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JUVENILE COURT FOR THE
PARISH OF JEFFERSON
STATE OF LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT ACCOUNTANT'S REPORT THEREON

YEAR ENDS DECEMBER 31, 1995

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, sent 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: 3-19-96

THARP & ALLEN
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ACCOUNTING CORPORATION

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

*Members of the Court
Juvenile Court for the Parish of Jefferson
Jefferson Parish, Louisiana*

We have audited the accompanying general purpose financial statements of Juvenile Court for the Parish of Jefferson as of December 31, 1995, and for the year then ended. These general purpose financial statements are the responsibility of the Juvenile Court for the Parish of Jefferson's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *Comptroller Auditing Standards*, issued by the Comptroller General of the United States, and *Office of Management and Budget Circular A-128, "Audit of State and Local Governments."* These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Juvenile Court for the Parish of Jefferson as of December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The containing and individual fund and account group financial statements and schedules listed as supplemental information in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Juvenile Court for the Parish of Jefferson. Such information has been subjected to the auditing procedures applied in the audit of the

general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated April 8, 1996, on our consideration of Internal Control for the Parish of Jefferson's internal control structure and a report dated April 8, 1996, on its compliance with laws and regulations.



A Professional Accounting Corporation

Harvey, Louisiana

April 8, 1996

**JUVENILE COURT FOR THE PARISH OF JEFFERSON
STATE OF LOUISIANA**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS**

December 31, 1993

	Governmental Fund Types		Fiduciary Fund Types	Account Group	Total (Monetary unit only)
	General	Special Revenue	Agency Funds	General Fund Assets	
ASSETS AND OTHER DEBITS					
Cash and cash equivalents	\$94,806	\$11,537	\$23,256	\$ -	\$129,599
Investments	617,251	-	-	-	617,251
Accounts receivable	-	8,157	-	-	8,157
Due from other funds	-	251,188	-	-	251,188
Due from other governments	-	1,943	-	-	1,943
Office furniture, equipment, and building improvements	-	-	-	623,661	623,661
TOTAL ASSETS AND OTHER DEBITS	<u>\$711,957</u>	<u>\$273,215</u>	<u>\$23,256</u>	<u>\$623,661</u>	<u>\$1,638,089</u>
LIABILITIES, FUND BALANCE, AND OTHER CREDITS					
<i>Liabilities</i>					
Due to other funds	\$251,188	\$ -	\$ -	\$ -	\$251,188
Hold for future disposition	-	-	23,256	-	23,256
Total Liabilities	<u>251,188</u>	<u>-</u>	<u>23,256</u>	<u>-</u>	<u>274,444</u>
<i>Fund Equity and Other Credits</i>					
Investment in general fund assets	-	-	-	623,661	623,661
Fund balance reserved for intergovernmental transfers	100,000	-	-	-	100,000
Fund balance designated, reserved	150,000	-	-	-	150,000
Fund balance undesignated, reserved	18,109	271,215	-	-	289,324
Total Fund Equity and Other Credits	<u>458,109</u>	<u>271,215</u>	<u>-</u>	<u>623,661</u>	<u>1,353,045</u>
TOTAL LIABILITIES, FUND EQUITY, AND OTHER CREDITS	<u>\$711,957</u>	<u>\$273,215</u>	<u>\$23,256</u>	<u>\$623,661</u>	<u>\$1,638,089</u>

The accompanying notes are an integral part of this statement.

JUVENILE COURT FOR THE PARISH OF JEFFERSON
STATE OF LOUISIANA

COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES

For the Year Ended December 31, 1995

	Governmental Fund Types		Total (Memorandum only)
	General	Special Revenue	
REVENUES			
Costs, fees, and fines	\$ -	\$438,883	\$438,883
Intergovernmental	1,317,478	135,540	1,653,018
Miscellaneous	49,083	-	49,083
TOTAL REVENUES	<u>1,366,561</u>	<u>574,423</u>	<u>1,940,984</u>
EXPENDITURES			
Current			
Administrative	1,393,540	432,757	1,826,297
Judicial	-	34,785	34,785
Capital outlay	-	19,234	19,234
Intergovernmental	100,800	-	100,800
TOTAL EXPENDITURES	<u>1,494,340</u>	<u>507,006</u>	<u>1,999,621</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	74,818	67,417	141,365
OTHER FINANCING SOURCES (USES)			
Operating transfers in	100,000	321,227	421,227
Operating transfers out	(124,932)	(296,285)	(421,227)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(24,932)</u>	<u>24,932</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	49,886	92,279	141,365
FUND BALANCE - BEGINNING OF YEAR	<u>411,083</u>	<u>179,406</u>	<u>590,519</u>
FUND BALANCE - END OF YEAR	<u>\$460,969</u>	<u>\$271,715</u>	<u>\$731,884</u>

The accompanying notes are an integral part of this statement.

