

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
1999
GENERAL PURPOSE FINANCIAL STATEMENTS

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

REPORT ON AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 NOV 03 1999

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS

As Of And For The Year Ended June 30, 1999

CONTENTS

	<u>EXHIBIT</u>	<u>SCHEDULE</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	-	-	1 - 2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)			
Combined Balance Sheet, June 30, 1999 - All Fund Types and Account Groups	A	-	4 - 5
Governmental Funds:			
Statement of Revenues, Expenditures and Changes in Fund Balances	B	-	6 - 7
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual	C	-	8
NOTES TO FINANCIAL STATEMENTS	-	-	9 - 27
SUPPLEMENTARY INFORMATION:			
Schedule of Compensation Paid Board Members	-	1	30
Schedule of Expenditures by Classification Budget (GAAP Basis) and Actual - General Fund	-	2	32 - 33
OTHER INDEPENDENT AUDITOR'S REPORTS AND FINDINGS AND RECOMMENDATIONS			
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	-	-	36 - 37
Current Year Audit Findings and Recommendations	-	-	39 - 41
Corrective Action Plan for Current Year Audit Findings	-	-	43
Summary Schedule of Prior Audit Findings	-	-	45

Durnin & James

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August 25, 1999

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of the Florida Parishes Juvenile Justice District, Hammond, Louisiana, as of June 30, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Florida Parishes Juvenile Justice District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Florida Parishes Juvenile Justice District as of June 30, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated August 25, 1999 on our consideration of the Florida Parishes Juvenile Justice District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Florida Parishes Juvenile Justice District. Such information has been subject to the auditing procedures applied in the

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

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

Respectfully submitted,


DURNIN & JAMES, CPA'S

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

EXHIBIT A

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1999

	GOVERNMENTAL FUNDS			ACCOUNT GROUPS			TOTALS	
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	GENERAL FIXED ASSETS	LONG-TERM DEBT	1999	MEMORANDUM ONLY 1998
ASSETS AND OTHER DEBITS:								
Assets:								
Cash	\$161,072	\$ 127,004	\$ -	\$238,829	\$ -	\$ -	\$ 526,905	\$ 789,621
Investments	733,640	2,344,771	561	-	-	-	3,078,972	5,433,246
Receivables Net:								
Accounts	-	-	-	-	-	-	-	4,260
Court Costs	-	-	-	-	-	-	-	-
Intergovernmental Grant	2,312	-	-	9,700	-	-	12,012	12,341
Prepaid Insurance	54,865	-	-	-	-	-	54,865	48,637
Land	-	-	-	-	24,031	-	24,031	24,031
Building and Improvements	-	-	-	-	1,912,640	-	1,912,640	1,905,311
Vehicles and Equipment	-	-	-	-	323,830	-	323,830	236,326
Construction in Progress	-	-	-	-	4,908,351	-	4,908,351	736,508
Other Debits:								
Amount available in Debt Service Fund	-	-	-	-	-	-	-	-
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	-	-	2,409,351	2,409,351	2,648,727
TOTAL ASSETS	<u>\$951,889</u>	<u>\$2,471,775</u>	<u>\$ 561</u>	<u>\$248,529</u>	<u>\$7,168,852</u>	<u>\$2,409,351</u>	<u>\$13,250,957</u>	<u>\$11,839,008</u>

(CONTINUED)

EXHIBIT A (CONTINUED)

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

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

June 30, 1999

	GOVERNMENTAL FUNDS				ACCOUNT GROUPS			TOTALS	
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	GENERAL FIXED ASSETS	LONG-TERM DEBT	MEMORANDUM ONLY		
							1999	1998	
LIABILITIES AND FUND EQUITY:									
Liabilities:									
Accounts Payable	\$ 3,473	\$ 6,750	\$ -	\$ 405,371	\$ -	\$ -	\$ 415,594	\$ 356,190	
Accrued Expenses	70,242	-	-	-	-	69,351	139,593	86,039	
Retainage Payable	-	-	-	229,612	-	-	229,612	27,872	
Certificate of Indebtedness	-	-	-	-	-	2,340,000	2,340,000	2,605,000	
Total Liabilities	\$ 73,715	\$ 6,750	\$ -	\$ 634,983	\$ -	\$ 2,409,351	\$ 3,124,799	\$ 3,075,101	
Fund Equity:									
Investment in General	\$ -	\$ -	\$ -	\$ -	\$ 7,168,852	\$ -	\$ 7,168,852	\$ 2,902,176	
Fixed Assets	-	-	-	-	-	-	-	-	
Fund balances:									
Reserved for Debt Service	-	-	561	-	-	-	561	-	
Unreserved - Undedicated	878,174	1,205,962	-	-	-	-	2,084,136	3,009,414	
Dedicated for Capital Outlay	-	1,259,063	-	(386,454)	-	-	872,609	2,852,317	
Total Fund Equity	\$ 878,174	\$ 2,465,025	\$ 561	\$ (386,454)	\$ 7,168,852	\$ -	\$ 10,126,158	\$ 8,763,907	
TOTAL LIABILITIES AND FUND EQUITY	\$ 951,889	\$ 2,471,775	\$ 561	\$ 248,529	\$ 7,168,852	\$ 2,409,351	\$ 13,250,957	\$ 11,839,008	

The accompanying notes are an integral part of this statement.

