
FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

ANNUAL FINANCIAL STATEMENTS

AS OF JUNE 30, 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Commission
Florida Parishes Juvenile Justice District, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Florida Parishes Juvenile Justice District (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District'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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount 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 and each major fund of the Florida Parishes Juvenile Justice District, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance 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, budgetary comparison information, and schedule of funding progress for other post-employment benefit plans on pages 3 through 8, 30, and 31 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by 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 Florida Parishes Juvenile Justice District's basic financial statements. The schedule of compensation paid board members presented on page 32 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The schedule 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 financial statements or to the statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Audit Standards, we have also issued our report date December 22, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 District's internal control over financial reporting and compliance.



Gonzales, Louisiana
December 22, 2014

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The Florida Parishes Juvenile Justice District (the District) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), and related standards.

The District's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any significant variations from the District's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the District's financial statements on pages 9 through 14 of this report.

Financial Highlights

- At June 30, 2014, the District's assets exceeded its liabilities by \$22,118,796 (Net position). Of this amount, \$10,199,199 (unrestricted Net position) may be used to meet the District's ongoing obligations.
- For the year ended June 30, 2014, the District's total net position increased by \$1,373,863.
- At June 30, 2014, the District's general fund reported an ending fund balance of \$10,840,396, an increase of \$1,284,772 for the year.

Overview of the Annual Financial Report

The annual report consists of four parts- management's discussion and analysis (this section), the financial statements, required supplementary information, and other supplemental information. The financial statements include two kinds of statements that present different views of the District:

- The first two statements are government wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund statements that focus on individual parts of the District's government, reporting the District's operations in more detail than the government wide statements.
 - The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detail data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The MD&A is intended to serve as an introduction to the District's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government - Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The Statement of net position presents information on the District's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus revenues and expenses are reported in this statement for some items that only result in cash flows in future fiscal periods (e.g., court cost and grant revenue).

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the District are governmental type funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the District's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Change in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations can be found on pages 12 and 14 of this report.

The District adopts an annual appropriated budget for its general fund which also includes the court cost and tax revenue funds combined together. A budgetary comparison statement had been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 through 14 of this report.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 through 29 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the District's net position for the current year as compared to the prior year.

**Statement of Net Position
June 30, 2014 and 2013**

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Assets		
Current and Other Assets	\$ 11,338,923	\$ 10,279,183
Land	349,086	304,579
Capital Assets	<u>11,570,511</u>	<u>11,328,429</u>
Total Assets	<u>23,258,520</u>	<u>21,912,191</u>
Liabilities		
Current Liabilities	498,527	723,559
Long Term Liabilities	<u>641,197</u>	<u>443,699</u>
Total Liabilities	<u>1,139,724</u>	<u>1,167,258</u>
Net Position		
Net investment in capital assets	11,919,597	11,328,429
Unrestricted	<u>10,199,199</u>	<u>9,416,504</u>
Total Net Position	<u>\$ 22,118,796</u>	<u>\$ 20,744,933</u>

Approximately 53.9% of the District's net position reflects its net investment in capital assets (land, construction in progress, buildings, equipment, and improvements). There is not any associated debt with the capital assets.

The remaining 46.1% of the District's net position are unrestricted and may be used to meet the District's ongoing obligations.

The District's activities increased its total net position by \$1,373,863.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the District's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on page 10 of this report.

**Statement of Activities
June 30, 2014 and 2013**

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 600,805	\$ 452,524
Operating Grants and Contributions	327,078	290,343
General Revenues:		
Ad Valorem Taxes	7,675,843	7,456,898
Court Costs	306,919	318,124
Interest and Other Revenue	56,982	19,452
Total Revenues	<u>8,967,627</u>	<u>8,537,341</u>
Expenses		
Public Safety	<u>7,593,764</u>	<u>7,252,599</u>
Total Expenses	<u>7,593,764</u>	<u>7,252,599</u>
Changes in net position	1,373,863	1,284,742
Net position, beginning	<u>20,744,933</u>	<u>19,460,191</u>
Net position, ending	<u>\$ 22,118,796</u>	<u>\$ 20,744,933</u>

Revenues

Total revenues increased by \$430,286 or approximately 5.0% from the previous year. This increase is due primarily to increases of \$148,281 in charges for services, and \$218,945 in ad valorem taxes, and court costs revenues offset these increases by a decrease of \$11,205.

