

Financial Report
Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana
For the year ended June 30, 2007

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 1/30/08

TABLE OF CONTENTS

Lafourche Parish Juvenile Justice Commission

For the year ended June 30, 2007

	<u>Exhibits</u>	<u>Page Number</u>
Introductory Section		
Title Page		i
Table of Contents		ii - iii
Principal Officials		iv
Financial Section		
Independent Auditor's Report		1 - 2
Basic Financial Statements:		
Management's Discussion and Analysis		3 - 8
Government-wide and Fund Financial Statements:		
Statement of Net Assets and Governmental Fund Balance Sheet	A	9
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets	B	10
Statement of Activities and Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance	C	11
Reconciliation of the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	D	12
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	E	13

TABLE OF CONTENTS
(Continued)

	<u>Schedules</u>	<u>Page</u> <u>Number</u>
Notes to Financial Statements	F	14 – 23
Special Reports Of Certified Public Accountants		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		24 - 25
Schedule of Findings and Responses		26
Reports By Management		
Schedule of Prior Year Findings and Responses		27
Management's Corrective Action Plan		28

PRINCIPAL OFFICIALS

Lafourche Parish Juvenile Justice Commission

June 30, 2007

COMMISSION MEMBERS

OFFICE

Randall Bertrand

Secretary/Treasurer

Cherie Bright

Marian Fleming

Lloyd J. Guidry, Sr.

President

Craig Stanga

Nicole Lombas

Marion Terry

FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Lafourche Parish Juvenile Justice Commission,
Thibodaux, Louisiana.

We have audited the accompanying financial statements of the governmental activities and the General Fund of Lafourche Parish Juvenile Justice Commission, State of Louisiana (the Commission), a component unit of the Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 2007, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 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 the general fund of Lafourche Parish Juvenile Justice Commission as of June 30, 2007, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

1340 West Tunnel Blvd., Suite 226
P.O. Box 2168
Houma, LA 70361-2168
Phone (985) 868-0139
Fax (985) 879-1949

**Certified Public
Accountants | Consultants**
A Limited Liability Company

1
P.O. Box 60600
New Orleans, LA 70160-0600
Heritage Plaza, 17th Floor
Phone (504) 831-4949
Fax (504) 833-9093

507-D St. Phillip St.
P.O. Box 1205
Thibodaux, LA 70302-1205
Phone (985) 447-5243

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 2007 on our consideration of the Lafourche Parish Juvenile Justice Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Thibodaux, Louisiana,
September 25, 2007.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lafourche Parish Juvenile Justice Commission

The Management's Discussion and Analysis of the Lafourche Parish Juvenile Justice Commission's (the Commission) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2007. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Commission's assets exceeded its liabilities at the close of fiscal year 2007 by \$1,979,159 (net assets), which represents a 4.55% decrease from last fiscal year.

The Commission's revenue decreased \$97,611 (or 3.87%) primarily due to the receipt of the Lorio Foundation grant in the prior year.

The Commission's expenses increased \$87,526 (or 3.60%) primarily due to raises granted to employees.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements. The Commission's financial statements consists of three parts: (1) management's discussion and analysis (this section) (2) financial statements (3) various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the Commission:

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private sector business. The statement of net assets presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating. The statement of activities presents information showing how the Commission's net assets changed during each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Commission is public safety which is comprised of various programs that include an Emergency Shelter Unit which serves as a temporary shelter for abused and neglected youths, a Group Home Unit which is a long-term treatment program for abused and neglected youths and a Detention Unit which provides secure custody ordered by the courts for troubled youth.

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 Commission maintains one type of fund, governmental.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the 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. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The Commission adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 9-13 of this report.