EXHIBIT B

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For The Year Ended June 30, 1999

	GOVERNMENTAL FUND TYPES				TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	(MEMORANDUM ONLY)	
					06/30/99	06/30/98
REVENUES						
Court costs	\$ 259,967	\$ -	\$ -	\$ -	\$ 259,967	\$ 263,151
Fees for services	6,128	-	-	-	6,128	37,885
Intergovernmental	320,665	215,347	-	-	536,012	392,590
Ad valorem taxes	-	2,379,508	-	-	2,379,508	2,332,599
Interest and other	34,922	116,761	561	107,097	259,341	281,823
Total Revenues	\$ 621,682	\$ 2,711,616	\$ 561	\$ 107,097	\$ 3,440,956	\$ 3,308,048
EXPENDITURES						
Public Safety:						
Salaries and related benefits	\$ 1,159,423	\$ -	\$ -	\$ -	\$ 1,159,423	\$ 867,452
Travel and training	12,579	-	-	-	12,579	18,425
Operating services	193,645	-	-	-	193,645	140,724
Operating supplies	130,116	-	-	-	130,116	115,893
Professional services	102,697	-	-	-	102,697	95,239
Other	-	80,469	-	4,081	84,550	79,405
Capital outlay	94,833	69,408	-	4,102,435	4,266,676	602,947
Debt Service:						
Principal retirement	-	-	265,000	-	265,000	250,000
Interest and fiscal charges	-	-	130,695	-	130,695	145,993
Total Expenditures	\$ 1,693,293	\$ 149,877	\$ 395,695	\$ 4,106,516	\$ 6,345,381	\$ 2,316,078

(CONTINUED)

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

EXHIBIT B (CONTINUED)

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

For The Year Ended June 30, 1999

	GOVERNMENTAL FUND TYPES				TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	(MEMORANDUM ONLY)	06/30/98
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES						
OTHER FINANCING SOURCES (USES):						
Sale of bonds	-	-	-	-	-	-
Operating transfers in	1,585,305	-	395,695	761,648	2,742,648	1,669,067
Operating transfers out	-	(2,741,648)	-	(1,000)	(2,742,648)	(1,669,067)
Total other financing sources (uses)	1,585,305	(2,741,648)	395,695	760,648	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	513,694	(179,909)	561	(3,238,771)	(2,904,425)	991,970
FUND BALANCE - BEGINNING OF YEAR	364,480	2,644,934	-	2,852,317	5,861,731	4,869,761
FUND BALANCE - END OF YEAR	878,174	2,465,025	561	386,454	2,957,306	5,861,731

The accompanying notes are an integral part of this statement.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

EXHIBIT C

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

For The Year Ended June 30, 1999

	GENERAL FUND			SPECIAL REVENUE FUND		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Ad valorem tax	\$ -	\$ -	\$ -	\$ 1,261,689	\$ 2,379,508	\$ 1,117,819
Court costs	-	259,967	259,967	-	-	-
Fees for services	-	6,128	6,128	-	-	-
Intergovernmental	295,609	320,665	25,056	216,000	215,347	(653)
Interest and other	41,400	34,922	(6,478)	6,000	116,761	110,761
Total Revenues	<u>\$ 337,009</u>	<u>\$ 621,682</u>	<u>\$ 284,673</u>	<u>\$ 1,483,689</u>	<u>\$ 2,711,616</u>	<u>\$ 1,227,927</u>
EXPENDITURES						
Public Safety:						
Salaries and related benefits	\$ 1,231,774	\$ 1,159,423	\$ 72,351	\$ -	\$ -	\$ -
Travel and training	22,400	12,579	9,821	-	-	-
Operating services	208,225	193,645	14,580	-	-	-
Operating supplies	140,300	130,116	10,184	-	-	-
Professional services	55,970	102,697	(46,727)	-	-	-
Other	-	-	-	-	80,469	(80,469)
Debt Service	-	-	-	-	-	-
Capital outlay	80,654	94,833	(14,179)	-	69,408	(69,408)
Total Expenditures	<u>\$ 1,739,323</u>	<u>\$ 1,693,293</u>	<u>\$ 46,030</u>	<u>\$ -</u>	<u>\$ 149,877</u>	<u>\$ (149,877)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,402,314)</u>	<u>\$ (1,071,611)</u>	<u>\$ 330,703</u>	<u>\$ 1,483,689</u>	<u>\$ 2,561,739</u>	<u>\$ 1,078,050</u>
OTHER FINANCING SOURCES (USES):						
Sale of bonds	-	-	-	-	-	-
Operating transfers in	1,585,305	1,585,305	-	-	-	-
Operating transfers out	-	-	-	(2,741,648)	(2,741,648)	-
Total Other Financing Sources (Uses)	<u>1,585,305</u>	<u>1,585,305</u>	<u>-</u>	<u>(2,741,648)</u>	<u>(2,741,648)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	182,991	513,694	330,703	(1,257,959)	(179,909)	1,078,050
FUND BALANCE - BEGINNING OF YEAR	<u>364,480</u>	<u>364,480</u>	<u>-</u>	<u>2,644,934</u>	<u>2,644,934</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 547,471</u>	<u>\$ 878,174</u>	<u>\$ 330,703</u>	<u>\$ 1,386,975</u>	<u>\$ 2,465,025</u>	<u>\$ 1,078,050</u>

