1,673	-
Other operating supplies	5,950	5,861	89	3,866
	<u>\$ 302,800</u>	<u>\$ 245,819</u>	<u>\$ 56,981</u>	<u>\$ 130,116</u>
Professional services:				
Accounting and auditing	\$ 21,000	\$ 27,440	\$ ( 6,440)	\$ 15,940
Medical	-	34,834	( 34,834)	32,890
Consulting	13,150	13,150	-	685
Legal	80,000	161,435	( 81,435)	41,597
Training	-	-	-	585
Contract labor	-	-	-	11,000
Other	-	-	-	-
	<u>\$ 114,150</u>	<u>\$ 236,859</u>	<u>\$ (122,709)</u>	<u>\$ 102,697</u>
Capital outlay	\$ 156,961	\$ 142,562	\$ 14,399	\$ 94,833
Total Expenditures	<u>\$2,731,384</u>	<u>\$2,817,516</u>	<u>\$ ( 86,132)</u>	<u>\$1,693,293</u>

See auditor's report.

OTHER INDEPENDENT AUDITOR'S REPORTS AND  
FINDINGS AND RECOMMENDATIONS

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

# Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS  
• A PROFESSIONAL CORPORATION •  
HAMMOND, LA • AMITE, LA

John N. Durnin, CPA  
Dennis E. James, CPA  
Bryon C. Garrety, CPA

Member  
American Institute of  
Certified Public Accountants

Charles D. Mathews, CPA  
Jessie Travis-Gill, CPA

Member  
Society of Louisiana  
Certified Public Accountants

August 3, 2000

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

Mr. Robert G. Tyler, Jr., Chairman  
and the Members of the Board of Commissioners  
Florida Parishes Juvenile Justice District  
Hammond, Louisiana

We have audited the general purpose financial statements of the Florida Parishes Juvenile Justice District, Hammond, Louisiana, as of and for the year ended June 30, 2000, and have issued our report thereon dated August 3, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Florida Parishes Juvenile Justice District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and recommendations as item numbers 00-1 through 00-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Florida Parishes Juvenile Justice District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

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

This report is intended solely for the information of management and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Board of Commissioners of the Florida Parishes Juvenile Justice District, Hammond, Louisiana, is a matter of public record.

Respectfully submitted,

*Durnin & James*

DURNIN & JAMES, CPA's, P.C.

FINDINGS AND RECOMMENDATIONS

Florida Parishes Juvenile Justice District  
Hammond, Louisiana

CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2000

FINDINGS AND RECOMMENDATIONS

COMPLIANCE

00-1 Budget Variance Exceeds 5% Allowable Under State Law

The Florida Parish Juvenile Justice District did not comply with certain budget requirements imposed by state law. Budget procedures applicable to the District are specified in state law, Louisiana Revised Statutes (LSA-R.S.) 39:1301-1314. The pertinent parts of the law and the manner in which the District failed to comply with the law are as follows:

State law (LSA-R.S.) 39:1309-1310 requires the original budget to be amended when actual expenditures exceeded the amounts budgeted by five percent or more.

FINDING

The budget for the fiscal year ended June 30, 2000, was amended on June 14, 2000. However, actual expenditures exceeded the amounts budgeted in the following fund by more than five percent:

	<u>Actual</u> <u>Expenditures</u>	<u>Amount</u> <u>Budgeted</u>
Special Revenue Fund	\$133,341	\$ -

RECOMMENDATION

We recommend the District continue to closely monitor its budget and adopt budget amendments when required.

MANAGEMENT'S RESPONSE

In management's corrective action plan dated August 28, 2000, management indicated the budget will continue to be monitored on a monthly basis. Budgetary amendments will be made when actual revenues decrease over original budget projections and actual expenditures increase over original budget projections by more than five percent.

00-2 Physical Inventory Not Updated

The Florida Parish Juvenile Justice District policies and procedures require a physical inventory of general fixed assets every three months.

FINDING

The District detailed listing of general fixed assets had not been updated since February, 2000, and a physical inventory had not been taken every three months as required.

Florida Parishes Juvenile Justice District  
Hammond, Louisiana

CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2000

FINDINGS AND RECOMMENDATIONS (CONTINUED)

RECOMMENDATION

We recommend the District update the general fixed asset inventory as soon as possible and make physical inventories every three months as required.

