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JUVENILE COURT FOR CADDO PARISH

SHREVEPORT, LOUISIANA

December 31, 2003

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Release Date 8/11/04

**JUVENILE COURT FOR CADDO PARISH
SHREVEPORT, LOUISIANA**

December 31, 2003

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SHREVEPORT, LOUISIANA**

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INDEPENDENT AUDITOR'S REPORT

Honorable Judges of the
Juvenile Court for Caddo Parish

I have audited the accompanying general purpose financial statements of the Juvenile Court for Caddo Parish as of December 31, 2003, and for the year then ended as listed in the table of contents. These general purpose financial statements are the responsibility of the Juvenile Court for Caddo Parish's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The Juvenile Court for Caddo Parish is not required by law to adopt, and has not adopted, an annual budget for any of its governmental funds. Accordingly, a presentation to compare the actual results with the budget has not been prepared.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Juvenile Court for Caddo Parish as of December 31, 2003, and the results of its operations and the changes in fund balances for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 16, 2004 on my consideration of the Juvenile Court for Caddo Parish's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.



June 16, 2004

**JUVENILE COURT FOR CADDO PARISH
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**

December 31, 2003

ASSETS

	Governmental Fund Type		Fiduciary	Account	Totals (Memorandum only) 2001
	General	Special Revenue	Fund Type	Group	
Cash	\$ 342,588	\$ 17,180	\$ 2,992	\$ -	\$ 362,760
Receivables:					
Intergovernmental:					
State of Louisiana Judicial Branch	15,351	-	-	-	15,351
Due from other governmental agencies:					
Caddo Parish	70,000	-	-	-	70,000
Fixed Assets	-	-	-	68,549	68,549
Total assets	\$ 427,939	\$ 17,180	\$ 2,992	\$ 68,549	\$ 516,660

LIABILITIES AND FUND EQUITY

<u>Liabilities:</u>					
Accounts payable	\$ 21,838	\$ -	\$ -	\$ -	\$ 21,838
Due to other governmental agencies:					
Other	2,751	-	2,992	-	5,743
Due to others	19,483	-	-	-	19,483
Total liabilities	44,072	-	2,992	-	47,064
<u>Fund equity:</u>					
Investment in general fixed assets	-	-	-	68,549	68,549
Fund balances:					
Reserve for reparations to crime victims	-	17,180	-	-	17,180
Unreserved - undesignated	383,867	-	-	-	383,867
Total fund equity	383,867	17,180	-	68,549	469,596
Total liabilities and fund equity	\$ 427,939	\$ 17,180	\$ 2,992	\$ 68,549	\$ 516,660

See accompanying notes

JUVENILE COURT FOR CADDO PARISH
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES

For the year ended December 31, 2003

	<u>Governmental Fund Type</u>		Totals
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum only) 2001</u>
Revenues			
Intergovernmental:			
Grants:			
Caddo Parish School Board	\$ 17,638	\$ -	\$ 17,638
Louisiana Commission on Law Enforcement	24,688	-	24,688
State of Louisiana Judicial Branch	289,775	-	289,775
Child Support hearing officer fees	238,518	-	238,518
Court fees and fines	148,647	15,967	164,614
Public Support:			
Donations	1,605	-	1,605
Vending			
Federal Nutrition Program	4,676	-	4,676
Phone Commissions and vending machines	5,983	-	5,983
Interest	1,400	-	1,400
Total revenues	<u>732,930</u>	<u>15,967</u>	<u>748,897</u>
Expenditures			
Current:			
Professional services	7,335	-	7,335
Office supplies	5,783	-	5,783
Dues and subscriptions	671	-	671
Books and publications	4,174	-	4,174
Travel	18,189	-	18,189
Training and conferences	6,206	-	6,206
Bank Service charges	1,635	-	1,635
Postage	2,707	-	2,707
Special Programs:			
Education and Counseling	299,290	-	299,290
Other	2,506	-	2,506
Miscellaneous	5,386	-	5,386
Costs to Caddo Parish	328,290	-	328,290
Contributions to Indigent Defender Board	55,008	-	55,008
Reparations to crime victims	-	14,934	14,934
Total current	<u>737,180</u>	<u>14,934</u>	<u>752,114</u>

See accompanying notes

JUVENILE COURT FOR CADDO PARISH
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES

For the year ended December 31, 2003

	<u>Governmental Fund Type</u>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum only)</u>
			<u>2001</u>
Capital outlay:			
Computer equipment	13,275	-	13,275
Total capital outlay	<u>13,275</u>	<u>0</u>	<u>13,275</u>
 Total expenditures	 <u>750,455</u>	 <u>14,934</u>	 <u>765,389</u>
 <u>Excess (deficiency) of revenues over expenditures</u>	 <u>(17,525)</u>	 <u>1,033</u>	 <u>(16,492)</u>
 <u>Fund balance</u>			
Beginning of year	<u>401,392</u>	<u>16,147</u>	<u>417,539</u>
End of year	<u>\$ 383,867</u>	<u>\$ 17,180</u>	<u>\$ 401,047</u>

**JUVENILE COURT FOR CADDO PARISH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General information

The Juvenile Court for Caddo Parish is provided for under Louisiana Revised Statutes Sections 13:1621 through 13:1630. The Juvenile Court has jurisdiction regarding the interest of children alleged to be delinquent, abandoned, neglected, or otherwise in need of supervision or care.