The accompanying notes are an integral part of this statement.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

	<u>Page</u>
Introduction	10
1. Summary of Significant Accounting Policies	10
A. Basis of Presentation	10 - 11
B. Financial Reporting Entity	11
C. Fund Accounting	12
D. Property, Plant and Equipment and Long-Term Liabilities	12 - 13
E. Basis of Accounting	13
F. Budgets	14
G. Encumbrances	14
H. Cash and Cash Equivalents	15
I. Inventories	15
J. Prepaid Items	15
K. Fixed Assets	15
L. Compensated Absences	15 - 16
M. Long-Term Obligations	16
N. Total Columns on Statements	16
2. Cash and Investments	16 - 18
3. Receivables	18
4. Ad Valorem Taxes	18 - 19
5. Changes in General Fixed Assets	19
6. Employees Pension Plan	19 - 21
7. Compensated Absences	21 - 22
8. Other Post Employment Benefits	22
9. Compensation Paid Board Members	22
10. Changes in Long-Term Debt	22 - 23
11. Dedication of Proceeds and Flow of Funds - Ad Valorem Tax	23
12. Compliance with Certificate Covenants	24
13. Year 2000 Issue	24 - 25
14. Stewardship, Compliance and Accountability	25
15. Reserved and Designated Fund Balances	25 - 26
16. Litigation and Claims	26 - 27

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS

As of and for the year Ended June 30, 1999

INTRODUCTION

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

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

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

The District presently owns and operates the Florida Parishes Juvenile Detention Center, a 28-bed secure detention facility housing juveniles. Management and operation of the detention center is performed by a superintendent and 33 employees; all of whom are appointed by the board. Funding for the District is provided by: (1) court costs levied on all felony and misdemeanor prosecutions, including traffic offenses, by any court in the District, (2) charges for services provided by the detention center and (3) grants from the Department of Corrections, State of Louisiana.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

The following is a summary of certain significant accounting policies.

B. FINANCIAL REPORTING ENTITY

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

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

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

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

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. FUND ACCOUNTING

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

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

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

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

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

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

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

assets.

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

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

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

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

E. BASIS OF ACCOUNTING

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

Revenues

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

Expenditures

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

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

F. BUDGETS

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

1. The District must adopt a budget each year for the general fund and each special revenue fund, if applicable.
2. The President must prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$250,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the District has jurisdiction. The proposed budget was submitted to the board of commissioners on May 13, 1998. Upon acceptance by the board, the proposed budget was first published in the official journal in each parish in which the District has jurisdiction on May 24, 1998.
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 July 8, 1998.
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 July 8, 1998.
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 6, 1999.
7. All budgetary appropriations lapse at the end of each fiscal year.

The District did not comply with certain provisions of state law which require 1) the budget be adopted no later than fifteen days prior to the beginning of each fiscal year, and 2) a budget amendment when actual expenditures exceed amounts budgeted by five percent or more.

G. ENCUMBRANCES

The District does not utilize encumbrance accounting.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

H. CASH AND CASH EQUIVALENTS

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

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

I. INVENTORIES

The District uses the purchase method for accounting for expendable supplies whereby expenditures are recognized when the items are purchased. The District did not record any inventory at June 30, 1999, as the amount is not material.

J. PREPAID ITEMS

The District recorded prepaid insurance in the amount of \$54,865 at June 30, 1999.

K. FIXED ASSETS

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

L. COMPENSATED ABSENCES

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

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

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

reported for these amounts.

