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**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**  
**REPORT ON AUDIT OF BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2008**  
**HAMMOND, LOUISIANA**

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 1/21/09

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December 12, 2008

Independent Auditor's Report

Mrs. Peggy Hoover, President  
and Members of the Board of Commissioners  
Florida Parishes Juvenile Justice District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Florida Parishes Juvenile Justice District, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District'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, each major fund, and the aggregate remaining fund information of the Florida Parishes Juvenile Justice District as of June 30, 2008, and the respective changes in financial position thereof and the budgetary comparison for the general fund and the special revenue fund for the year ended June 30, 2008, in conformity with accounting principles generally accepted in the United States of America.

Mrs. Peggy Hoover, President and Members  
of the Board of Commissioners  
Florida Parishes Juvenile Justice District

In accordance with Government Auditing Standards, we have also issued a report dated December 12, 2008, on our consideration of the Florida Parishes Juvenile Justice District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 important for assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 9 and page 32, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary schedule of compensation paid board members is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Florida Parishes Juvenile Justice District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

*Hammis T. Bourgeois, LLP*

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

### 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 17 of this report.

### FINANCIAL HIGHLIGHTS

- At June 30, 2008, the District's assets exceeded its liabilities by \$11,426,588 (net assets). Of this amount, \$4,686,471 (unrestricted net assets) may be used to meet the District's ongoing obligations.
- For the year ended June 30, 2008, the District's total net assets increased by \$1,291,243.
- At June 30, 2008, the District's governmental funds reported combined ending fund balances of \$4,686,471, an increase of \$931,479 for the year. Of this amount, \$4,686,471 is available for spending at the District's discretion (unreserved fund balances).

### OVERVIEW OF THE ANNUAL FINANCIAL REPORT

The financial statement focus is on both the District as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the District's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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.

### **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 Assets 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 assets. Over time, the increases or decreases in net assets and changes in the components of net assets 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 assets changed during the most recent 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 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 governmental 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 Changes 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 and special revenue fund. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 through 17 of this report.

**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 18 through 31 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets 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 assets for the current year as compared to the prior year.

**STATEMENT OF NET ASSETS  
June 30, 2008 and 2007**

		<u>Governmental Activities</u>	
		<u>2008</u>	<u>2007</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$	3,293,879	\$ 2,699,084
Investments		1,649,770	1,196,774
Receivables, Net		508,583	155,830
Prepaid Insurance		3,595	-
Land		274,079	24,031
Capital Assets, Net of Depreciation		<u>6,466,038</u>	<u>6,356,322</u>
<b>Total Assets</b>		<b>12,195,944</b>	<b>10,432,041</b>
<b>Liabilities</b>			
Accounts Payable		457,765	97,655
Other Accrued Expenses		124,118	52,890
Accrued Salary Payable		135,639	103,053
Accrued Vacation Payable		<u>51,834</u>	<u>43,098</u>
<b>Total Liabilities</b>		<b>769,356</b>	<b>296,696</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt		6,740,117	6,380,353
Unrestricted		<u>4,686,471</u>	<u>3,754,992</u>
<b>Total Net Assets</b>	<b>\$</b>	<b><u>11,426,588</u></b>	<b>\$ <u>10,135,345</u></b>

Approximately 59% of the District's net assets reflects its investments in capital assets (land, buildings, equipment, and improvements) net of any outstanding related debt used to acquire those capital assets.

Approximately 41% of the District's net assets are unrestricted and may be used to meet the District's ongoing obligations.

The District's activities increased its total net assets by \$1,291,243.