Expenses

Total expenses increased by \$341,165 or 4.7% from the previous year. The increase in expenses was due to increases in salary and benefits, operating services, operating supplies and professional services.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Budgetary Highlights

For the general fund, actual revenues were \$296,223 more than final budgeted amounts. Actual expenditures were \$504,632 less than final budgeted amounts.

The budget was amended to include an increase in total revenues of \$386,804 and an increase of expenditures totaling \$267,829.

Significant variations from the general fund's final budget amounts and actual amounts are as follows:

- Actual salaries and benefits were \$140,843 less than the final budget amounts.
- Actual operating services were \$326,006 more than the final budgeted amounts.
- Actual professional services were \$103,649 less than final budgeted amounts.
- Actual capital outlay expenditures were \$542,932 less than final budgeted amounts.

Capital Assets

The District's investment in capital assets as of June 30, 2014 was \$11,919,597 (net of accumulated depreciation). This net investment in capital assets includes land, construction in progress, buildings and improvements, and equipment. The accumulated depreciation was \$5,139,496 with the cost of capital assets being \$17,059,093 as of June 30, 2014.

This year's major additions included:

- Construction in progress includes a new generator project totaling \$44,507.
- One vehicle was purchased in the amount of \$25,796.
- New equipment totaled approximately \$140,000.
- A new maintenance building and water well were both placed in service in the current year for a total of \$895,892 and \$465,858; respectively.

Additional information on the District's capital assets can be found in Note 5 of this report.

Economic Factors and Next Year's Budget

The District is dependent on ad valorem taxes for 86% of its revenues. The economy is not expected to generate significant growth. Revenues and expenses are expected to be consistent with the amounts from the year ended June 30, 2014. Budgetary fund balance is estimated at approximately \$10.7 million for fiscal year ending 2015.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Request for Information

The financial report is designed to provide our citizens and creditors with a general overview of the District's finances and reveal the District's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to David Duke, Post Office Box 1179, Bogalusa, Louisiana 70429.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2014

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

Cash and cash equivalents	\$ 11,161,701
Receivables, net	150,396
Prepaid expenses	26,826
Land and construction in progress	349,086
Capital assets, net of depreciation	11,570,511
Total Assets	<u>23,258,520</u>

DEFERRED OUTFLOWS OF RESOURCES

Total Assets and Deferred Outflows of Resources	<u>\$ 23,258,520</u>
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LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

LIABILITIES

Accounts payable	\$ 264,077
Retainage payable	48,928
Accrued expenses	107,204
Accrued salary payable	78,318
Long term liabilities:	
Accrued vacation payable	109,882
Postemployment healthcare benefit payable	531,315
Total Liabilities	<u>1,139,724</u>

DEFERRED INFLOWS OF RESOURCES

NET POSITION

Net investment in capital assets	11,919,597
Unrestricted	10,199,199
Total Net Position	<u>22,118,796</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 23,258,520</u>

The accompanying notes are an integral part of this statement.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Fees for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Public safety	<u>\$7,593,764</u>	<u>\$600,805</u>	<u>\$ 327,078</u>	<u>\$ (6,665,881)</u>
Total governmental activities	<u>\$7,593,764</u>	<u>\$600,805</u>	<u>\$ 327,078</u>	<u>(6,665,881)</u>
General revenues:				
			Ad valorem taxes	7,675,843
			Court costs	306,919
			Interest and other	56,982
			Total general revenues	<u>8,039,744</u>
			Change in net position	1,373,863
			Net position - beginning	<u>20,744,933</u>
			Net position - ending	<u>\$ 22,118,796</u>

The accompanying notes are an integral part of this statement.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

BALANCE SHEET -GOVERNMENTAL FUND

JUNE 30, 2014

ASSETS

Cash and cash equivalents	\$ 11,161,701
Receivables	150,396
Prepaid expenses	26,826
TOTAL ASSETS	<u><u>\$ 11,338,923</u></u>

LIABILITIES

Accounts payable	\$ 264,077
Retainage payable	48,928
Accrued expenses	107,204
Accrued salary payable	78,318
TOTAL LIABILITIES	<u><u>498,527</u></u>

FUND BALANCE

Unassigned	10,840,396
TOTAL FUND BALANCE	<u><u>10,840,396</u></u>

TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 11,338,923</u></u>
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The accompanying notes are an integral part of this statement.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Fund balances- Governmental fund \$ 10,840,396