M. LONG-TERM OBLIGATIONS

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

N. TOTAL COLUMNS ON STATEMENTS

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

2. CASH AND INVESTMENTS

At June 30, 1999, the book balance of the District's deposits was \$526,905 and the bank balance was \$560,327. Of the bank balance, \$100,000 was covered by federal deposit insurance and \$460,327 was covered by collateral held by the Federal Reserve Bank of New Orleans in the fiscal agent bank's name.

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

Bank Deposit <u>Covered By</u>	<u>Category</u>			<u>Confirmed Bank Balance</u>	<u>Collateral Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
U. S. Treasury Notes	\$ -	\$ -	\$460,327	\$460,327	\$1,592,451
FDIC Insurance	<u>100,000</u>	-	-	<u>100,000</u>	<u>100,000</u>
Total Deposits	<u>\$100,000</u>	<u>\$ -</u>	<u>\$460,327</u>	<u>\$560,327</u>	<u>\$1,692,451</u>

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

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Investments

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

Some investments at June 30, 1999 are in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the Investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc. a nonprofit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

As of June 30, 1999, the District invested \$263,815 in LAMP and \$2,815,157 in U.S. Government Obligations. The District records all interest revenue related to investment activity in the respective funds.

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

Investments are stated at amortized cost, and all investment activities are conducted through the fiscal agent. During 1999, the District did not invest through any security brokers or dealers. Treasury notes and bills are bought and held at the Federal Reserve Bank of New Orleans in the District's name.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Description	Category			Carrying Amount	Market Value	Collateral Market Value
	1	2	3			
LAMP	\$ -	\$ -	\$ -	\$ 263,815	\$ 263,815	\$ -
Federal Government Obligations	<u>2,815,157</u>	<u>-</u>	<u>-</u>	<u>2,815,157</u>	<u>2,815,157</u>	<u>-</u>
Total Investments	<u>\$2,815,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,078,972</u>	<u>\$3,078,972</u>	<u>\$ -</u>

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

At June 30, 1999, the District complied with the provisions of state law which requires public funds to be secured from risk by a pledge of securities by the fiscal agent bank.

3. RECEIVABLES

The following is a summary of receivables at June 30, 1999:

Class of Receivable	General	Capital	Total
	Fund	Projects Fund	
Accounts	\$ -	\$ -	\$ -
State Grant	<u>2,312</u>	<u>9,700</u>	<u>12,012</u>
Total	\$ 2,312	\$ 9,700	\$ 12,012
Less allowance for uncollectible ad valorem taxes	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,312</u>	<u>\$ 9,700</u>	<u>\$ 12,012</u>

4. AD VALOREM TAXES

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

	1998 Authorized and Levied Millage
Special Revenue Fund	3.00

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

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 1999, the District levied 3.00 mills for a total tax levy of \$2,430,468 on taxable property valuation totaling \$810,156,065.

5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Land</u>	<u>Buildings & Improvements</u>	<u>Vehicles & Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
Balance,					
June 30, 1998,	\$ 24,031	\$1,905,311	\$ 236,326	\$ 736,508	\$2,902,176
Additions for the					
Year Ended:					
June 30, 1999	-	7,329	87,504	4,171,843	4,266,676
Retirements for					
Year Ended:					
June 30, 1999	-	-	-	-	-
Balance,					
June 30, 1999	<u>\$ 24,031</u>	<u>\$1,912,640</u>	<u>\$ 323,830</u>	<u>\$4,908,351</u>	<u>\$7,168,852</u>

On October 21, 1995, the voters passed a 3 mill property tax for improving and maintaining the juvenile detention center. The District began construction of an addition to the juvenile detention center to enlarge the facility from 31 beds to 100 beds. Total construction costs are estimated at \$5,300,000. Financing has been provided by the issuance of \$3,100,000 of Certificates of Indebtedness, Series 1996, authorized by a resolution adopted by the board on July 10, 1996. Additional funding is provided from surplus ad valorem tax revenue. Construction commenced during the spring of 1998 with a projected completion date during the fall of 1999. Construction costs incurred as of June 30, 1999 totaled \$4,908,351.

6. EMPLOYEES PENSION PLAN

Louisiana State Employees Retirement System (LASERS)

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

For the year ended June 30, 1999, employees contributed \$63,462 and the District contributed \$105,061 for a total of \$168,523.

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

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Contributions

Covered employees are required by state statute to contribute 7.50% of their salary to the plan. The District is required by the same statute to contribute the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended June 30, 1999, was \$168,523 which consisted of \$105,061 from the District and \$63,462 from employees. Each employer was required by Statute to contribute 12.40% of each employee's earned compensation to finance participation

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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, 1999 was \$992,263 and the District's contributions were based on a payroll of \$847,321. Both the District and the covered employees made the required contributions, amounting to \$168,523. There were no related party transactions.