JUVENILE COURT FOR THE PARISH OF EASTERN
STATE OF LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASED) AND ACTUAL BY FUNDS

For the Year Ended December 31, 1993

	General Fund			Special Revenue Funds		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES						
Costs, fees, and fines	\$ -	\$ -	\$ -	\$19,893	\$19,019	\$ 874
Intergovernmental	1,917,478	1,917,478	-	115,940	116,150	(210)
Miscellaneous	49,885	49,885	-	-	-	-
TOTAL REVENUES	1,967,363	1,967,363	-	235,833	235,179	654
EXPENDITURES						
Current						
Administrative	1,391,945	1,391,945	-	441,797	400,779	41,018
Judicial	-	-	-	34,283	59,116	(24,833)
Capital outlay	-	-	-	39,534	11,595	27,939
Intergovernmental	800,880	800,880	-	-	-	-
TOTAL EXPENDITURES	1,492,825	1,492,825	-	515,614	471,590	44,024
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	474,538	474,538	-	70,219	63,589	6,630
OTHER FINANCING SOURCES (USES)						
Operating transfers in	800,880	800,880	-	701,207	900,771	(100,564)
Operating transfers out	(24,933)	(24,933)	-	(296,293)	(246,631)	50,338
TOTAL OTHER FINANCING SOURCES (USES)	(24,933)	(24,933)	-	404,914	654,140	(249,226)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES FROM EXPENDITURES AND OTHER USES	449,605	449,605	-	115,133	117,729	(2,596)
FUND BALANCE - BEGINNING OF YEAR	411,081	411,081	-	179,436	179,436	-
FUND BALANCE - END OF YEAR	\$860,686	\$860,686	\$ -	\$294,569	\$297,165	\$ 2,596

The accompanying notes are an integral part of this statement.

JUVENILE COURT FOR THE PARISH OF JEFFERSON
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of Juvenile Court for the Parish of Jefferson are described below.

Basic of Presentation

The accompanying financial statements of the Juvenile Court for the Parish of Jefferson have been prepared in conformity with generally accepted accounting principles 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.

Reporting Entity

The Juvenile Court for the Parish of Jefferson (the Court) was established by Act 510 of the Extraordinary Session of the 1958 Legislature. There are presently three divisions in the Court (Divisions A, B, and C). The Court is of limited jurisdiction with exclusive original jurisdiction over certain proceedings involving children and adults as set forth in the Louisiana Children's Code. The Court's geographic jurisdiction consists of the Parish of Jefferson.

GASB Statement 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformity with GASB Statement 14, the financial statements of the Court include all funds and account groups that are within the oversight responsibility of the Court.

The three judges of the Court are independently elected officials and are legally independent of the government of Jefferson Parish. Under the provisions of GASB Statement 14, the Court reports as a component unit of Jefferson Parish, as the Court is fiscally dependent on the Parish for determination and approval of a substantial portion of the Court's budget and funding.

Fund Accounting

The Court uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Fund Accounting (continued)

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

The Court's funds have been classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds account for most of the Court's general activities, including the collection or disbursement of specific or legally restricted monies, the acquisition or construction of general fund assets, and the servicing of general long-term obligations. Governmental funds include:

- **General fund** - the general operating fund of an entity, which accounts for all financial resources, except those required to be accounted for in other funds. The Court's funding received from Jefferson Parish is accounted for in this fund.
- **Special revenue funds** - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Court's Judicial Expense Fund and Title IV-D Fund are special revenue funds.
- **Debt service funds** - account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term debt account group. The Court has no debt service funds.
- **Capital projects funds** - account for financial resources acquired and used for the acquisition, construction, or improvement of capital facilities not reported in other governmental funds. The Court has no capital projects funds.

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Fiduciary funds include:

- **Expendable trust funds** - accounted for in essentially the same manner as governmental funds. The resources, including both principal and earnings, may be expended. The Court has no expendable trust funds.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Fund Accounting (continued)

- **Non-expendable trust funds** - accounted for in essentially the same manner as proprietary funds (not included in these statements). The principal may not be expended. The Court has no non-expendable trust funds.
- **Agency funds** - account for assets held by the Court on behalf of others as their agent. Agency funds are custodial in nature, and do not involve measurement of results of operations. The Court's Support Enforcement Fund and Fees and Assessments Fund are agency funds.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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 and decreases in net current assets.

The modified accrual basis of accounting is used by all governmental fund types and agency 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 to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Other financing sources (uses) consist of transfers between funds that are not expected to be repaid. These other financing sources (uses) are recognized at the time the underlying events occur.

Budgets and Budgetary Accounting

The Court adopts a formal budget for its Judicial Expense special revenue fund on a basis consistent with generally accepted accounting principles. Budgetary data for the Title IV-D special revenue fund is presented on an average basis since the fund is budgeted over a fiscal year different from that used by the Court. There were no amendments to the Judicial Expense Fund budget for the year ended December 31, 1995, and one amendment to the Title IV-D Fund budget.

The General Fund is used to account for expenditures made on the Court's behalf by the Jefferson Parish Council. These expenditures are budgeted by the Council and expenditures are made at their discretion. The budget adopted by the Council also contains planned expenditures properly accounted for by the Court in its Title IV-D

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Analysis and Budgetary Accounting System

Due to the overlapping of budgeted expenditures among two funds, amounts budgeted by the Council have been adjusted to reflect expenditures accounted for in the IV-D fund. There was one amendment to the General Fund budget during the year.