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the governmental funds

Capital assets, cost	17,059,093	
Capital assets, accumulated depreciation	<u>(5,139,496)</u>	11,919,597

Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds

Accrued vacation payable	(109,882)	
Postemployment healthcare benefit payable	<u>(531,315)</u>	<u>(641,197)</u>

Net Position of governmental activities \$ 22,118,796

The accompanying notes are an integral part of this statement.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES -GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Total Governmental Funds
<u>REVENUES</u>	
Court costs	\$ 306,919
Fees for services	600,805
Medical billings	9,922
Grants	100,000
Intergovernmental	217,156
Ad valorem taxes	7,675,843
Interest and other	56,982
Total Revenues	<u>8,967,627</u>
<u>EXPENDITURES</u>	
Public safety:	
Salaries and benefits	5,036,888
Travel and training	45,464
Operating services	696,146
Operating supplies	435,872
Professional services	615,417
Capital outlay	853,068
Total Expenditures	<u>7,682,855</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>1,284,772</u>
 FUND BALANCE AT BEGINNING OF YEAR	 9,555,624
FUND BALANCE AT END OF YEAR	<u>\$ 10,840,396</u>

The accompanying notes are an integral part of this statement.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

Net change in fund balance- Governmental fund \$ 1,284,772

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	853,068	
Depreciation expense	<u>(566,479)</u>	
		286,589

In the Statement of Activities accrued vacation payable is accrued, whereas in the governmental fund, this expenditure is reported when due. (109,882)

The net change in the liability for postemployment healthcare benefits is reported in the government-wide statements, but not in the governmental fund statements. (87,616)

Change in net position of governmental activities \$ 1,373,863

The accompanying notes are an integral part of this statement.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Introduction

The Florida Parishes Juvenile Justice District (hereinafter referred to as the "District") was created by the Louisiana State Legislature under the provisions of the 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 (Commission) 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 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 District 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 Commission 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 155-bed secure detention facility housing juveniles. Management and operation of the detention center is performed by a superintendent and 100 plus employees. 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 (3) grants from the Department of Corrections, State of Louisiana and (4) Ad valorem taxes.

1. Summary of Significant Accounting Policies

Basis of Presentation

The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

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, 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.

The criteria for including organizations as component units within the District's reporting entity, is set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards. 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.

Fund Accounting

The District uses fund accounting 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.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

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 funds focus on the sources, uses, and balances of current financial resources. Current liabilities are assigned to the fund from which they will be paid. The difference between a 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 period programs and operations of the District. The following is the District's governmental fund:

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.

Measurement Focus/ Basis of Accounting

Basic Financial Statements - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Florida Parishes Juvenile Justice District. The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of Section N50.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from *general revenues*. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basic Financial Statements - Governmental Funds

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

Fund financial statements report detailed information about the Florida Parishes Juvenile Justice District. The focus of governmental funds financial statements is on major funds rather than reporting funds by type. The major fund of the District is the General Fund.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Basic Financial Statements - Governmental Funds (continued)

The modified accrual basis of accounting is used by Governmental Funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter (generally 60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The Governmental Funds use the following practices in recording revenues and expenditures:

Revenues

Revenues from ad valorem taxes, court costs, and other services are recognized when they become measurable and available as net current assets (i.e., when the service is performed). Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid, funds for operating expenses, long-term debt proceeds, etc., are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

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. Management works with the District's accountant to 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 \$500,000 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 11, 2013. Upon acceptance by the board, the proposed budget was published in the official journal in each parish in which the District has jurisdiction.
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 12, 2013.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Budgets (continued)

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 12, 2013.
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 not amended.
7. All budgetary appropriations lapse at the end of each fiscal year.

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.

Inventories and Prepaid Items

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, 2014, as the amount is not material. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing.