Trend Information

Contributions required by state statute:

<u>Fiscal Year</u> <u>June 30</u>	<u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contribution</u>
1997	\$ 82,485	100%
1998	\$115,516	100%
1999	\$168,523	100%

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

7. COMPENSATED ABSENCES

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

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

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

Certain employees of the District earn compensatory leave (K-time) at the rate of 1 ½ hours of K-time for each hour worked in excess of the normal work schedule. Compensatory time may be accumulated up to 80 hours and is paid upon separation from

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

service. As of June 30, 1999, the District records a liability for accrued annual leave and compensatory time totaling \$69,351. This liability is recorded in the general long-term debt account group.

8. OTHER POST EMPLOYMENT BENEFITS

The District has no other post employment benefits.

9. COMPENSATION PAID BOARD MEMBERS

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

10. CHANGES IN LONG-TERM DEBT

The following is a summary of debt transactions for the Florida Parishes Juvenile Justice District for the year ended June 30, 1999:

	Balance July 1, 1998	Certificates Issued	Certificates Retired	Balance June 30, 1999
Certificates of Indebtedness	\$2,605,000	\$ -	\$265,000	\$2,340,000
	<u>\$2,605,000</u>	<u>\$ -</u>	<u>\$265,000</u>	<u>\$2,340,000</u>

Long-term debt at June 30, 1999, is comprised of the following:

Compensated Absences	\$ 69,351
Certificates of Indebtedness:	
\$3,100,000 Certificates of Indebtedness Series 1996 dated October 22, 1996; Due in Annual Installments of \$245,000 - \$390,000 through March 1, 2006, Interest at 4.60% - 6.5%.	<u>2,340,000</u>
Total General Long-Term Debt	<u>\$2,409,351</u>

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

The annual requirements to amortize all debt outstanding at June 30, 1999, including interest payments of \$504,645 are as follows:

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

<u>CERTIFICATES OF INDEBTEDNESS, SERIES 1996</u>			
<u>YEAR ENDED</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
<u>JUNE 30</u>			
2000	\$ 280,000	\$ 117,505	\$ 397,505
2001	300,000	104,345	404,345
2002	315,000	89,945	404,945
2003	335,000	74,510	409,510
2004	350,000	57,760	407,760
2005	370,000	39,910	409,910
2006	<u>390,000</u>	<u>20,670</u>	<u>410,670</u>
	<u>\$2,340,000</u>	<u>\$ 504,645</u>	<u>\$2,844,645</u>

Specific years for payment of compensated absences are not determinable.

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

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

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

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

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

The balance in the Sinking Fund at June 30, 1999, was in accordance with the certificate covenant.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

12. COMPLIANCE WITH CERTIFICATE COVENANTS

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

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

As of June 30, 1999, the District was in compliance with this certificate covenant.

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

As of June 30, 1999, the District was not in compliance with this certificate covenant.

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

As of June 30, 1999, the District was in compliance with these other certificate covenants in all material respects.

13. YEAR 2000 ISSUE

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

Florida Parishes Juvenile Justice District has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary for conducting the District's operations. Based on this inventory, the District is in the remediation stage in that bid specifications have been drawn up to purchase, from outside vendors, hardware and software

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

believed to be year 2000 compliant for the financial reporting systems; management believes the cost will be negligible. Testing and validation of the systems will need to be completed after the hardware and software are installed.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be year 2000 ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be year 2000 ready.

14. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Expenditures Exceeding Appropriations (GAAP Budgetary Basis)

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

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>
Special Revenue Fund	\$ -	\$149,877	\$(149,877)

B. Compliance with Local Government Budget Act

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

C. Deficit in Fund Balances

At June 30, 1999, the Capital Projects Fund had a deficit in fund balance dedicated for capital outlay of \$386,454. It is anticipated that funds will be transferred from the Special Revenue Fund as necessary to cover the deficit. At June 30, 1999, the Special Revenue Fund had a fund balance dedicated for capital outlay in the amount of \$1,259,063, sufficient to cover the deficit in the Capital Projects Fund.

15. RESERVED AND DESIGNATED FUND BALANCES

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

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Balance at
June 30, 1999

Reserves of Fund Balance:

1.	Debit Service Fund	
	(a) Reserved for Certificate of Indebtedness Debt Service	\$ <u>561</u>
		\$ <u>561</u>

Designations of Fund Balance:

1.	Special Revenue Fund	
	(a) Designated for Capital Projects	\$ 1,259,063
2.	Capital Projects Fund	
	(a) Designated for Capital Projects (deficit)	<u>(386,454)</u>
		<u>\$ 872,609</u>

16. LITIGATION AND CLAIMS

The following legal action is currently pending against the Florida Parishes Juvenile Justice Commission:

- (a) J. Caldarera & Co., Inc. vs. Florida Parishes Juvenile Justice Commission, Docket Number 9400583, Division "C", Twenty-First Judicial District Court, Tangipahoa Parish, Louisiana.