Unexpended appropriations lapse at year end. The Court does not utilize encumbrance accounting.

Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and time investments with original maturities of 90 days or less. Under state law, the Court 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 Court 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 cost.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds in the balance sheet. Short-term interfund loans are classified as interfund receivables or payables.

Advances to Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

The costs of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Fund Assets (Continued)

The general fund asset account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of results of operations.

Accumulated Absence

Employees of the Juvenile Court for the Parish of Jefferson accrue vacation leave at varying rates based on their years of continuous service. Employees hired before April 26, 1988, may carry forward a maximum of ninety accrued vacation days from one year to the next. Employees hired after April 28, 1988, may carry forward a maximum of twenty days.

Employees of the Court accrue sick leave at a rate of 13 days per year. There is no limitation on the amount of sick leave that may be carried forward from one year to the next. At the time of retirement, sick leave can be converted into cash under service credit.

All employees' salaries are paid by the Jefferson Parish Council and accruals relating to vacation leave are included in the financial statements of the Council.

Fund Equity

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Interfund Transactions

Quasi-internal transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-internal transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Use of Estimates

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Total Columns on Combined Statements

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are prepared only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - CASH AND CERTIFICATES OF DEPOSIT

At year end, the carrying amount of the Court's deposits was \$128,588, and the bank balance was \$183,026. The bank balance is categorized as follows:

Amount insured by the FDIC, or collateralized with securities held by the Court's agent in the Court's name (Category 1)	\$193,026
Amount collateralized with securities held by the pledging financial institution's trust department or agent in the Court's name (Category 2)	-0-
Uncollateralized - includes balance that is collateralized with securities held by the pledging financial institution, but not in the Court's name (Category 3)	-0-
Total bank balance	\$183,026

Under state law, these deposits must be insured 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. These 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.

At December 31, 1995, the Court has \$183,026 in deposits (collected bank balances). These deposits are secured from risk by \$183,026 of federal deposit insurance.

NOTE C - INVESTMENTS

At December 31, 1993, the Court holds investments totaling \$617,351 as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
Louisiana Asset Management Pool (LAMP)	\$617,351	\$617,351
Total	\$617,351	\$617,351

In accordance with GASB Codification Section 150.165, the investment in LAMP as December 31, 1993, is not categorized in three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book-entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana which was formed in 1983. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP may have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by these securities. The dollar-weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 297 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

NOTE D - FIXED ASSETS

The following is a summary of changes in the general fixed asset account group during the year:

	<u>Balance at January 1, 1993</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at December 31, 1993</u>
Office furniture	\$513,054	\$ 19,334	\$ 9,399	\$522,989
Building improvements	<u>108,488</u>	<u> -0-</u>	<u> -0-</u>	<u>108,488</u>
Total	\$621,542	\$ 19,334	\$ 9,399	\$631,477

NOTE E - INTERFUND RECEIVABLES/PAYABLES

The Court has interfund receivables and payables which cancel each other.

	Due from other funds	Due to other funds
General fund	\$ -0-	\$251,188
Special Revenue - Judicial Expense Fund	251,188	-0-
Total	\$251,188	\$251,188

NOTE F - PENSION PLANS

The employees of the Court are members of the Parochial Employees' Retirement System of Louisiana, and the Employees' Retirement System of Jefferson Parish, Louisiana. All costs relating to pension contributions are paid by the Jefferson Parish Council; therefore, such costs are not included in the accompanying financial statements, but are included in the financial statements of the Council.

NOTE G - COMPENSATION OF JUDGES

The Judges of the Court receive compensation from the State of Louisiana Judicial Branch, at a rate determined by state statute. For the year ended December 31, 1993, the judges' salary was set at approximately \$86,400. As these funds are paid directly to the members of the Court, the expenditure does not appear in these financial statements, but appears in the financial statements of the State of Louisiana.

NOTE H - TITLE IV-D FEES AND CHILD SUPPORT COURT COSTS

The Juvenile Court for the Parish of Jefferson entered into an agreement with the Louisiana Department of Social Services commencing July 1, 1988, whereby the Juvenile Court is reimbursed by the Department of Social Services for expenses incurred by the Court in connection with the expedited trying of cases under Title IV-D of the Social Security Act. This agreement was renewed for another one-year period commencing July 1, 1994. The amount of reimbursements is determined under a formula arrangement. Reimbursements from the Department of Social Services totaled \$184,700 for the year ended December 31, 1993.

NOTE H - TITLE IV-D FEES AND CHILD SUPPORT COURT COSTS

(continued)

At the expiration of the contract with the Department of Social Services on June 30, 1995, the Court elected not to renew the contract, but to collect court costs under the provisions of the Louisiana Children's Code, specifically LSA-Ch.C. art. 409-D. Under the provisions of this statute, effective July 1, 1995, the Court assesses and collects court costs equal to 5% of all periodic child support payments paid through the registry of the Court. These payments are made by the paying parents in addition to their normal child support payments. For the year ending December 31, 1995, the Court collected \$293,387 in Child Support court costs.