Capital assets are recorded in the Government-Wide Financial Statements, but are not reported in the Fund Financial Statements. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 15 to 40 years for buildings and improvements, and 5 to 20 years for equipment.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Fund Equity

Government-Wide Net Position:

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those amounts. At year end, the Florida Parishes Juvenile Justice District did not have any borrowings that were related to capital assets.
2. Restricted net position - net position with constraints placed on the use either by:
 - a. external groups such as creditors, grantors, contributors or laws or regulations of other governments, or
 - b. law through constitutional provisions or enabling legislation.
3. Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-spendable fund balance - amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted fund balance - amounts that can be spent only for specific purposes because of the Constitution of the State of Louisiana, other state and federal laws, or externally imposed conditions by grantors, creditors, or voter approved propositions.
3. Committed fund balance - amounts that can be used only for specific purposes determined by a formal action by the District's board.
4. Assigned fund balance - amounts that are constrained by the District's intent that they will be used for specific purposes. The District's board is the only body authorized to assign amounts for a specific purpose and is the highest level of decision making.
5. Unassigned fund balance - all amounts not included in other spendable classifications.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Fund Equity (continued)

The District considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The District also considers committed fund balances to be spent first when other unrestricted fund balance classifications are available for use.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

2. Cash and Cash Equivalents

At June 30, 2014, the carrying amount of the Florida Parishes Juvenile Justice District's Cash and Cash Equivalents totaled \$11,161,701. Cash and Cash Equivalents are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk - Deposits

In case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2014, the District's bank balance of \$11,172,841 was not exposed to custodial credit risk.

3. Receivables

The following is a summary of receivables at June 30, 2014:

Intergovernmental:

Louisiana Department of Education	\$ 9,785
Department of Corrections	76,961
Court Cost, Various Courts	20,902
Ad valorem	34,348
Fees for Services	8,400
Total	<u>150,396</u>
Less: Allowances for Uncollectible	-
	<u>\$ 150,396</u>

Management considers all receivables at 6/30/14 to be collectible.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

4. Ad Valorem Taxes

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

	<u>2013</u>	
	<u>Authorized Millage</u>	<u>Levied Millage</u>
Special Revenue Fund	2.75	2.75

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 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 received. The Tangipahoa Parish, Livingston Parish, St. Helena Parish, Washington Parish and St. Tammany Parish Sheriff's Office bills and collects the property tax 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 2013, the District levied 2.75 mills for a tax levy of \$7,979,342 on taxable property valuation totaling \$2,901,578,862.

5. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2014 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 304,579	\$ -	\$ -	\$ 304,579
Construction in Progress	774,853	44,507	774,853	44,507
Total Capital Assets not being Depreciated	<u>1,079,432</u>	<u>44,507</u>	<u>774,853</u>	<u>349,086</u>
Capital Assets being Depreciated:				
Buildings and Improvements	13,706,712	1,417,658	-	15,124,371
Vehicles	139,014	25,796	-	164,810
Equipment	1,280,867	139,960	-	1,420,827
Total Capital Assets being Depreciated	<u>15,126,593</u>	<u>1,583,414</u>	<u>-</u>	<u>16,710,007</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	3,677,419	432,085	-	4,109,505
Vehicles	70,418	24,839	-	95,256
Equipment	825,180	109,555	-	934,735
Total Accumulated Depreciation	<u>4,573,017</u>	<u>566,479</u>	<u>-</u>	<u>5,139,496</u>
Total Capital Assets Being Depreciated, Net	<u>10,553,576</u>	<u>1,016,935</u>	<u>-</u>	<u>11,570,511</u>
Governmental Activities Capital Assets, Net \$	<u>11,633,008</u>	<u>\$ 1,061,442</u>	<u>\$ 774,853</u>	<u>\$11,919,597</u>

Depreciation expense of \$566,479 was charged to the public safety function in the Statement of Activities.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

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. 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 cost sharing, multiple-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.

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 \$300 plus 2.5% of their highest consecutive 36 months' average compensation multiplied by the number of years of creditable service except for members eligible to begin participation in the plan on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten year of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Vested employees eligible to begin participation before July 1, 2006 are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested on or after July 1, 2006, have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefits options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

6. Employees Pension Plan (continued)

Contributions

Covered employees are required by state statute to contribute 7.50% while employees hired subsequent to June 30, 2006 must contribute 8.00% 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, 2014, was \$1,207,175 which consisted of \$964,724 from the District and \$242,451 from employees. Each employer was required by statute to contribute 31.3% of each employee's earned compensation to finance participation of its employees in LASERS. The contribution rate for was 29.1% and 25.6% for fiscal years ending June 30, 2013 and 2012; respectively. The following provides certain disclosures for the District and the retirement system.