In order to further understand what makes up the changes in net assets, 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**  
**For the Years Ended June 30, 2008 and 2007**

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
<b>Revenues:</b>		
Program Revenues:		
Fees for Services	\$ 1,537,632	\$ 1,099,353
Intergovernmental	270,356	332,001
General Revenues:		
Ad Valorem Taxes	5,619,215	5,187,855
Court Costs	386,045	357,323
Medical Reimbursements	70,881	34,793
Interest and Other Revenue	<u>107,767</u>	<u>131,975</u>
Total Revenues	7,991,896	7,143,300
<b>Expenses:</b>		
Public Safety	<u>6,700,653</u>	<u>6,223,618</u>
Total Expenses	<u>6,700,653</u>	<u>6,223,618</u>
<b>Changes in Net Assets</b>	1,291,243	919,682
<b>Net Assets -Beginning of Year</b>	<u>10,135,345</u>	<u>9,215,663</u>
<b>Net Assets - End of Year</b>	<u>\$ 11,426,588</u>	<u>\$ 10,135,345</u>

## **REVENUES**

Total revenues increased by \$848,596 or 11.9% from the previous year. The increase is due primarily to an increase in fees for services of \$438,279. Other increases include Ad valorem taxes of \$431,360, medical reimbursements of \$36,088, and court costs of \$28,722,

## **EXPENSES**

Total expenses increased by \$477,035 or 7.7 % from the previous year. The increase in expenses was due primarily to the following:

- Increase in salaries and benefits of \$293,179 due primarily to an increase in staff.
- Increase in operating supplies of \$72,886 due primarily to increases in computer maintenance of \$32,618, increases in food cost of \$30,022, and increases in medical supplies of \$27,114.
- Increase in professional services of \$110,386 is due, primarily to an increase in attorney fees of \$112,574.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

For the general fund, actual revenues and other financing sources were \$190,733 more than final budgeted amounts. Actual expenditures and other financing uses were \$37,543 more than final budgeted amounts. The net change in fund balance was \$153,190 more than final budgeted amounts.

For the general fund, original budgeted revenues and other financing sources were \$6,375,900 and final budgeted revenues and other financing sources were \$6,863,450. Original budgeted expenditures and other financing uses were \$6,391,335 and final budgeted expenditures and other financing uses were \$6,573,300.

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

- Fees for services were increased by \$413,700 to account for the fees for Federal kids of \$137,300, New Life Program of \$80,900, secure and non-secure kids \$145,900 .
- Salaries and related benefits were decreased by \$305,708.
- Travel and training were decreased by \$20,400.
- Operating services were increased by \$67,973 to account primarily for increases in insurance of \$21,200, maintenance of \$65,403, and telephone services for \$20,300.
- Operating supplies were increased by \$139,900 to account primarily for an increase in computer supplies of \$49,500, and medical supplies of \$50,300.
- Professional services were increased by \$232,100 to account primarily for an increase in legal services of \$227,000 and medical services of 45,600.
- Capital outlay expenses were increased by \$68,100.

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

- Actual court costs revenues exceeded the final budgeted amount by \$96,045.
- Actual fees for services exceeded the final budgeted amount by \$115,932.
- Operating service expenses exceeded the final budgeted amount by \$33,128.
- Operating supplies fell below the final budgeted amount by \$65,786.
- Professional services exceeded the final budgeted amount by \$12,296.

### **CAPITAL ASSETS**

The District's investment in capital assets as of June 30, 2008 was \$6,740,117 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and equipment. The accumulated depreciation was \$2,801,062 with the cost of capital assets being \$9,541,179 as of June 30, 2008.

### **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 Brenda Bickford, Post Office Box 2, Hammond, Louisiana 70404-0002.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

**STATEMENT OF NET ASSETS**

JUNE 30, 2008

**ASSETS**

	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ 3,293,879
Investments	1,649,770
Receivables, Net	508,583
Prepaid Insurance	3,595
Land	274,079
Capital Assets, Net of Depreciation	<u>6,466,038</u>
Total Assets	<u>\$ 12,195,944</u>

**LIABILITIES**

Accounts Payable	\$ 457,765
Other Accrued Expenses	175,952
Accrued Salary Payable	<u>135,639</u>
Total Liabilities	769,356