**NOTE I - THE DISTRICT ATTORNEY OF THE 14TH JUDICIAL DISTRICT -
TITLE IV-D FEES**

The Juvenile Court for the Parish of Jefferson entered into a one-year agreement with the Office of the District Attorney commencing July 1, 1989, whereby the Juvenile Court is reimbursed for reasonable operating costs essential to the processing of Title IV-D child support cases. The annual total of reimbursements can not exceed \$24,000. This agreement was renewed for another one-year period commencing July 1, 1994. At June 30, 1995, the Court elected not to renew this agreement. Total costs collected from the District Attorney's Office totaled \$12,000 for the year ended December 31, 1995.

NOTE J - INTERGOVERNMENT TRANSFER COMMITMENT

In connection with a contract between the Parish of Jefferson and Hammond Construction for the construction of a new Juvenile Justice Center, the Court agreed to pay the Parish of Jefferson the sum of \$100,000 per year for ten years in monthly payments of \$8,333, beginning the 1st day of June, 1990.

In connection with this commitment, the Court has reserved \$100,000 of its General Fund fund balance for the subsequent year payment requirement.

NOTE K - ECONOMIC DEPENDENCY

Juvenile Court for the Parish of Jefferson receives the majority of its revenues from funds provided through the Parish of Jefferson, the State of Louisiana, and formerly received significant funds from the Federal government through its IV-D contract. If significant budget cuts are made at the State or local level, the amount of funds the Court receives could be reduced significantly, with resultant adverse impact on its operations.

NOTE K - ECONOMIC DEPENDENCY (continued)

The Court is aware of no plans on the part of any of its funding sources to significantly reduce funding for the year ending December 31, 1996.

NOTE L - DESIGNATED FUND BALANCES

In an effort to maintain the facilities of the Court, the members of the Court have designated \$150,000 of the General Fund fund balance for various capital improvements.

SUPPLEMENTAL INFORMATION

GENERAL FUND

The General Fund is used to account for expenditures of the Court made by the Jefferson Parish Council.

JUVENILE COURT FOR THE PARISH OF JEFFERSON
STATE OF LOUISIANA

GENERAL FUND

SCHEDULE OF ADMINISTRATIVE EXPENDITURES

For the Year Ended December 31, 1995

Salaries and employee benefits	\$1,238,142
Postage	94,800
Contract labor	94,100
Insurance	92,978
Travel and training	90,579
Telephone	59,711
Repairs and maintenance	<u>12,241</u>
Total administrative expenditures	<u>\$1,712,541</u>

See Independent Auditor's Report.

SPECIAL REVENUE FUNDS

This fund type is used to account for specific revenues that are restricted to expenditure for a particular purpose.

Judicial Expense Fund

The Judicial Expense Fund was created by Act 345 (1962), R.S. 14:74 (1990), and Revised Statutes 13:924 and 13:995. Various fees and court costs are collected in family neglect cases and are spent on general operating expenditures of the Court not paid from the general fund.

Title IV-D Fund

The Title IV-D Fund consists of a contract with the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act.

The Court receives reimbursement for expenditures incurred in connection with its administration of the provisions of Title IV-D. The Court elected not to renew this contract at June 30, 1995.

JUVENILE COURT FOR THE PARISH OF JEFFERSON
STATE OF LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

December 31, 1993

	Judicial Expense Fund	Title IV-D Fund	Total
ASSETS			
Cash and cash equivalents	\$11,327	\$ -	\$11,327
Accounts receivable	8,157	-	8,157
Due from other funds	251,188	-	251,188
Due from other governments	1,043	-	1,043
TOTAL ASSETS	\$271,715	-	\$271,715
FUND BALANCES			
Fund balance reserved for intergovernmental transfers	-	-	-
Fund balance designated, unreserved	-	-	-
Fund balance undesignated, unreserved	271,715	-	271,715
TOTAL FUND BALANCES	\$271,715	\$ -	\$271,715

See Independent Auditor's Report.

JUVENILE COURT FOR THE PARISH OF JEFFERSON
STATE OF LOUISIANA

SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Year Ended December 31, 1995

	Judicial Expense Fund	Title IV-D Fund	Total
REVENUES			
Costs, fees, and fines	\$438,883	\$ -	\$438,883
Intergovernmental			
Title IV-D expense reimbursements	-	188,798	188,798
District Attorney of the 24th Federal District	-	12,000	12,000
Grants	18,750	-	18,750
TOTAL REVENUES	457,633	188,798	646,431
EXPENDITURES			
Current			
Administrative			
Accounting fees	19,787	3,091	22,878
Building service charge	18,019	-	18,019
Computer software maintenance	48,599	5,149	53,748
Contract labor	12,484	6,051	18,535
Insurance	182	-	182
Miscellaneous	75	-	75
Office supplies	61,325	7,360	68,685
Parking and tolls	1,685	-	1,685
Postage	4,827	7,265	12,092
Professional fees	3,715	-	3,715
Public relations	787	-	787
Rent	16,374	3,088	19,462
Repair and maintenance	74,289	8,342	82,631
Salaries and employee benefits	19,598	111,278	130,876
Telephone	14,328	6,084	20,412
Travel and training	14,490	125	14,615
Total Administrative	291,884	158,875	450,759

See Independent Auditor's Report.