The District's total payroll in the fiscal year ended June 30, 2014 was \$3,269,926 and the District's contributions were based on a payroll of \$3,080,548. Both the District and the covered employees made the required contributions, amounting to \$1,207,175.

Trend Information

Contributions required by state statute:

<u>Fiscal Year</u> <u>June 30,</u>	<u>Required</u> <u>Contributions</u>	<u>Percentage</u> <u>Contributed</u>
2012	\$ 1,062,747	100%
2013	\$ 1,124,933	100%
2014	\$ 1,207,175	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 are granted 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>Accrued Annual and/ or Sick Leave Per Month</u>
0-3 Years	8 Hours
3 - 5 Years	10 Hours
6 Years	10.5 Hours
7 Years	11 Hours
8 Years	11.5 Hours
9 Years	12.0 Hours
Over 10 Years	13.33 Hours

The District's present written policy is "use or lose". Each employee's annual leave will begin and regenerate on the employee's individual hire date and subsequent hire date anniversary. Annual leave is not paid upon an employee's separation of service. Sick leave up to 240 hours may be accumulated, but is not paid upon separation from service. As of June 30, 2014, an accrued leave liability of \$109,882 is recorded in the government financial statements.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

8. Compensation Paid Board Members

Louisiana Revised Statute 15: 1 094.1 (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."

9. Dedication of Proceeds and Flow of Funds - Ad Valorem Tax

Proceeds of the 10-year special tax of 2.75 mills on the dollar of assessed valuation on all property subject to taxation in the District (2013 collections - \$7,675,843) 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.

10. Litigation and Claims

Various lawsuits are pending against the District. In the opinion of the District's management, the potential loss on lawsuits will not be material to the District's basic financial statements.

11. Post-Employment Benefits

Plan Description – The Florida Parishes Juvenile Justice District's medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region.

The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* (within the meaning of paragraph 22 of GASB 45) for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Louisiana State Employees' Retirement System (LASERS), whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 10 years of service.

Contribution Rates – Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy – Until 2008, the Florida Parishes Juvenile Justice District recognized the cost of providing post-employment medical benefits (the Florida Parishes Juvenile Justice District's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2014 and 2013, the Florida Parishes Juvenile Justice District's portion of health care funding cost for retired employees totaled \$3,387 and \$3,136, respectively.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

11. Post-Employment Benefits (continued)

Annual Required Contribution – The Florida Parishes Juvenile Justice District’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2014</u>		<u>2013</u>	
Normal cost	\$	65,135	\$	62,630
30-year UAL amortization amount		<u>33,779</u>		<u>32,480</u>
		98,914		95,110

Net Post-employment Benefit Obligation (Asset) – The table below shows the Florida Parishes Juvenile Justice District’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending June 30:

	<u>2014</u>		<u>2013</u>	
Beginning Net OPEB Obligation	\$	443,699	\$	358,110
Annual required contribution		98,914		95,110
Interest on Net OPEB Obligation		17,748		14,324
ARC Adjustment		<u>(25,659)</u>		<u>(20,710)</u>
OPEB Cost		91,003		88,725
Contribution to Irrevocable Trust		-		-
Current year retiree premium		<u>(3,387)</u>		<u>(3,136)</u>
Change in Net OPEB Obligation		<u>87,616</u>		<u>85,589</u>
Ending Net OPEB Obligation	\$	<u>531,315</u>	\$	<u>443,699</u>

The following table shows the Florida Parishes Juvenile Justice District’s annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2014	\$ 91,003	3.72%	\$ 531,315
June 30, 2013	\$ 88,725	3.53%	\$ 443,699

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

11. Post-Employment Benefits (continued)

Funded Status and Funding Progress – In 2014 and 2013, the Florida Parishes Juvenile Justice District made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2014 was \$607,557 which is defined as that portion, as determined by a particular actuarial cost method (the Florida Parishes Juvenile Justice District uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	<u>2014</u>	<u>2013</u>
Actuarial Accrued Liability (AAL)	\$ 607,557	\$ 584,190
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	\$ <u>607,557</u>	\$ <u>584,190</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 3,337,883	\$ 2,926,172
UAAL as a percentage of covered payroll	18.20%	19.96%

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Florida Parishes Juvenile Justice District and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Florida Parishes Juvenile Justice District and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Florida Parishes Juvenile Justice District and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

11. Post-Employment Benefits (continued)

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 40%.