Notes to the Financial Statements

The notes 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 in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the Commission's financial position. As of June 30, 2007, assets exceeded liabilities by \$1,979,159. A large portion of the Commission's net assets (74.13%) reflects its investment in capital assets (buildings; furniture, fixtures and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Assets

	June 30		Dollar Change
	2007	2006	
Current and other assets	\$ 1,432,160	\$ 1,398,919	\$ 33,241
Capital assets	1,467,255	1,545,499	(78,244)
Total assets	<u>2,899,415</u>	<u>2,944,418</u>	<u>(45,003)</u>
Current liabilities	831,731	790,801	40,930
Long-term liabilities	88,525	80,055	8,470
Total liabilities	<u>920,256</u>	<u>870,856</u>	<u>49,400</u>
Net Assets:			
Invested in capital assets	1,467,255	1,545,499	(78,244)
Unrestricted	511,904	528,063	(16,159)
Total net assets	<u>\$ 1,979,159</u>	<u>\$ 2,073,562</u>	<u>\$ (94,403)</u>

Governmental Activities

Governmental activities decreased the Commission's net assets by \$94,403. Key elements of this increase are as follows:

Condensed Changes in Net Assets

	For the year ended June 30,		Dollar Change	Total Percent Change
	2007	2006		
Revenues:				
Ad valorem taxes	\$ 1,426,721	\$ 1,383,878	\$ 42,843	3.10%
Intergovernmental	943,703	996,918	(53,215)	-5.34%
Charges for services	4,460	3,660	800	21.86%
Miscellaneous	52,639	140,678	(88,039)	-62.58%
Total revenues	<u>2,427,523</u>	<u>2,525,134</u>	<u>(97,611)</u>	<u>-3.87%</u>
Expenses:				
General government	59,914	79,700	(19,786)	-24.83%
Public safety	2,462,012	2,354,700	107,312	4.56%
Total expenses	<u>2,521,926</u>	<u>2,434,400</u>	<u>87,526</u>	<u>3.60%</u>
Increase (decrease) in net assets	(94,403)	90,734	(185,137)	-204.04%
Net assets beginning of year	2,073,562	1,982,828	90,734	4.58%
Net assets end of year	<u>\$ 1,979,159</u>	<u>\$ 2,073,562</u>	<u>\$ (94,403)</u>	<u>-4.55%</u>

For the most part, decreases in total revenues are due to the receipt of the Lorio Foundation grant in the prior year. The increase in total expenses is primarily due to raises granted to employees during fiscal year 2007 and various merit increases.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Commission's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Commission's governmental fund reported ending fund balance of \$600,429, an decrease of \$7,689 in comparison with the prior year. The fund balance is unreserved which indicates they are available for spending at the Commission's discretion.

General Fund Budgetary Highlights

The Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual (Exhibit E) for the General Fund displays the original budget, final budget and actual amounts in columns with a variance column showing the favorable or (unfavorable) difference of the actual and the final budget. The budget was amended one time during the year. The primary reason for amending the budget is to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Tax revenues increased to more closely reflect the actual amount collected.

Expenditures

- General government expenses were increased to approximate the actual amount of the ad valorem tax adjustment.

CAPITAL ASSETS

Capital Assets

The Commission's investment in capital assets for its governmental activities as of June 30, 2007, amounts to \$1,467,255 (net of accumulated depreciation). This investment in capital assets includes buildings, furniture, fixtures and equipment (see table below).

	<u>2007</u>	<u>2006</u>
Buildings	\$ 1,326,092	\$ 1,395,876
Furniture, fixtures and equipment	<u>141,163</u>	<u>149,623</u>
Totals	<u>\$ 1,467,255</u>	<u>\$ 1,545,499</u>

Major capital asset events during the current fiscal year included the following:

- New furniture and equipment totaling \$9,353.
- Purchase and installation of a generator totaling \$9,372.
- Deletion of obsolete equipment.

Additional information on the Commission's capital assets can be found in the Note 5, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Consideration of funding to be received from contracts and grants.
- The Ad Valorem Tax revenue budgeted represents the estimated amount for the November 2007 assessment, which the Commission will receive, for the most part, in January 2008
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Estimate of operating supplies needed to perform necessary services.
- Services the Commission will provide along with estimated service cost.
- Detail plan of equipment needed to be purchased.