This suit represents a claim by the plaintiff for extra compensation as a result of change orders issued during the construction and erection of the Juvenile Detention Center in Tangipahoa Parish, Louisiana.

No accrual for loss contingencies for the above legal action has been recorded in the financial statements as responsibility has not been determined and the possible loss or range of loss for this legal action cannot be reasonably estimated.

- (b) Kathleen Smith, Individually and On-Behalf-Of her minor child, James Capel Smith, III vs. Wayne Summers and the State of Louisiana through its Department of Public Safety and Corrections, and the Florida Parishes Juvenile Justice District, No. 97-13492, Division "S", Twenty-Second Judicial District Court, St. Tammany Parish, Louisiana.

This suit represents a claim by the mother of a former juvenile detainee of the Florida Parishes Juvenile Detention Center who alleges that the former superintendent, Wayne Summers, also a defendant in this action, physically and sexually assaulted the juvenile.

No accrual for loss contingencies for the above legal action has been

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

recorded in the financial statements as the damages of the compensatory nature are well within the policy limit of a public liability policy issued by Titan Insurance Company to the Detention Center, and the possible loss or range of loss for this legal action cannot be reasonably estimated.

- (c) Betty A. Monistere vs. Florida Parishes Juvenile Detention Center, United States Equal Employment Opportunity Commission No. 270-94-2435.

This suit represents a claim by the plaintiff, a former security officer of the Florida Parishes Juvenile Detention Center, who alleges that she was sexually harassed by her immediate supervisor and that she has been discriminated against because of her sex.

No accrual for loss contingencies for the above legal action has been recorded in the financial statements as it is too early to determine the final outcome and the possible loss or range of loss for this legal action cannot be reasonably estimated.

- (d) Agabita G. Rowe and John A. Rowe, Individually and On-Behalf-Of their minor child, Christopher Michael Rowe vs. Wayne Summers, the Florida Parishes Juvenile Justice District d/b/a the Florida Parishes Juvenile Detention Center, et al, No. 97-03490, Division "D", Twenty-First Judicial District Court, Tangipahoa Parish, Louisiana.

This suit represents a claim by the parents of a former juvenile detainee of the Florida Parishes Juvenile Detention Center who alleges that the former superintendent, Wayne Summers, also a defendant in this action, physically and sexually assaulted the juvenile.

No accrual for loss contingencies for the above legal action has been recorded in the financial statements as the damages of the compensatory nature are well within the policy limit of a public liability policy issued by the Titan Insurance Company to the Detention Center, and the possible loss or range of loss for this legal action cannot be reasonably estimated.

- (e) Justin Kyle Keaton and Beverly Kay Frosch vs. Wayne E. Summers, Florida Parishes Juvenile Justice Commission, et al, No. 99-00789, Division "C", Twenty-First Judicial District Court, Tangipahoa Parish, Louisiana

This suit represents a civil rights action by the parents of a former juvenile detainee of the Florida Parishes Juvenile Detention Center who alleges that the former superintendent, Wayne Summers, also a defendant in this action, physically and sexually assaulted their son.

No accrual for loss contingencies for the above legal action has been recorded in the financial statements as an evaluation of the likelihood of outcome of this case is difficult at this early stage of litigation.

SUPPLEMENTARY INFORMATION

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

SCHEDULE 1

SUPPLEMENTAL INFORMATION SCHEDULE
As of and for the Year Ended June 30, 1999

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

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

<u>BOARD MEMBER</u>	<u>TITLE</u>	<u>COMPENSATION</u>	<u>TRAVEL ALLOWANCE</u>
Robert G. Tyler, Jr.	President	\$ -	\$ -
Virgil Allen	Secretary	-	-
Percy A. Brignac, Jr.	Treasurer	-	-
Rev. Willie G. Johnson	Commissioner	-	-
Kathryn Hill	Commissioner	-	-
Richard Sylvest	Commissioner	-	-
Terry M. Wood	Commissioner	-	-
		<u>-</u>	<u>-</u>
Total		\$ <u>-</u>	\$ <u>-</u>

See auditor's report.