Post-employment Benefit Plan Eligibility Requirements – It is assumed that entitlement to benefits will commence five years after earliest eligibility to enter the D.R.O.P. as described above under the heading "Plan Description". This consists of a three year D.R.O.P. period plus an additional two year delay. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The OGB medical rates provided are "unblended" rates for active and retired as required by GASB 45 for valuation purposes.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

11. Post-Employment Benefits (continued)

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

		OPEB Costs and Contributions				
		FY 2012	FY 2013	FY 2014		
OPEB Cost	\$	114,469	\$	88,725	\$	91,003
Contribution		-		-		-
Retiree premium		3,317		3,136		3,387
Total contribution and premium		3,317		3,136		3,387
Change in net OPEB obligation	\$	111,152	\$	85,589	\$	87,616
% of contribution to cost		0.00%		0.00%		0.00%
% of contribution plus premium to cost		2.90%		3.53%		3.72%

12. Operating Lease

The District has a lease agreement for copiers for \$740 per month. If sufficient funds are not appropriated and budgeted by the governing body in any fiscal year for lease payments or other payments and the District has exhausted all funds legally available for such payments, due under the lease, the District will give a written notice and the lease will terminate as of the last day of the fiscal period for which funds for lease payments are available. The lease expense was \$9,215 at June 30, 2014.

13. Subsequent Events

Management has evaluated subsequent events through the date the financial statement were available to be issued, December 22, 2014, and determined that there were no events that require disclosure.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>REVENUES</u>			
Court costs	\$ 330,000	\$ 330,000	\$ 306,919
Fees for services	390,000	585,304	600,805
Medical billings	10,000	6,500	9,922
Grants	100,000	100,000	100,000
Intergovernmental	-	170,000	217,156
Ad valorem taxes	7,450,000	7,450,000	7,675,843
Interest and other	4,600	29,600	56,982
Total Revenues	<u>8,284,600</u>	<u>8,671,404</u>	<u>8,967,627</u>
<u>EXPENDITURES</u>			
Public safety:			
Salaries and benefits	5,299,293	5,177,731	5,036,888
Travel and training	83,300	55,050	45,464
Operating services	388,800	370,140	696,146
Operating supplies	571,550	469,500	435,872
Professional services	557,000	719,066	615,417
Capital outlay	1,019,715	1,396,000	853,068
Total Expenditures	<u>7,919,658</u>	<u>8,187,487</u>	<u>7,682,855</u>
EXCESS OF EXPENDITURES OVER REVENUES	364,942	483,917	1,284,772
FUND BALANCE AT BEGINNING OF YEAR	<u>9,400,568</u>	<u>9,884,215</u>	<u>9,555,624</u>
FUND BALANCE AT END OF YEAR	<u>\$ 9,400,568</u>	<u>\$ 9,884,215</u>	<u>\$10,840,396</u>

See Auditor's report.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFIT PLANS
FOR THE YEAR ENDED JUNE 30, 2014

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a/c) UAAL as a Percentage of Covered Payroll
7/1/2011	\$ -	\$ 948,991	\$ 948,991	0%	\$ 2,876,216	33%
7/1/2012	\$ -	\$ 584,190	\$ 584,190	0%	\$ 2,926,172	20%
7/1/2013	\$ -	\$ 607,557	\$ 607,557	0%	\$ 3,337,883	18%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	(a) Annual OPEB Cost	(b) Amount Contributed	(b/a) Percentage of Annual OPEB Costs Contributed	(a-b) Increase (Decrease) to Net OPEB Obligation	(PY + (a-b)) Net OPEB Obligation
6/30/2014	\$ 91,003	\$ 3,387	3.72%	\$ 87,616	\$ 531,315
6/30/2013	\$ 88,725	\$ 3,136	3.53%	\$ 85,589	\$ 443,699
6/30/2012	\$ 114,469	\$ 3,317	2.90%	\$ 111,152	\$ 358,110

See Auditor's report.