The Commission receives most of its funding from federal and state agencies and local taxes. Because of this, the source of income for the Commission is rather steady. However, some of the Commission's grants and contracts are contingent upon the level of service provided by the Commission, and therefore, revenues from grants may vary from year to year. There have been no significant changes to funding levels or terms of the grants and contracts.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Commissions of the Lafourche Parish Juvenile Justice Commission, P.O. Box 586, Thibodaux, Louisiana 70302.

**STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUND BALANCE SHEET**

Lafourche Parish Juvenile Justice Commission

June 30, 2007

	<u>General Fund</u>	<u>Adjustments (Exhibit B)</u>	<u>Statement of Net Assets</u>
Assets			
Cash	\$ 733,556		\$ 733,556
Investments	600,000		600,000
Receivables - taxes	22,453		22,453
Due from other governmental units	76,151		76,151
Capital assets, net of accumulated depreciation	<u>-</u>	<u>\$ 1,467,255</u>	<u>1,467,255</u>
Total assets	<u>\$ 1,432,160</u>	<u>1,467,255</u>	<u>2,899,415</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 108,136	-	108,136
Deferred revenue	723,595	-	723,595
Long-term liabilities - due after one year	<u>-</u>	<u>88,525</u>	<u>88,525</u>
Total liabilities	<u>831,731</u>	<u>88,525</u>	<u>920,256</u>
Fund Balance/Net Assets			
Fund balance - unreserved	<u>600,429</u>	<u>(600,429)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,432,160</u>		
Net assets:			
Invested in capital assets		1,467,255	1,467,255
Unrestricted		<u>511,904</u>	<u>511,904</u>
Total net assets		<u>\$ 1,979,159</u>	<u>\$ 1,979,159</u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

Lafourche Parish Juvenile Justice Commission

June 30, 2007

Fund Balance - Governmental Fund		\$ 600,429
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	\$ 3,020,724	
Less accumulated depreciation	<u>(1,553,469)</u>	1,467,255
 Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.		
Compensated absences payable		<u>(88,525)</u>
 Net Assets of Governmental Activities		 <u>\$ 1,979,159</u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

Lafourche Parish Juvenile Justice Commission

For the year ended June 30, 2007

	<u>General Fund</u>	<u>Adjustments (Exhibit D)</u>	<u>Statement of Activities</u>
Revenues			
Taxes	\$ 1,426,721		\$ 1,426,721
Intergovernmental :			
State of Louisiana	943,703		943,703
Charges for services	4,460		4,460
Miscellaneous:			
Interest	35,641		35,641
Other	16,998		16,998
	<u>2,427,523</u>		<u>2,427,523</u>
Total revenues			
	<u>2,427,523</u>		<u>2,427,523</u>
Expenditures/Expenses			
Current:			
General government:			
Ad valorem tax adjustment	14,392		14,392
Ad valorem tax deduction	45,522		45,522
	<u>59,914</u>		<u>59,914</u>
Total general government			
	<u>59,914</u>		<u>59,914</u>
Public safety - special correctional facilities:			
Personal services	1,864,198	\$ 8,470	1,872,668
Operating services	307,470	1,002	308,472
Supplies and materials	180,598	-	180,598
Travel and other charges	4,307	-	4,307
Depreciation	-	95,967	95,967
	<u>2,356,573</u>	<u>105,439</u>	<u>2,462,012</u>
Total public safety			
	<u>2,356,573</u>	<u>105,439</u>	<u>2,462,012</u>
Capital outlay	18,725	(18,725)	-
	<u>18,725</u>	<u>(18,725)</u>	<u>-</u>
Total expenditures/expenses			
	<u>2,435,212</u>	<u>86,714</u>	<u>2,521,926</u>
Deficiency of Revenues Over Expenditures	(7,689)	7,689	-
Change in Net Assets	-	(94,403)	(94,403)
Fund Balance/Net Assets			
Beginning of year	608,118	1,465,444	2,073,562
	<u>608,118</u>	<u>1,465,444</u>	<u>2,073,562</u>
End of year	\$ 600,429	\$ 1,378,730	\$ 1,979,159
	<u>\$ 600,429</u>	<u>\$ 1,378,730</u>	<u>\$ 1,979,159</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES**