MANAGEMENT'S RESPONSE

In management's corrective action plan dated August 28, 2000, management indicated that the responsibility for maintaining the fixed asset inventory has been assigned to a new person. As of the date of this letter the fixed asset inventory has been properly updated and the fixed asset records are being updated on a continuous basis. A physical count of the inventory will be taken on a quarterly basis.

INTERNAL CONTROL OVER FINANCIAL REPORTING

None

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

Florida Parishes Juvenile Justice District  
Hammond, Louisiana

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2000

<u>Ref.#</u>	<u>Description of Finding</u>	<u>Corrective Action Plan</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>COMPLIANCE</u>				
<u>00-1</u>	Budget exceeds 5%.	Amend budget.	Mary Toups	6/30/2001
<u>00-2</u>	Physical inventory not updated or taken.	Update inventory and take physical inventory.	Mary Toups	9/30/2000

INTERNAL CONTROL OVER FINANCIAL REPORTING

None

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Florida Parishes Juvenile Justice District  
Hammond, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2000

<u>Ref.#</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Plan Corrective Action - Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
--------------	--	--------------------------------	--------------------------------	---	-------------------------------

COMPLIANCE

99-1	June 30, 1999	Budget adopted late.	Yes		Subsequent budget adopted timely.
99-2	June 30, 1999	Budget vs. actual variance exceeds 5%	No		
99-3	June 30, 1999	Did not advertise emergency	Yes		
99-4	June 30, 1999	Physical inventory not updated or taken	No		

INTERNAL CONTROL OVER FINANCIAL REPORTING

99-5	June 30, 1999	Authorized signature stamp	Yes		Require at least one live signature on all checks.
------	---------------	----------------------------	-----	--	--

# Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS  
• A PROFESSIONAL CORPORATION •  
HAMMOND, LA • AMITE, LA

RECEIVED  
REGISTRAR  
00 OCT 20 AM 9:51

John N. Durnin, CPA  
Dennis E. James, CPA  
Bryon C. Garrety, CPA

Charles D. Mathews, CPA  
Jessie Travis-Gill, CPA

Member  
American Institute of  
Certified Public Accountants

Member  
Society of Louisiana  
Certified Public Accountants

August 28, 2000

Members of the Board of Commissioners  
Florida Parishes Juvenile Justice District  
Hammond, Louisiana

We have audited the general purpose financial statements of the Florida Parishes Juvenile Justice District for the year ended June 30, 2000, and have issued our report thereon dated August 3, 2000. Professional standards require that we provide you with the following information related to our audit.

## Our Responsibility under Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated March 7, 2000, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the general purpose financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the Florida Parishes Juvenile Justice District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Florida Parishes Juvenile Justice District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

## Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement

letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Florida Parishes Juvenile Justice District are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2000. We noted no transactions entered into by the Florida Parishes Juvenile Justice District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

#### Accounting Estimates

Accounting estimates are an integral part of the general purpose financial statements prepared by management and are based on management's current judgments. Certain accounting estimates are particularly sensitive because of their significance to the general purpose financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments.

Management's estimate of the allowance for doubtful accounts is based on historical loss levels, and an analysis of the collectibility of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the general fund financial statements taken as a whole.

#### Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the general purpose financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Florida Parishes Juvenile Justice District that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements.

We proposed several audit adjustments related to accounts receivable and accounts payable. The corrections were not considered material in relation to the individual fund-type financial statements of the Florida Parishes Juvenile Justice District taken as a whole. The District has agreed to the proposed audit adjustments and will record the adjustments in the accounting records of the Florida Parishes Juvenile Justice District for the year ended June 30, 2000.

#### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing

Florida Parishes Juvenile Justice District  
August 28, 2000  
Page Three

matter that could be significant to the general purpose financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

To the best of our knowledge, management has not consulted with or obtained opinions from other independent accountants during the past year that are subject to the requirements of Statement on Auditing Standards No. 50, "Reports on the Application of Accounting Principles."

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

This report is for the information of management, the Louisiana Legislative Auditor and the Census Bureau. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Board of Commissioners of the Florida Parishes Juvenile Justice District, Hammond, Louisiana, is a matter of public record.

Respectfully submitted,

*Durnin & James*

DURNIN & JAMES, CPA'S

DEJ/tlt