**NET ASSETS**

Invested in Capital Assets, Net of Related Debt	6,740,117
Unrestricted	<u>4,686,471</u>
Total Net Assets	<u>\$ 11,426,588</u>

The accompanying notes constitute an integral part of this statement.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

**STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2008

**Governmental Activities:**

Expenses:

Public Safety:

Salaries and Related Benefits	\$ 4,168,593
Travel and Training	45,406
Operating Services	662,128
Operating Supplies	578,814
Professional Services	706,896
Depreciation	339,290
Sheriff's Pension Fund	199,526
	<hr/>
Total Expenditures	6,700,653

Program Revenues:

Fees for Services	1,537,632
Operating Grants and Contributions	270,356
	<hr/>
Total Program Revenues	1,807,988

Net Program (Expense) (4,892,665)

General Revenues:

Ad Valorem Taxes	5,619,215
Court Costs	386,045
Medical Reimbursements	70,881
Interest and Other Revenue	107,767
	<hr/>
Total General Revenues	6,183,908

Change in Net Assets 1,291,243

Net Assets - Beginning of Year 

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10,135,345

Net Assets - End of Year 

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\$ 11,426,588

The accompanying notes constitute an integral part of this statement.

FUND FINANCIAL STATEMENTS

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

JUNE 30, 2008

<b>ASSETS</b>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents	\$ 442,474	\$ 2,851,405	\$ 3,293,879
Investments	1,649,770	-	1,649,770
Receivables, Net	477,919	30,664	508,583
Prepaid Insurance	3,595	-	3,595
Total Assets	<u>\$ 2,573,758</u>	<u>\$ 2,882,069</u>	<u>\$ 5,455,827</u>
 <b>LIABILITIES</b>			
Accounts Payable	\$ 457,765	\$ -	\$ 457,765
Other Accrued Expenses	175,952	-	175,952
Accrued Salary Payable	135,639	-	135,639
Total Liabilities	769,356	-	769,356
 <b>FUND BALANCES</b>			
Unreserved	1,804,402	2,882,069	4,686,471
Total Fund Balances	<u>1,804,402</u>	<u>2,882,069</u>	<u>4,686,471</u>
Total Liabilities and Fund Balances	<u>\$ 2,573,758</u>	<u>\$ 2,882,069</u>	<u>\$ 5,455,827</u>

The accompanying notes constitute an integral part of this statement.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2008

**Fund Balances - Total Governmental Funds** \$ 4,686,471

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

Capital assets used in governmental activities are not financial resources and  
therefore are not reported in the governmental funds. These assets consist of :

Capital Assets, Net of Depreciation 6,740,117

**Net Assets of Governmental Activities** \$ 11,426,588

The accompanying notes constitute an integral part of this statement.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

FOR THE YEAR ENDED JUNE 30, 2008

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Court Costs	\$ 386,045	\$ -	\$ 386,045
Fees for Services	1,537,632	-	1,537,632
Medical Billings	70,881	-	70,881
Intergovernmental	1,792	268,564	270,356
Ad Valorem Taxes	-	5,619,215	5,619,215
Interest and Other	57,841	49,926	107,767
	<hr/>	<hr/>	<hr/>
Total Revenues	2,054,191	5,937,705	7,991,896
<b>Expenditures:</b>			
Public Safety:			
Salaries and Benefits	4,168,593	-	4,168,593
Travel and Training	45,406	-	45,406
Operating Services	662,128	-	662,128
Operating Supplies	578,814	-	578,814
Professional Services	706,896	-	706,896
Other	-	199,526	199,526
Capital Outlay	449,006	250,048	699,054
	<hr/>	<hr/>	<hr/>
Total Expenditures	6,610,843	449,574	7,060,417
Excess (Deficiency) of Revenues over Expenditures	(4,556,652)	5,488,131	931,479
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In (Out)	4,999,992	(4,999,992)	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	4,999,992	(4,999,992)	-
	<hr/>	<hr/>	<hr/>
Net Changes in Fund Balances	443,340	488,139	931,479
<b>Fund Balances at Beginning of Year</b>	1,361,062	2,393,930	3,754,992
	<hr/>	<hr/>	<hr/>
<b>Fund Balances at End of Year</b>	\$ 1,804,402	\$ 2,882,069	\$ 4,686,471
	<hr/>	<hr/>	<hr/>