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

GENERAL FUND

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

SCHEDULE 2

SUPPLEMENTAL INFORMATION SCHEDULE

For the Year Ended June 30, 1999

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

	1999		VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	REVISED BUDGET	ACTUAL		
Salaries and related benefits:				
Salaries	\$1,053,157	\$ 992,263	\$ 60,894	\$ 752,523
Benefits	<u>178,617</u>	<u>167,160</u>	<u>11,457</u>	<u>114,929</u>
	<u>\$1,231,774</u>	<u>\$1,159,423</u>	<u>\$ 72,351</u>	<u>\$ 867,452</u>
Travel and training	\$ <u>22,400</u>	\$ <u>12,579</u>	\$ <u>9,821</u>	\$ <u>18,425</u>
Operating services:				
Printing	\$ 250	\$ -	\$ 250	\$ -
Insurance	95,000	100,642	(5,642)	64,647
Bank charges	-	15	(15)	-
Maintenance - auto	4,500	2,195	2,305	(491)
Maintenance - building	26,775	14,447	12,328	7,160
Maintenance - other	-	7,769	(7,769)	8,064
Rental - other	1,500	818	682	774
Dues and subscriptions	3,000	2,947	53	2,211
Postage	3,000	2,668	332	2,397
Telephone	11,500	10,912	588	8,272
Utilities	40,000	37,627	2,373	29,498
Accounting and auditing	-	-	-	22
Training	1,900	980	920	-
Rural trash collection	2,000	1,852	148	286
Emergency funds - maintenance	-	-	-	40
Pest control	800	731	69	724
Legal advertisement	8,600	570	8,030	1,822
Cable TV	-	764	(764)	-
Copier lease	5,000	4,499	501	-
Internet	900	-	900	-
A.C.A. certification	-	-	-	9,400
Security Drug Testing	3,500	2,954	546	5,393
Other operating services	-	<u>1,255</u>	<u>(1,255)</u>	<u>505</u>
	<u>\$ 208,225</u>	<u>\$ 193,645</u>	<u>\$ 14,580</u>	<u>\$ 140,724</u>

(CONTINUED)

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Hammond, Louisiana

SCHEDULE 2
(CONTINUED)

SUPPLEMENTAL INFORMATION SCHEDULE (CONTINUED)

For the Year Ended June 30, 1999

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

	1999		VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	REVISED BUDGET	ACTUAL		
Operating supplies:				
Office supplies	\$ 6,350	\$ 10,992	\$ (4,642)	\$ 13,288
Medical supplies	-	7,797	(7,797)	5,237
Food	40,000	45,348	(5,348)	41,521
Automotive supplies	5,000	3,927	1,073	8,905
Maintenance supplies	35,000	29,217	5,783	28,369
Juvenile personal	17,000	6,013	10,987	4,154
Security supplies	8,300	4,306	3,994	4,221
Recreation supplies	8,500	5,090	3,410	166
Uniforms	3,050	7,585	(4,535)	2,741
Kitchen supplies	5,300	2,899	2,401	2,740
Educational supplies	2,500	2,682	(182)	-
Social services supplies	500	209	291	-
Religious program supplies	250	185	65	-
Volunteer program	250	-	250	-
Other operating supplies	<u>8,300</u>	<u>3,866</u>	<u>4,434</u>	<u>4,551</u>
	<u>\$ 140,300</u>	<u>\$ 130,116</u>	<u>\$ 10,184</u>	<u>\$ 115,893</u>
Professional services:				
Accounting and auditing	\$ 7,500	\$ 15,940	\$ (8,440)	\$ 12,507
Medical	44,870	32,890	11,980	10,661
Consulting	3,000	685	2,315	32,421
Legal	600	41,597	(40,997)	27,462
Training	-	585	(585)	(132)
Contract labor	-	11,000	(11,000)	12,320
Other	-	-	-	-
	<u>\$ 55,970</u>	<u>\$ 102,697</u>	<u>\$ (46,727)</u>	<u>\$ 95,239</u>
Capital outlay	<u>\$ 80,654</u>	<u>\$ 94,833</u>	<u>\$ (14,179)</u>	<u>\$ 36,060</u>
Total Expenditures	<u>\$1,739,323</u>	<u>\$1,693,293</u>	<u>\$ 46,030</u>	<u>\$1,273,793</u>

See auditor's report.

OTHER INDEPENDENT AUDITOR'S REPORTS AND
FINDINGS AND RECOMMENDATIONS

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

Durnin & James

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Certified Public Accountants

August 25, 1999

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

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

We have audited the general purpose financial statements of the Florida Parishes Juvenile Justice District, Hammond, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated August 25, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Florida Parishes Juvenile Justice District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and recommendations as item numbers 99-1 through 99-4.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Florida Parishes Juvenile Justice District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

of the internal control over financial reporting that, in our judgment, could adversely affect the Florida Parishes Juvenile Justice District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and recommendations as item number 99-5.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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

Respectfully submitted,


DURNIN & JAMES, CPA's

FINDINGS AND RECOMMENDATIONS

Florida Parishes Juvenile Justice District
Hammond, Louisiana

CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 1999

FINDINGS AND RECOMMENDATIONS

COMPLIANCE

99-1 Budget Adopted Late

FINDING

The budget for the year ended June 30, 1999 was not adopted until July 8, 1998.