JUVENILE COURT FOR THE PARISH OF JEFFERSON
STATE OF LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE (Continued)

For the Year Ended December 31, 1995

	Judicial Expense Fund	Title IV-D Fund	Total
EXPENDITURES			
Current			
Judicial			
Dues and subscriptions	\$7,799	\$ -	\$7,799
Legal fees	9,138	-	9,138
Meeting expenditures	3,813	-	3,813
Travel and training - Judges	5,951	-	5,951
Law books and journals	8,084	-	8,084
Total Judicial	34,785	-	34,785
Capital outlay	19,534	-	19,534
TOTAL EXPENDITURES	543,203	158,875	702,078
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	109,489	(42,085)	67,404
OTHER FINANCING SOURCES (USES)			
Operating transfers in	138,371	181,695	320,066
Operating transfers out	(154,321)	(139,372)	(293,693)
TOTAL OTHER FINANCING SOURCES (USES)	(17,251)	42,323	25,072
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	92,238	-	92,238
FUND BALANCE - BEGINNING OF YEAR	179,436	-	179,436
FUND BALANCE - END OF YEAR	\$271,715	\$ -	\$271,715

See Independent Auditor's Report.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON
STATE OF LOUISIANA**

SPECIAL REVENUE FUNDS

**COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL BY FUNDS**

For the Year Ended December 31, 1995

	Judicial Expense Fund			Title IV-D Fund		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES						
Conts, Rec, and Fees Institutional	318,883	324,025	(\$14,864)	\$ -	\$ -	\$ -
FED IV-D reimbursements District Attorney 24th JD	-	-	-	104,799	184,856	(80,057)
Grants	18,758	1,498	17,252	-	-	-
TOTAL REVENUES	437,641	325,523	292,116	114,799	184,856	(80,057)
EXPENDITURES						
Current						
Administration						
Accounting fees	18,967	7,344	(\$11,623)	3,991	3,508	(\$483)
Building service charge	18,618	17,623	(\$995)	-	-	-
Building maintenance	48,959	28,756	(\$20,203)	5,118	8,608	(\$3,490)
Contract labor	13,456	8,456	(\$4,999)	6,881	3,889	(\$2,992)
Insurance	192	173	(\$19)	-	-	-
Miscellaneous	79	714	635	-	-	-
Office supplies	62,125	21,328	(\$40,797)	7,302	6,408	(\$894)
Printing and odds	1,605	1,786	181	-	-	-
Postage	4,617	12,118	(\$7,501)	7,268	6,808	(\$460)
Professional fees	3,115	2,662	(\$453)	-	-	-
Public relations	567	327	(\$240)	-	-	-
Rent	15,274	12,458	(\$2,816)	3,889	2,508	(\$1,381)
Repair and maintenance	74,289	28,422	(\$45,867)	8,242	3,177	(\$5,065)
Salaries and benefits	19,508	16,188	(\$3,320)	111,475	146,548	(\$35,073)
Service program	-	8,000	8,000	-	-	-
Telephone	14,128	14,078	(\$50)	6,804	5,500	(\$1,304)
Travel and training	14,855	5,941	(\$8,914)	312	181	(\$131)
Total Administrative	279,884	212,141	(\$67,743)	158,871	182,128	(\$23,257)
Judicial						
Books and subscriptions	7,949	8,165	216	-	-	-
Legal fees	9,238	7,860	(\$1,378)	-	-	-
Printing expenditures	5,815	5,495	(\$320)	-	-	-
Travel and training	5,811	5,811	(\$0)	-	-	-
Law books and journals	8,884	8,817	(\$67)	-	-	-
Total Judicial	34,797	35,148	(\$351)	-	-	-

See Independent Auditor's Report.

**REVENUE BOARD FOR THE PARISH OF JEFFERSON
STATE OF LOUISIANA**

SPECIAL REVENUE FUNDS

**COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET (CLASS BASIS) AND ACTUAL, BY FUNDS (Continued)**

For the Year Ended December 31, 1995

	Initial Budget Fund			Title IV-D Fund		
	Actual	Budget	Variance Favorable (\$/Unfavorable)	Actual	Budget	Variance Favorable (\$/Unfavorable)
EXPENDITURES						
Capital outlay	\$19,534	\$11,283	(\$8,251)	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	<u>148,283</u>	<u>288,873</u>	<u>(\$140,590)</u>	<u>158,873</u>	<u>383,228</u>	<u>224,355</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	149,478	(1,553)	151,031	(80,000)	(66,973)	24,027
OTHER FINANCING SOURCES (USES)						
Operating transfers to	179,570	286,228	(106,658)	183,650	283,844	(24,194)
Operating transfers and	(158,732)	(287,053)	28,321	(118,872)	(179,573)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(17,162)</u>	<u>99,175</u>	<u>(106,329)</u>	<u>64,778</u>	<u>104,271</u>	<u>(24,194)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	92,316	89,622	6,450	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>179,436</u>	<u>179,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$271,752</u>	<u>\$269,058</u>	<u>\$2,694</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report

AGENCY FUNDS

Agency funds are used to account for assets held by the Court as an agent for individuals and other governments and for other funds.