Lafourche Parish Juvenile Justice Commission

For the year ended June 30, 2007

Net Change in Fund Balance - Governmental Fund		\$ (7,689)
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.		
Capital outlay	\$ 18,725	
Depreciation expense	<u>(95,967)</u>	
Excess of depreciation expense over capital outlay		(77,242)
The net effect of various miscellaneous transactions involving net assets, such as sales, trade-ins and donations, is to decrease net assets		
		(1,002)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.		
Increase in compensated absences payable		<u>(8,470)</u>
Change in Net Assets of Governmental Activities		<u>\$ (94,403)</u>

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND**

Lafourche Parish Juvenile Justice Commission

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 1,280,000	\$ 1,355,000	\$ 1,426,721	\$ 71,721
Intergovernmental:				
State of Louisiana	959,400	959,400	943,703	(15,697)
Charges for services	2,000	2,000	4,460	2,460
Miscellaneous:				
Interest	7,500	7,500	35,641	28,141
Other	30,000	30,000	16,998	(13,002)
Total revenues	<u>2,278,900</u>	<u>2,353,900</u>	<u>2,427,523</u>	<u>73,623</u>
Expenditures				
Current:				
General government:				
Ad valorem tax adjustment		18,000	14,392	3,608
Ad valorem tax deduction		57,000	45,522	11,478
Total general government		<u>75,000</u>	<u>59,914</u>	<u>15,086</u>
Public safety - special correctional facilities:				
Personal services	2,070,000	2,070,000	1,864,198	205,802
Operating services	357,875	357,675	307,470	50,205
Supplies and materials	171,550	171,750	180,598	(8,848)
Travel and other charges	5,000	5,000	4,307	693
Total public safety	<u>2,604,425</u>	<u>2,604,425</u>	<u>2,356,573</u>	<u>247,852</u>
Capital outlay	<u>26,500</u>	<u>26,500</u>	<u>18,725</u>	<u>7,775</u>
Total expenditures	<u>2,630,925</u>	<u>2,705,925</u>	<u>2,435,212</u>	<u>270,713</u>
Deficiency of Revenues Over Expenditures	(352,025)	(352,025)	(7,689)	344,336
Fund Balance				
Beginning of Year	<u>561,569</u>	<u>608,118</u>	<u>608,118</u>	<u>-</u>
End of Year	<u>\$ 209,544</u>	<u>\$ 256,093</u>	<u>\$ 600,429</u>	<u>\$ 344,336</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Lafourche Parish Juvenile Justice Commission

June 30, 2007

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lafourche Parish Juvenile Justice Commission (the Commission) was created in 1978 under the provisions of Article VI, Sections 5 and 15 of the Constitution of the State of Louisiana of 1974, and Article III of the Home Rule Charter of the Parish of Lafourche to acquire and administer a juvenile justice facility or facilities.

The powers of the Commission, control and management of the affairs of the Commission, are vested in a board of commissioners composed of seven qualified electors residing in Lafourche Parish. The commissioners are appointed from the North, South and Central regions of the Parish by the Lafourche Parish Council from names submitted by the Seventeenth Judicial District Judges, the Lafourche Parish School Board and by members of the Lafourche Parish Council.

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The Commission is a component unit of the Lafourche Parish Council.