The accompanying notes constitute 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 FUNDS  
TO THE STATEMENT OF ACTIVITIES**

JUNE 30, 2008

**Net Change in Fund Balances - Total Governmental Funds** \$ 931,479

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

Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. These differences consist of:

Capital Outlay	699,054	
Depreciation Expense	<u>(339,290)</u>	<u>359,764</u>

**Change in Net Assets of Governmental Activities** \$ 1,291,243

The accompanying notes constitute an integral part of this statement.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Court Costs	\$ 290,000	\$ 290,000	\$ 386,045	\$ 96,045
Fees for Services	1,008,000	1,421,700	1,537,632	115,932
Intergovernmental	1,000	2,400	1,792	(608)
Medical Reimbursements	15,000	63,100	70,881	7,781
Interest and Other	61,900	86,250	57,841	(28,409)
<b>Total Revenues</b>	<b>1,375,900</b>	<b>1,863,450</b>	<b>2,054,191</b>	<b>190,741</b>
<b>Expenditures:</b>				
<b>Salaries and Related Benefits:</b>				
Salaries	3,168,446	2,984,700	3,010,364	(25,664)
Retirement	554,966	527,300	538,390	(11,090)
Health Insurance	573,258	474,300	475,423	(1,123)
Payroll Taxes	42,131	44,800	44,049	751
Unemployment	30,000	27,200	34,888	(7,688)
Other Benefits	59,307	64,100	65,479	(1,379)
<b>Total Salaries and Related Benefits</b>	<b>4,428,108</b>	<b>4,122,400</b>	<b>4,168,593</b>	<b>(46,193)</b>
<b>Travel and Training:</b>				
Travel and Training	72,000	51,600	45,406	6,194
<b>Total Travel and Training</b>	<b>72,000</b>	<b>51,600</b>	<b>45,406</b>	<b>6,194</b>
<b>Operating Services:</b>				
Advertising	44,500	4,700	28,665	(23,965)
Bank Charges	130	300	600	(300)
Cable Television	300	1,200	899	301

(CONTINUED)

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Operating Services (Continued):</b>				
Copier	20,000	20,000	22,103	(2,103)
Dues and Subscriptions	4,300	5,900	6,269	(369)
Garbage	16,100	16,900	18,630	(1,730)
Impact Testing	-	5,100	4,086	1,014
Insurance	193,800	215,000	183,381	31,619
Maintenance	93,697	159,100	190,757	(31,657)
Pest Control	3,500	3,600	3,500	100
Postage	5,300	4,100	4,119	(19)
Printing	2,000	2,100	2,665	(565)
Rental	2,000	-	-	-
Security Drug Testing and Physicals	5,400	5,300	4,440	860
Telephone	42,000	62,300	62,888	(588)
Utilities	128,000	123,400	129,126	(5,726)
Total Operating Services	561,027	629,000	662,128	(33,128)
<b>Operating Supplies:</b>				
Auto and Maintenance	49,000	70,200	33,017	37,183
Communication	-	9,200	-	9,200
Computer	7,500	57,000	38,405	18,595
Educational	6,500	2,400	2,026	374
Food	270,000	285,700	298,168	(12,468)
Juvenile Personal	38,400	22,500	21,770	730
Kitchen	1,100	2,400	1,924	476
Medical	68,200	118,500	117,938	562
Office	10,000	19,900	20,280	(380)
Other	2,000	2,600	5,918	(3,318)
Recreation	3,000	9,900	8,621	1,279
Security	21,000	14,400	1,079	13,321
Social Services	500	200	-	200
Software	9,000	7,000	6,614	386
Training Supplies	1,500	-	-	-
Uniforms	10,000	13,700	12,538	1,162
Water and Coffee	7,000	9,000	10,516	(1,516)
Total Operating Supplies	504,700	644,600	578,814	65,786