RECOMMENDATION

We recommend the Florida Parishes Juvenile Justice District adopt future budgets before the first day of the fiscal year in accordance with the Local Government Budget Act.

MANAGEMENT'S RESPONSE

In management's corrective action plan dated September 2, 1999, the District stated they will adopt future budgets timely.

99-2 Budget Variance Exceeds 5% Allowable Under State Law

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

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

FINDING

The budget for the fiscal year ended June 30, 1999, was amended on June 6, 1999. However, actual expenditures exceeded the amounts budgeted in the following fund by more than five percent:

	<u>Actual</u> <u>Expenditures</u>	<u>Amount</u> <u>Budgeted</u>	<u>Percent</u>
Special Revenue Fund	\$2,891,525	\$2,741,648	5.47%

RECOMMENDATION

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

MANAGEMENT'S RESPONSE

In management's corrective action plan dated September 2, 1999, management indicated the budget will continue to be monitored on a monthly basis. Budgetary amendments will

Florida Parishes Juvenile Justice District
Hammond, Louisiana

CURRENT YEAR AUDIT FINDINGS (CONTINUED)

For the Year Ended June 30, 1999

FINDINGS AND RECOMMENDATIONS

be made when actual revenues decrease over original budget projections and actual expenditures increase over original budget projections by more than five percent.

99-3 Failure to Advertise Emergency

The Florida Parish Juvenile Justice District intended to meet the requirements of Louisiana Revised Statutes (LSA-R.S.) 38:2212D(1) regarding Water Well and Sewage Plant additions in the amount of \$69,408 which resulted from a compliance order from the Department of Environmental Quality.

FINDING

Bids were not obtained for Sewage Plant and Water Well construction costing \$69,408.

RECOMMENDATION

We recommend the District become familiar with the requirements of the Public Bid Law and adhere to that law in the future.

MANAGEMENT'S RESPONSE

In management's corrective action plan dated September 2, 1999, management indicated that they will become familiar with the requirements of the Public Bid Law, and will observe those requirements.

99-4 Physical Inventory Not Updated

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

FINDING

The District detailed listing of general fixed assets had not been updated since February, 1999, and a physical inventory had not been taken every three months as required.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE

In management's corrective action plan dated September 2, 1999, management indicated that they are in the process of updating the physical inventory, and will take a physical inventory as soon as possible.

Florida Parishes Juvenile Justice District
Hammond, Louisiana

CURRENT YEAR AUDIT FINDINGS (CONTINUED)

For the Year Ended June 30, 1999

FINDINGS AND RECOMMENDATIONS

INTERNAL CONTROL OVER FINANCIAL REPORTING

99-5 Authorized Signature Stamp

FINDING

During our audit and testing of cash disbursements, it came to our attention that a facsimile signature stamp with dual signatures exists, which enables anyone with access to the machine to sign checks. The dual signature stamp combined with accessibility by several employees represents a substantial weakness in the internal controls over cash disbursements. As a result, this condition creates an environment in which expenditures could occur without proper authorization.

RECOMMENDATION

We recommend that facsimile signature stamps with dual signatures not be used. If a signature stamp must be used, we recommend that it be a requirement that one of the signatures required on each check be an authentic signature rather than a facsimile.

MANAGEMENT'S RESPONSE

In management's corrective action plan dated September 2, 1999, management indicated that effective immediately, the District will cease using the dual signature stamp for authorized signatures. In the future, the District will require live signatures on all checks.

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

Florida Parishes Juvenile Justice District
Hammond, Louisiana

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 1999

<u>Ref.#</u>	<u>Description of Finding</u>	<u>Corrective Action Plan</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>COMPLIANCE</u>				
<u>99-1</u>	Budget adopted late.	Future budgets to be adopted timely.	Mary Toups	6/30/2000
<u>99-2</u>	Budget exceeds 5%.	Amend budget.	Mary Toups	6/30/2000
<u>99-3</u>	Did not advertise emergency.	Future emergencies to be advertised.	Mary Toups	6/30/2000
<u>99-4</u>	Physical inventory not updated or taken.	Update inventory and take physical inventory.	Mary Toups	9/30/1999
<u>INTERNAL CONTROL OVER FINANCIAL REPORTING</u>				
<u>99-5</u>	Authorized signature stamp.	Require at least one live signature on all checks.	Mary Toups	9/30/1999

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Florida Parishes Juvenile Justice District
Hammond, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 1999

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

98-1	June 30, 1998	Cash not collateralized.	Yes	Cash subsequently collateralized.	
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INTERNAL CONTROL OVER FINANCIAL REPORTING

98-2	June 30, 1998	Year 2000 not addressed.	Yes	Written Y2K evaluation.	
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