Support Enforcement Fund

The Support Enforcement Fund is used as a depository for funds received as child support payments. The funds are subsequently turned over to the beneficiary of the support payments, and fees collected are remitted to the appropriate agencies.

Fees and Assessments Fund

This fund is used as a depository for the collection of fees, fines, and costs assessed by the Court. These funds are subsequently distributed to the Court's Judicial Expense fund and various other parish and state agencies in accordance with applicable law.

JUVENILE COURT FOR THE PARISH OF JEFFERSON
STATE OF LOUISIANA

AGENCY FUNDS

COMBINING SCHEDULE OF CHANGES
IN DEPOSIT BALANCES DUE TO OTHERS

For the Year Ended December 31, 1995

	Support Enforcement Fund	Fees and Assessments Fund	Total
DEPOSIT BALANCES DUE TO OTHERS AT JANUARY 1, 1995	\$12,813	\$11,853	\$24,676
ADDITIONS			
Deposits:			
Support payments	10,195,418	-	10,195,418
Other	37,269	6,420	43,689
Fines collected	-	9,778	9,778
Fees collected	285,472	219,094	504,566
TOTAL ADDITIONS	10,548,159	235,394	10,783,553
REDUCTIONS			
Deposits settled to:			
Litigants	10,195,524	-	10,195,524
Juvenile Court Judicial Expense Fund	285,583	145,296	430,879
Other agencies	58,459	88,717	147,176
TOTAL REDUCTIONS	10,549,579	234,013	10,783,592
DEPOSIT BALANCES DUE TO OTHERS AT DECEMBER 31, 1995	\$1,202	\$12,134	\$13,336

See Independent Auditor's Report.

GENERAL FIXED ASSET ACCOUNT GROUP

This account group is used to account for the inventory of fixed assets acquired and accumulated by the Court.

JUVENILE COURT FOR THE PARISH OF JEFFERSON
STATE OF LOUISIANA

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

December 31, 1995

GENERAL FIXED ASSETS

Office furniture and equipment	\$221,195
Building improvements	<u>100,468</u>

TOTAL GENERAL FIXED ASSETS	<u>\$321,663</u>
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INVESTMENT IN GENERAL FIXED
ASSETS BY SOURCE

General fund	\$45,587
Judicial expense fund	\$41,449
Title IV-D fund	<u>36,625</u>

TOTAL INVESTMENT IN GENERAL FIXED ASSETS	<u>\$123,661</u>
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See Independent Auditor's Report.

COMPLIANCE AND SINGLE AUDIT SECTION

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**INDEPENDENT AUDITOR'S REPORT ON THE
INTERNAL CONTROL STRUCTURE IN ACCORDANCE
WITH GOVERNMENT ACCOUNTING STANDARDS**

Members of the Court
Juvenile Court for the Parish of Jefferson
Jefferson Parish, Louisiana

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of Juvenile Court for the Parish of Jefferson as of and for the year ended December 31, 1993, and have issued our report thereon dated April 9, 1994.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Juvenile Court for the Parish of Jefferson is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of Juvenile Court for the Parish of Jefferson for the year ended December 31, 1993, we obtained an understanding of the internal control structure. With respect to the internal

control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

We noted the following reportable conditions:

Cash Disbursements

Condition:

While testing cash disbursements, we noted that supporting invoices did not always indicate approval for payment by a responsible officer. The Judicial Administrator informed us that he reviews all supporting documents prior to signing the checks, and indicates approval on invoices in amounts above a predetermined amount. We noted no inappropriate expenditures or items billed.

Criteria:

Internal control procedures should include documentation of the approval process for all expenditures.

Effect:

Invoices may be submitted and paid without the knowledge or approval of responsible officials. This condition can result in payment at inappropriate prices or even for materials or services not received.

Cause:

Written approval of all invoices by a responsible official prior to payment is not required by the internal control system.

Remedy:

The Judicial Administrator verbally approves all purchases which are not routine and which are above one hundred dollars before the purchases are made. Once received, invoices for significant amounts of money are reviewed, approved, and initialed by the Judicial Administrator. The Judicial Administrative Assistant preapproves routine purchases and reviews all invoices. In addition, purchasing is limited to two employees who are directly supervised by the Judicial Administrative Assistant. In general, the Judicial Administrator regards the present arrangements for purchasing as reportable and appropriate.

Payroll

Condition:

While testing cash disbursements, we noted that two employees received overtime pay from the Judicial Expense Fund for properly documented overtime worked. However, no taxes were withheld on the amounts paid, and the salaries were not reported to the Social Security Administration, Internal Revenue Service, or the Louisiana Department of Revenue and Taxation.