(CONTINUED)

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Professional Services:</b>				
Accounting and Auditing	33,000	34,300	22,300	12,000
Contract Labor	122,000	108,700	122,458	(13,758)
Legal	195,000	337,000	351,902	(14,902)
Litigation Settlement	-	85,000	84,398	602
Medical	77,000	122,600	116,553	6,047
Teachers	5,500	7,000	9,285	(2,285)
Training	30,000	-	-	-
<b>Total Professional Services</b>	<b>462,500</b>	<b>694,600</b>	<b>706,896</b>	<b>(12,296)</b>
<b>Capital Outlay:</b>				
Equipment	63,000	46,200	55,710	(9,510)
Building	300,000	384,900	393,296	(8,396)
<b>Total Capital Outlay</b>	<b>363,000</b>	<b>431,100</b>	<b>449,006</b>	<b>(17,906)</b>
<b>Total Expenditures</b>	<b>6,391,335</b>	<b>6,573,300</b>	<b>6,610,843</b>	<b>(37,543)</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(5,015,435)</b>	<b>(4,709,850)</b>	<b>(4,556,652)</b>	<b>153,198</b>
<b>Other Financing Sources (Uses):</b>				
Transfer In	5,000,000	5,000,000	4,999,992	(8)
<b>Total Other Financing Sources (Uses)</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>4,999,992</b>	<b>(8)</b>
<b>Net Change in Fund Balance</b>	<b>(15,435)</b>	<b>290,150</b>	<b>443,340</b>	<b>153,190</b>
<b>Fund Balance at Beginning of Year</b>	<b>1,361,062</b>	<b>1,361,062</b>	<b>1,361,062</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,345,627</b>	<b>\$ 1,651,212</b>	<b>\$ 1,804,402</b>	<b>\$ 153,190</b>

The accompanying notes constitute an integral part of this statement.

# FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2008

### **Introduction**

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

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

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

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2008

**Note 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 principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit Guide, *Audits of State and Local Governmental Units*.

The financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999. As specified in GASB Statement No. 34, the District was required to adopt this standard for the fiscal year ended June 30, 2004.

**Financial Reporting Entity**

As the governing authority of the District, for reporting purposes, the Florida Parishes Juvenile Justice District is the financial reporting entity for the District. The financial reporting entity consists of a) the primary government (board), b) organizations for which the primary government is financially accountable, and c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the District to impose its will on that organization and or/
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District.
2. Organizations for which the Board does not appoint a voting majority but are fiscally dependent on the District.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2008

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.

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

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.

Special Revenue Fund - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**Measurement Focus/Basis of Accounting**

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

The Statement of Net Assets 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 and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

# FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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*.

### **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 funds of the District are the General Fund and Special Revenue Fund.

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.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

Budgets

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

1. The District must adopt a budget each year for the general fund and each special revenue fund, if applicable.
2. The President must prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$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 9, 2007. Upon acceptance by the board, the proposed budget was first published in the official journal in each parish in which the District has jurisdiction on May 23, 2007.
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 13, 2007.
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 13, 2007.
5. The District must certify completion of all actions required to adopt and implement the budget by publishing a notice in the official journal in each parish in which the District has jurisdiction.
6. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners. The budget was amended on June 18, 2008.
7. All budgetary appropriations lapse at the end of each fiscal year.

The following fund had expenditures over appropriations for the fiscal year ended June 30, 2008:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 6,391,335	\$ 6,573,300	\$ 6,610,843	\$ 37,543

The unfavorable variance did not result in a violation of the Local Government Budget Act.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2008

**Encumbrances**

The District does not utilize encumbrance accounting.