OTHER SUPPLEMENTAL INFORMATION

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
YEAR ENDED JUNE 30, 2014

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>Term</u>	<u>Compensation</u>	<u>Travel Allowance</u>
David M Duke	President	06/6/13-06/06/17	\$ -	\$-
Bo Coxen	Commissioner	06/7/13-06/06/17	-	-
Michael B Forbes	Commissioner	06/7/13-06/06/17	-	-
Gregg Briese	Commissioner	06/7/13-06/06/17	-	-
Judge Salvadore Mule	Commissioner	06/5/12-02/28/15	-	-
Erica Williams	Commissioner	06/7/13-06/06/17	-	-
Richard Wood	Commissioner	06/5/12-02/28/15	-	-
Alton Lewis	Commissioner	06/7/13-06/06/17	-	-

See Auditor's report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS' 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

To the Board of Commissioners
Florida Parishes Juvenile Justice District

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 and each major fund of Florida Parishes Juvenile Justice District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Florida Parishes Juvenile Justice District's basic financial statements and have issued our report thereon dated December 22, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Florida Parishes Juvenile Justice District'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 Florida Parishes Juvenile Justice District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Florida Parishes Juvenile Justice District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employee, 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 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 agreements, noncompliance with which could have had a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Governmental Auditing Standards.

We noted certain matters that we reported to management of the Florida Parishes Juvenile Justice District in a separate letter dated December 22, 2014.

Purpose of this Report

The purpose of 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.



Gonzales, Louisiana
December 22, 2014

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDING JUNE 30, 2014**

FINDINGS – FINANCIAL STATEMENT AUDIT

None noted.

FINDINGS- COMPLIANCE

2013-01 Budget Law

Finding: No expenditures were budgeted for the special revenue fund for the year ending June 30, 2013.

Action taken: The Commission will take the necessary steps to ensure that budgets are amended to properly reflect the financial decisions of the Commission in compliance with Louisiana Revised Statute 39:1311.

Current status: Resolved. No similar finding noted in the current year.

2013-02 Cash Management Law

Finding: Deposits were not made timely in accordance with Louisiana Revised Statute 39:1212 states all funds shall be deposited daily whenever practicable.

Action taken: The Florida Parishes Juvenile Justice Commission acknowledges that the making of timely deposits is an essential element of proper financial management and has taken necessary steps to ensure that deposits in all funds are made on a timely basis.

Current status: Resolved. No similar finding noted in the current year.

Mr. David Duke, President
and Members of the Board of Commissioners
Florida Parishes Juvenile Justice District

We have audited the financial statements of the Florida Parishes Juvenile Justice District for the year ended June 30, 2014, and have issued our report thereon dated December 22, 2014. Professional standards suggest that we provide you with the following information related to our audit.

As stated in our engagement letter dated July 23, 2014, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with generally accepted accounting principles. 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. During the course of the performance of our audit procedures and documentation of the Association's internal controls, we noted certain immaterial items that have been communicated to management by way of discussion. The following is a description of items that were of such significance to comment in a formal management letter.

ML-2014-01 PURCHASE REQUISITIONS

Finding: Purchase requisitions are being used by the District for all purchases. However, requisitions are not being properly executed. Many instances were noted where the purchase requisition was signed and approved after the purchase had already occurred.

Recommendation: We recommend a written policy be adopted outlining how purchases are initiated, the use of purchase requisitions, preparation and approval process of purchase requisitions, and checks and balances to determine whether the purchase is in the best interest of the District.

This information is intended solely for the use of the board of directors and management of the Florida Parishes Juvenile Justice District and should not be used for any other purpose.



Gonzales, Louisiana
December 22, 2014

FLORIDA PARISHES JUVENILE DETENTION CENTER



CORRECTIVE ACTION PLAN

December 22, 2014

Louisiana Legislative Auditor

The Florida Parishes Juvenile Justice District respectfully submits the following corrective action plan for the year ended June 30, 2014.

Name and address of independent public accounting firm: Postlethwaite & Netterville, APAC
326 E. Cornerview
Gonzales, LA 70737

Audit Period: July 1, 2013 – June 30, 2014

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and questioned costs.

FINDINGS – SCHEDULE OF FINDINGS AND QUESTIONED COSTS

ML-2014-01 PURCHASE REQUISITIONS

Finding: Purchase requisitions are being used by the District for all purchases. However, requisitions are not being properly executed. Many instances were noted where the purchase requisition was signed and approved after the purchase had already occurred.

Recommendation: We recommend a written policy be adopted outlining how purchases are initiated, the use of purchase requisitions, preparation and approval process of purchase requisitions, and checks and balances to determine whether the purchase is in the best interest of the District.

Corrective Action: Management will implement procedures to ensure purchase requisitions are being used adequately.

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