Criteria:

Taxes should be withheld on salaries paid to employees, and compensation should be reported to the appropriate federal and state agencies.

Effect:

Employees may fail to report the additional income and fail to pay taxes thereon, potentially subjecting themselves to penalties. The employer may be subject to penalties for failure to report wages paid.

Cause:

Preparation of Forms W-2 for employee overtime payments, which are not a usual component of the Court's operations, are not required by the internal control system.

Response:

The Judicial Administrator maintains that these instances are rare occurrences. Payroll services are provided to the Court by the Parish. The Court has made arrangements with its accounting firm for the issuance of the appropriate forms in order to manage properly these instances of payment.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

We noted other matters involving the internal control structure and its operation that we have reported to the management of Seventh Court for the Parish of Jefferson in a separate letter dated April 8, 1996.

This report is intended for the information of the Judges of the Court, management, and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Stamps + Osborne
A Professional Accounting Corporation

Harvey, Louisiana

April 8, 1996

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH LAWS AND REGULATIONS IN ACCORDANCE WITH
GOVERNMENT ACCOUNTING STANDARDS**

Members of the Court
Juvenile Court for the Parish of Jefferson
Jefferson Parish, Louisiana

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of Juvenile Court for the Parish of Jefferson as of and for the year ended December 31, 1995, and have issued our report thereon dated April 8, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Accounting 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.

Compliance with laws, regulations, contracts, and grants applicable to Juvenile Court for the Parish of Jefferson is the responsibility of the Court's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Court's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed immaterial instances of noncompliance with the above requirements, which we have communicated to management of Juvenile Court for the Parish of Jefferson in a separate letter dated April 8, 1996.

This report is intended for the information of the Judges of the Court, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Sharp & Adams
A Professional Accounting Corporation

Harvey, Louisiana

April 8, 1996

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**INDEPENDENT AUDITOR'S REPORT ON THE
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

Members of the Court
Juvenile Court for the Parish of Jefferson
Jefferson Parish, Louisiana

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of Juvenile Court for the Parish of Jefferson as of and for the year ended December 31, 1995, and have issued our report thereon dated April 8, 1996. These general purpose financial statements are the responsibility of the Juvenile Court for the Parish of Jefferson's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit in accordance with these standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Juvenile Court for the Parish of Jefferson taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements.

The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



A Professional Accounting Corporation

Harvey, Louisiana

April 8, 1990

JUDICIAL COURT FOR THE PARISH OF ORLEANS
STATE OF LOUISIANA

SCHEDULE OF FINANCIAL STATEMENTS

For the Year Ended December 31, 1993

Description	CFA Number	Grant Fund		Amount Received During Year		Total Revenue Recognized	Expenditures		Total Dependence
		800	8000	Public	Local Match		Public	Local Match	
U.S. Department of Health and Human Services Prevent Alcohol Drinking Department of Social Services, Office of Highway Demonstration, Support Subcontract Services Title IV-D Administrative grant*	11-71	July 1, 1994	Jan 29, 1995	\$104,700	\$14,000	\$118,700	\$104,700	\$14,000	\$122,700

* Revenue shown "Title IV-D Reimbursement" on Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds. Monthly program.

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**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Members of the Court
Juvenile Court for the Parish of Jefferson
Jefferson Parish, Louisiana

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of Juvenile Court for the Parish of Jefferson as of and for the year ended December 31, 1995, and have issued our report thereon dated April 8, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, "Audit of State and Local Governments." These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit for the year ended December 31, 1995, we considered the internal control structure of Juvenile Court for the Parish of Jefferson in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements of Juvenile Court for the Parish of Jefferson and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in separate report dated April 8, 1996.

The management of Juvenile Court for the Parish of Jefferson is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, an honest and judgment by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an

Internal control structures are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Article Credits

Purchases and disbursements
Internal financial reporting
Payroll and personnel

Accounting Applications

Billings
Purchasing and receiving
Payroll

General Requirements

Political activity
Civil rights
Cash management
Federal financial reports
Allowable cost/lost principles
Drug-Free Workplace Act
Administrative requirements

Specific Requirements

Type of services
Eligibility
Matching
Reporting
Cost allocation

For all the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1993, Jernville Court for the Parish of Jefferson had no major federal financial assistance programs and expended 100% of its total federal financial assistance under its Title IV-D Program.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to the aforementioned nonmajor program. Our procedures were less in scope

than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that non-compliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

We noted other matters involving the internal control structure and its operation that we have reported to the management of Juvenile Court for the Parish of Jefferson in a separate letter dated April 8, 1996.

This report is intended for the information of the Judges of the Court, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



A Professional Accounting Corporation

Harvey, Louisiana

April 8, 1996

SHARP & ADORNO

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ACCOUNTING CORPORATION

8. PETER W. SHARP, CPA
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Members of the Court
Juvenile Court for the Parish of Jefferson
Jefferson Parish, Louisiana

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of Juvenile Court for the Parish of Jefferson as of and for the year ended December 31, 1995, and have issued our report thereon dated April 8, 1996.