**Cash and Cash Equivalents**

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

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

**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, 2008, 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 \$500 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.

**Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2008

**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.

**Note 2 - Cash and Cash Equivalents -**

At June 30, 2008, the carrying amount of the Florida Parishes Juvenile Justice District's Cash and Cash Equivalents totaled \$3,293,879. 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. The following is a summary of cash and cash equivalents at June 30, 2008:

	Deposits in Bank Accounts		
	Cash	Money Market	Total
Deposits in Bank Accounts per Balance Sheet	\$ 389,679	\$ 2,904,200	\$ 3,293,879
Bank Balances (Category 3 Only):			
a. Uninsured and Uncollateralized	\$ -	\$ -	\$ -
b. Uninsured and Collateralized with Securities Held by the Pledging Institution	-	-	-
c. Uninsured and Collateralized with Securities Held by the Pledging Institution's Trust Department or Agent, but not in the Entities Name	318,968	-	318,968
Total Category 3 Bank Balances	\$ 318,968	\$ -	\$ 318,968
Total Bank Balances (Regardless of Category)	\$ 429,246	\$ 2,904,200	\$ 3,333,446

**Custodial Credit Risk - Deposits.** In the 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, 2008, \$318,968 of the District's bank balance of \$3,333,446 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entities name.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2008

**Note 3 - Investments -**

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

Investments at June 30, 2008 are in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc. a nonprofit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorize to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The District records all interest revenue related to investment activity in the respective funds.

**Note 4 - Receivables -**

The following is a summary of receivables at June 30, 2008:

**Intergovernmental:**

Louisiana Department of Education	\$ 32,611
Department of Corrections	376,778
United States Marshall	17,306
Court Cost, Various Courts	49,571
State Revenue Sharing	30,664
Other Receivable	<u>1,653</u>
Total	508,583
Less: Allowances for Uncollectible	<u>-</u>
	<u>\$ 508,583</u>

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

**Note 5 - Ad Valorem Taxes -**

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

	<u>2007</u>	
	<u>Authorized Millage</u>	<u>Levied Millage</u>
Special Revenue Fund	3.0	3.0

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 2007, the District levied 3.00 mills for a tax levy of \$5,762,827 on taxable property valuation totaling \$1,920,942,247 .

The District's three (3) mills special tax on all property subject to taxation within the corporate boundaries of the District was renewed for a ten year period, beginning in 2006, pursuant to an election held on November 2, 2004.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2008

**Note 6 - Capital Assets -**

Capital assets and depreciation activity as of and for the year ended June 30, 2008 is as follows:

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>Governmental Activities:</u>				
Capital Assets not being Depreciated:				
Land	\$ 24,031	\$ 250,048	\$ -	\$ 274,079
Total Capital Assets not being Depreciated	24,031	250,048	-	274,079
Capital Assets being Depreciated:				
Buildings and Improvements	8,033,095	393,297	-	8,426,392
Vehicles	145,337	21,133	-	166,470
Equipment	<u>639,662</u>	<u>34,576</u>	<u>-</u>	<u>674,238</u>
Total Capital Assets being Depreciated	8,818,094	449,006	-	9,267,100
Less: Accumulated Depreciation for:				
Buildings and Improvements	1,921,843	218,725	-	2,140,568
Vehicles	76,959	20,569	-	97,528
Equipment	<u>462,970</u>	<u>99,996</u>	<u>-</u>	<u>562,966</u>
Total Accumulated Depreciation	2,461,772	339,290	-	2,801,062
Total Capital Assets being Depreciated, Net	<u>6,356,322</u>	<u>109,716</u>	<u>-</u>	<u>6,466,038</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 6,380,353</u>	<u>\$ 359,764</u>	<u>\$ -</u>	<u>\$ 6,740,117</u>

Depreciation expense of \$339,290 was charged to the public safety function in the Statement of Activities.