The Commission has reviewed all of its activities and determined there are no potential component units which should be included in its financial statements.

b) Basis of Presentation

The Commission's financial statements consist of the government-wide statements on all activities of the Commission and the governmental fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the Commission. The government-wide presentation focuses primarily on the sustainability of the Commission as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. The daily accounts and operations of the Commission continue to be organized on the basis of a fund and accounts groups, each of which is considered a separate accounting entity. The operations of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the Governmental Fund of the Commission:

General Fund - The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those that are required to be accounted for in another fund.

c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements:

All 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 these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2006 property taxes which are being levied to finance expenditures for the 2007 calendar year will be recognized as revenue in the fiscal years ending June 30, 2007 and 2008. Accordingly, approximately one half of the 2006 tax levy is recorded as deferred revenue at June 30, 2007. Intergovernmental revenues consist of per diem funding received on a per client/unit bases. These funds, along with charges for services, are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the Commission or an intermediary collecting agency because they are generally not measurable or available until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is vacation and sick leave which are recognized when paid. Allocations of cost such as depreciation are not recognized in the governmental funds.

d) Use of Estimates

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Operating Budgetary Data

As required by the Louisiana Revised Statute 39:1303, the Board of Commissioners adopted a budget for the Commission's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures at the functional level must be approved by the Commission. The Commission amended its budget once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget is included in the financial statements.

f) Accounts Receivable

The financial statements of the Commission contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

g) Investments

Investments consist of certificates of deposit which are stated at cost and approximate market value.

h) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Capital Assets (Continued)

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	15 - 40 years
Furniture, fixtures and equipment	3 - 15 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

i) Long-Term Obligations

The accounting treatment of long-term obligations depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of accrued compensated absences-vacation and compensatory time.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Long-Term Obligations (Continued)

Fund Financial Statements:

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements.

j) Vacation and Sick Leave

The Commission's policies regarding vacation permit employees to accumulate earned but unused vacation. The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Eligible personnel will earn credits for annual vacation and sick leave for each month of employment. The amount of credits earned is based upon length of service. At the end of each calendar year accumulated vacation and sick leave is carried forward to the new year. At no time can an employee's accumulated vacation balance exceed 15 days more than the rate of accrual. All accumulated vacation vests to the employees; however, all accumulated sick leave lapses at separation of employment.

Compensatory time will be given to those employees not subject to overtime pay. Rate of accrual will be hour for hour with the limitation of ten work days per calendar year. Compensatory time accrued should be taken within the calendar year in which it is accrued. The Commission will pay up to 5 days of the unused compensatory time at the close of the year.

k) Fund Equity

Government-wide Financial Statements:

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

- a. Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. At June 30, 2007 the Commission had no outstanding borrowings that are attributable to capital assets.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Fund Equity (Continued)

- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Commission’s policy to use restricted resources first, then unrestricted resources as they are needed. As of June 30, 2007, the Commission did not have restricted net assets.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Note 2 - DEPOSITS (Continued)

The year-end balances of deposits are as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	\$ 756,255	\$ 733,556
Investments:		
Certificates of deposit	<u>600,000</u>	<u>600,000</u>
Totals	<u>\$1,356,255</u>	<u>\$1,333,556</u>

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission has a written policy for custodial credit risk. As of June 30, 2007, \$1,102,040 of the Commission's bank balance of \$1,356,255 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Commission's name.

At June 30, 2007, cash and certificates of deposit in excess of the FDIC insurance were adequately collateralized by securities held by unaffiliated banks for the account of the Commission. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, 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 depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2004. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for 2007 was \$3.20 per \$1,000 of assessed valuation on property within Lafourche Parish for

Note 3 - PROPERTY TAXES (Continued)

the purpose of maintaining and operating the facilities. As indicated in Note 1c, taxes levied November 1, 2006 are used to fund expenditures in calendar year 2007, and one half of the 2006 tax levy was recognized as revenues in the fiscal year ended June 30, 2007 with the balance being recognized in the year ending June 30, 2008.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 2007 consisted of the following:

State of Louisiana:	
Department of Social Services	\$65,809
Department of Education	6,970
Department of Public Safety	<u>3,372</u>
Total	<u>\$76,151</u>