We have applied procedures to test Juvenile Court for the Parish of Jefferson's compliance with the following requirements applicable to its federal financial assistance program, which is identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1995:

- Political activity
- Civil rights
- Cash management
- Drug-Free workplace
- Federal financial reports
- Allowable Costs
- Administrative Requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's, "Compliance Supplement for Single Audits of State and Local Governments." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Juvenile Court for the Parish of Jefferson's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this

report. With respect to items not tested, nothing came to our attention that caused us to believe that Juvenile Court for the Parish of Jefferson had not complied, in all material respects, with these requirements.

This report is intended for the information of the Judges of the Court, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Sharp & Adams
A Professional Accounting Corporation

Harvey, Louisiana

April 8, 1966

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

Members of the Court
Juvenile Court for the Parish of Jefferson
Jefferson Parish, Louisiana

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of Juvenile Court for the Parish of Jefferson as of and for the year ended December 31, 1995, and have issued our report thereon dated April 8, 1996.

In connection with our audit of the general purpose financial statements of Juvenile Court for the Parish of Jefferson, and with our consideration of the Court's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audit of State and Local Governments," we selected certain transactions applicable to the Court's nonmajor federal financial assistance program for the year ended December 31, 1995.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, eligibility, matching, level of effort, or cost-sharing; reporting; claims for advances and reimbursements; and cost allocations that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Court's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Court had not complied, in all material respects, with those requirements.

This report is intended for the information of the Judges of the Court, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

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April 8, 1976

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April 8, 1996

Honorable Ann Marie Keller
Honorable Thomas P. McGee
Honorable Nancy Annato Keenan
Juvenile Court for the Parish of Jefferson

In planning and performing our audit of Juvenile Court for the Parish of Jefferson for the year ended December 31, 1995, we considered the Court's internal control structure and compliance with laws and regulations in order to determine our auditing procedures for the purpose of expressing our opinion on the Court's financial statements and not to provide assurance on the internal control structure.

Compliance with laws, regulations, contracts, and grants applicable to Juvenile Court for the Parish of Jefferson is the responsibility of the Court's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Court's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

Under the terms of our written agreement with the Legislative Auditor of the State of Louisiana, we are required to report all instances of noncompliance with laws and regulations applicable to the Court, unless those instances of noncompliance are clearly inconsequential.

During the course of our audit, we noted the following instances of noncompliance with state law which we did not consider material, due to the facts and circumstances surrounding the noncompliance:

Judicial Expense Fund Budget

Finding:

The Court adopts a budget for its Judicial Expense Fund based on the prior year's actual revenue and expenditures. State law, specifically the Local Government Budget Act (LSA-RS 39:1310), requires that the chief administrative officer advise the governing authority, in writing, when actual plus projected expenditures within a fund are expected to exceed the budget by more than five percent.

We noted no official written notification or amendments made to the Judicial Expense Fund Budget, although revenues and expenditures increased substantially after July 1, 1995, due to the addition of the five percent child support fee, and the Court's election to terminate the IV-ES contract. In discussions with Court personnel, we became aware that the Judicial Expense Fund Budget had been discussed extensively and amended on an informal basis during or basic meetings of the members of the Court, but that no specific documents identified as budget amendments had been signed by members of the Court.

Recommendation

We recommend that the Judicial Administrator continue to closely monitor the Judicial Expense Fund Budget as he currently does, and that he request that the Judges adopt a formal resolution approving the original budget and any amendments as required.

Payroll Reporting

Finding

State and federal laws require reporting of salaries paid to employees on Forms I-2 and M-2, respectively, and require withholding of certain payroll taxes. In our testing of cash disbursements, we noted that two employees of the Court received compensation for overtime worked, but the compensation was not reported by the Court to the appropriate revenue agencies, and no employment taxes were withheld or paid.

One item was found that was not in compliance out of a sample of 35 cash disbursements tested. The total amounts to approximately \$2,900 in salaries paid from the Court's Judicial Expense Fund and not reported to the appropriate agencies. Total salaries and employee benefits paid by the Parish of Jefferson on behalf of the Court approximate \$1.2 million.

The Court may ultimately be held liable for employer and employee portions of taxes not withheld and penalties thereon.

Recommendation

The Court should retain the appropriate employer identification numbers and should prepare the necessary state and federal payroll tax returns for all periods in which salaries are paid from the Judicial Expense Fund. We further recommend that the Court prepare returns for the required periods in 1995 and issue W-2s to the compensated employees.

This report is intended for the information of the Judges of the Court, management, and the Legislative Auditor of the State of Louisiana.

Judges of the Juvenile Court,
Parish of Jefferson
April 8, 1996
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We thank you for the cooperation given us during the course of our audit, and wish to express our gratitude to James Boudreau and Louise Kelley for the outstanding assistance they provide to us every year. We are available to discuss this letter with you at any time, and will be happy to assist you in implementing our recommendations.

Sincerely,

SHARP & ADDONO
A Professional Accounting Corporation



Brian E. Addono, ID
Certified Public Accountant

BFA:JTG/awc