**Note 7 - 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 single-employer public employee retirement system which is organized for the purpose of providing retirement and other benefits for employees of

## FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

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 2 ½% of average compensation multiplied by the number of years of creditable service plus \$300. Participants who become members of LASERS on or after July 1, 1986, are not eligible for the \$300 addition to the annual retirement benefit formula. Average compensation is defined as the member's average annual earned compensation for the period of thirty-six consecutive months of employment during which the member's aggregate earned compensation was greatest. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or certain specified dollar amounts of actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges and court officers and certain elected officials received an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the above basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

#### Contributions

Covered employees are required by state statute to contribute 7.50% of their salary to the plan. The District is required by the same statute to contribute the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended June 30, 2008, was \$729,404 which

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

consisted of \$529,611 from the District and \$199,793 from employees. Each employer was required by statute to contribute 20.4% of each employee's earned compensation to finance participation of its employees in LASERS. The following provides certain disclosures for the District and the retirement system.

The District's total payroll in the fiscal year ended June 30, 2008 was \$2,624,349 and the District's contributions were based on a payroll of \$2,596,062. Both the District and the covered employees made the required contributions, amounting to \$729,404.

Trend Information

Contributions required by state statute:

<u>Fiscal Year</u> <u>June 30,</u>	<u>Required Contributions</u>	<u>Percentage Contributed</u>
2006	\$ 671,524	100%
2007	\$ 659,767	100%
2008	\$ 729,404	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.

**Note 8 - 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 - 2 Years	8 Hours
3 - 5 Years	10 Hours
6 Years	10.50 Hours
7 Years	11 Hours
8 Years	11.50 Hours
9 Years	12 Hours
Over 10 Years	13.33 Hours

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2008

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 paid upon an employee's separation of service per La.R.S.23:631. Sick leave up to 240 hours may be accumulated, but is not paid upon separation from service. As of June 30, 2008, an accrued leave liability of \$52,334 is recorded in both the government-wide and in the fund financial statements.

**Note 9 - Compensation Paid Board Members -**

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

**Note 10 - Dedication of Proceeds and Flow of Funds - Ad Valorem Tax -**

Proceeds of the 10-year special tax of 3 mills on the dollar of assessed valuation on all property subject to taxation in the District (2008 collections - \$5,619,215) 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.

**Note 11 - Litigation and Claims -**

The District is a defendant in a lawsuit involving a claim by a contractor for extra compensation as a result of change orders issued during the construction of the original Juvenile Detention Center in Tangipahoa Parish, Louisiana. A judgement was rendered on September 30, 2002 in the 21<sup>st</sup> Judicial District Court against the District for a sum of \$65,000 together with legal interest thereon from date of judicial demand, and for all costs of the proceeding. As of June 30, 2006, the judgment had a value of approximately \$150,000. During the year ended June 30, 2007, the plaintiff was successful in lobbying the legislative to appropriate \$75,000 towards the completion of the facility, which was made under Act 17 of the legislative session of 2006. Pursuant to the provisions under Executive Order KBB 2006.32, a cooperative endeavor agreement was entered into by and between the District and the state of Louisiana for the purpose of addressing these funds. This cooperative endeavor agreement did not satisfy the entirety of the judgment to the plaintiff. As of June 30, 2007, there was a remaining balance of approximately \$73,000. In the current year, the District budgeted and paid \$80,398 which was made up of the remaining balance at June 30, 2007, plus additional accrued interest and court costs. As of June 30, 2008, the judgment against the District had been satisfied.

**Note 12 - Current Accounting Pronouncements -**

In June 2004, the Government Accounting Standards Board issued GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postretirement Benefits and Other Than Pensions." This Statement's objective is to establish uniform standards of financial reporting by state and local government entities for other post-employment benefits (OPEB) including post-employment

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2008

healthcare benefits. This Statement provides standards for measurement, recognition, and display of the OPEB expenses and related liabilities, note disclosures, and required supplementary information. This Statement will require an actuarial valuation of the OPEB liability on at least a biennial basis. This Statement will be required to be adopted by the District for the fiscal year ending June 30, 2010.