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007 was as follows:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Capital assets being depreciated:				
Buildings	\$ 2,671,119	\$ 1,200	\$ -	\$ 2,672,319
Furniture, fixtures and equipment	<u>336,032</u>	<u>17,525</u>	<u>5,152</u>	<u>348,405</u>
Total capital assets being depreciated	<u>3,007,151</u>	<u>18,725</u>	<u>5,152</u>	<u>3,020,724</u>
Less accumulated depreciation for:				
Buildings	(1,275,243)	(70,984)	-	(1,346,227)
Furniture, fixtures and equipment	<u>(186,409)</u>	<u>(24,983)</u>	<u>(4,150)</u>	<u>(207,242)</u>
Total accumulated depreciation	<u>(1,461,652)</u>	<u>(95,967)</u>	<u>(4,150)</u>	<u>(1,553,469)</u>
Total capital assets, net	<u>\$ 1,545,499</u>	<u>\$ (77,242)</u>	<u>\$ 1,002</u>	<u>\$ 1,467,255</u>

The juvenile justice facility is on a 10.0-acre tract of land that is owned by the Lafourche Parish Council. The land is being used under an intergovernmental agreement between the Council and the Commission at no cost to the Commission.

Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures at June 30, 2007 consisted of the following:

Salaries and benefits	\$ 47,264
Protest taxes	52,126
Vendors and others	<u>8,746</u>
Total	<u>\$108,136</u>

Note 7 - LONG-TERM OBLIGATIONS

The following is a summary of the changes in the long-term obligations of the Commission for the year ended June 30, 2007:

Long-term obligations, July 1, 2006:	
Vacation and sick leave	\$ 68,830
Compensatory time	<u>11,225</u>
	80,055
Net increase in accumulated unpaid Compensated absences	<u>8,470</u>
Long-term obligations, June 30, 2007	<u>\$ 88,525</u>

Note 8 - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Commission carries commercial insurance. No settlements were made during the year that exceeded the Commission's insurance coverage.

Note 9- COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended June 30, 2007.

Note 10- CLAIMS AND CONTINGENCIES

The Commission is a defendant in a lawsuit. While it is not feasible to predict or determine the outcome of this matter, it is the opinion of management that the ultimate outcome will not have a material adverse effect on the financial position of the Commission. Accordingly, no obligation for the claim has been recognized by the Commission in the financial statements.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

**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,
Lafourche Parish Juvenile Justice Commission,
Thibodaux, Louisiana.

We have audited the financial statements of the governmental activities and the General Fund of Lafourche Parish Juvenile Justice Commission (the Commission), a component unit of the Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 2007, and have issued our report thereon dated September 25, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Commission's financial statements that is more than inconsequential will not be prevented or detected by the Commission's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Commission's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended for the information of the Board of Commissioners, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Thibodaux, Louisiana,
September 25, 2007.

SCHEDULE OF FINDINGS AND RESPONSES

Lafourche Parish Juvenile Justice Commission

For the year ended June 30, 2007

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not
 considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

b) Federal Awards

Lafourche Parish Juvenile Justice Commission did not expend federal awards in excess of \$500,000 during the year ended June 30, 2007 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended June 30, 2007.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche Parish Juvenile Justice Commission

For the year ended June 30, 2007

Section I Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2006.
No reportable conditions were reported during the audit for the year ended June 30, 2006.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2006.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche Parish Juvenile Justice Commission did not expend federal awards in excess of \$500,000 during the year ended June 30, 2006 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section III Management Letter

06-1 **Recommendation** - We recommend that the Commission comply with state bid laws by advertising the purchase of materials in excess of \$20,000.

Management's Response – The Commission will comply with state bid law for future purchases. No similar finding was noted in the 2007 audit.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Parish Juvenile Justice Commission

For the year ended June 30, 2007

Section I Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2007.

No significant deficiencies were reported during the audit for the year ended June 30, 2007.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2007.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche Parish Juvenile Justice Commission did not expend federal awards in excess of \$500,000 during the year ended June 30, 2007 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2007.