**SUPPLEMENTARY INFORMATION**

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
SPECIAL REVENUE FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 240,000	\$ 195,000	\$ 268,564	\$ 73,564
Ad Valorem Taxes	4,600,000	5,195,500	5,619,215	423,715
Interest and Other	7,000	25,000	49,926	24,926
Total Revenues	4,847,000	5,415,500	5,937,705	522,205
<b>Expenditures:</b>				
Capital Outlay	-	243,020	250,048	(7,028)
Other Expenditures	200,000	200,000	5,429	194,571
Sheriff's Pension Fund	120,000	120,000	194,097	(74,097)
Total Expenditures	320,000	563,020	449,574	113,446
<b>Excess (Deficiency) of Revenues over Expenditures</b>	4,527,000	4,852,480	5,488,131	635,651
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(5,000,000)	(5,000,000)	(4,999,992)	8
Total Other Financing Sources (Uses)	(5,000,000)	(5,000,000)	(4,999,992)	8
<b>Net Change in Fund Balance</b>	(473,000)	(147,520)	488,139	635,659
<b>Fund Balance at Beginning of Year</b>	2,393,930	2,393,930	2,393,930	-
<b>Fund Balance at End of Year</b>	<u>\$ 1,920,930</u>	<u>\$ 2,246,410</u>	<u>\$ 2,882,069</u>	<u>\$ 635,659</u>

The accompanying notes constitute an integral part of this statement.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**  
**SCHEDULE OF COMPENSATION PAID BOARD MEMBERS**

YEAR ENDED JUNE 30, 2008

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.

Board Member	Title	Term	Compensation	Travel Allowance
Peggy G. Hoover	President	03/01/08 - 02/28/12	\$ -	\$ -
Paul Johnson	Treasurer	03/01/07 - 02/28/11	-	-
Don Cox	Commissioner	03/11/08 - 02/28/12	-	-
K. Lyn Easley	Commissioner	03/01/08 - 02/28/12	-	-
Ronald D. Bell, Jr.	Commissioner	03/01/07 - 02/28/11	-	-
Michael B. Forbes	Commissioner	03/01/07 - 02/28/09	-	-
Joseph B. Harvin	Commissioner	03/01/07 - 02/28/11	-	-

**OTHER INDEPENDENT AUDITOR'S REPORTS  
AND FINDINGS AND RECOMMENDATIONS**

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



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\*A Professional Accounting Corporation

December 12, 2008

Mrs. Peggy Hoover, President  
and the Members of the Board of Commissioners  
Florida Parishes Juvenile Justice District  
Covington, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Florida Parishes Juvenile Justice District, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 12, 2008. 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 District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District'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 combination of control deficiencies, that adversely affects the District'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 District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or 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 District'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 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 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 solely for the information and use of management, the Board of Commissioners, others within the entity, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

SUMMARY SCHEDULE OF  
FINDINGS AND RECOMMENDATIONS

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

**CURRENT YEAR AUDIT FINDINGS**

**FOR THE YEAR ENDED JUNE 30, 2008**

None

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

**PRIOR YEAR AUDIT FINDINGS**

**FOR THE YEAR ENDED JUNE 30, 2008**

**2007-1 - Failure to Amend Budget (LSA - R.S. 39:1301):**

**Finding:**

During our prior year audit, it was noted that actual expenditures exceeded the budgeted expenditures in the Special Revenue Fund by \$61,372, which is greater than a 5% variance. State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures and other financing uses exceed budgeted amounts by 5% or more.

**Recommendation:**

We recommended that management more closely monitor the expenditures and other financing uses and amend the budget as necessary to stay below the 5% variance as required by statement law.

**Corrective Action Taken:**

In the current year, the necessary budget amendments were made to stay below the 5% variance as required by state law.