The Court also carries on certain ancillary activities including those related to the expedited process for establishment and enforcement of child support obligations under RS 46:236.5 and, the maintenance of a victim of juvenile crime compensation fund under RS 13:1561.

Financial reporting entity

As the governing authority of the consolidated government, for reporting purposes, the Parish of Caddo (Parish) is the financial reporting entity for the consolidated government. The financial reporting entity consists of (a) a primary government (Parish), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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, The Reporting Entity, established criteria for determining which component units should be considered part of the Parish of Caddo 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 primary government 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 primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The operation of the juvenile court system is fiscally dependent on the Parish for office space and courtrooms. The substance of the relationship between the juvenile court system and the Parish is that the Parish has approval authority over its operating and capital budget. Additionally, the nature and significance of the relationship between the juvenile court and the Parish is such that exclusion from the Parish's financial statements would render the financial statements incomplete or misleading. Because of these factors, the juvenile court was determined to be a component unit of the Parish of Caddo, the financial reporting entity. The accompanying financial statements present information only on the Juvenile Court for Caddo Parish as noted below and do not present any other information on the Parish, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity. Only the financial transactions resulting from certain ancillary

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

activities of the Court not accounted for by the governing authority of the Parish of Caddo including those related to the expedited process for establishment and enforcement of child support obligations under RS 46:236.5, the maintenance of a victim of juvenile crime compensation fund under RS 13:1561, and the carrying out of other programs related to the administration of juvenile justice are reported in these financial statements.

Basis of presentation

The accompanying general purpose financial statements of the Juvenile Court for Caddo Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Fund accounting

The accounts of the Court are organized on the basis of funds and account groups, each of which is a separate accounting entity. Funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures or expenses as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are spent and the means by which spending activities are controlled. 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 available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn is divided into separate "fund types."

Governmental funds are used to account for general activities, including the collection and disbursement of earmarked monies (special revenue funds). The funds of the Court are described as follows:

The general fund is used to account for all activities of the Court not accounted for in some other fund particularly the operations related to enforcement of child support obligations.

The special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, particularly the activities of the victims of juvenile crime compensation fund.

Fiduciary funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency fund is used to account for assets held by the Court as an agent for individuals and other organizations.

Basis of accounting

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. The operating statement of these funds presents increases and decreases in net current assets.

The Court's governmental and agency funds are maintained on the modified accrual basis of accounting wherein 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.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fees for processing support payments are recognized in the period the payments are received, and fines are recognized when collected.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received they are recorded as deferred revenues until earned.

Transfers between funds which are not expected to be repaid are accounted for as other financing sources uses.

Budgets and budgetary accounting

As defined in LSA-R.S. 39:1302, the Juvenile Court For Caddo Parish is not legally required to prepare a budget since it does not have a judicial expense fund.

Fixed assets

Fixed assets are recorded as expenditures when acquired in the fund used to acquire them. The related assets are reported in the general fixed asset account group. All fixed assets are valued at historical cost and no depreciation is charged against them. Fixed assets reported herein include only those assets purchased by the Court, and do not reflect assets of the court obtained from other sources.

Memorandum only - total columns

Total columns on the general purpose financial 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 and results of operations in conformity with generally accepted accounting principles nor is such data comparable to a consolidation.

B: CASH

Cash includes amounts held in demand deposit accounts. Under state law, the Court may deposit funds in interest-bearing or non-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.

At December 31, 2003, the carrying amount of Court's deposits was as follows:

Operating - Checking	\$ 97,863
Interest Bearing	<u>264,897</u>
Cash on deposits	<u>\$ 362,760</u>

As required under GASB 3, the Court's cash deposits are categorized to give an indication of the level of risk assumed by the Court at year end. Category 1 includes deposits that are insured or registered, or otherwise secured by securities held by the Court or its agent in the Court's name. Category 2 includes uninsured and unregistered deposits secured with securities held by the financial institution, its trust department or agent in the Court's name. Category 3 includes uninsured and unregistered deposits secured with securities held by the financial institution, its trust department or agent, but not in the Court's

B: CASH (Continued)

name. At December 31, 2003, the bank balance of cash deposits is: categorized as follows:

Category	Bank Balance
1	\$ 200,000
3	<u>162,760</u>
Cash in Bank	<u>\$ 362,760</u>

Even though the pledged securities are considered un-collateralized (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 court that the fiscal agent has failed to pay deposited funds upon demand.

C: FIXED ASSETS

A summary of changes to fixed assets for the year ended December 31, 2003 is as follows:

	Computer Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Total
Beginning Balance	\$ 37,105	\$ 14,112	\$ 1,200	\$ 2,857	\$ 55,274
Additions	<u>13,275</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,275</u>
Ending Balance	<u>\$ 50,380</u>	<u>\$ 14,112</u>	<u>\$ 1,200</u>	<u>\$ 2,857</u>	<u>\$ 68,549</u>

SAMUEL W. STEVENS, III CPA

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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

Honorable Judges of the
Juvenile Court for Caddo Parish

I have audited the general-purpose financial statements of the Juvenile Court for Caddo Parish a component unit of the Caddo Parish, as of December 31, 2003 and for the year then ended, and have issued my report thereon dated June 16, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Juvenile Court for Caddo Parish's general purpose financial statements are free of material misstatement, I 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Juvenile Court for Caddo Parish's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in internal control that might be material weaknesses. 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information and use of management and governing body of the Juvenile Court for Caddo Parish, Parish of Caddo, and the Legislative Auditor, and is not intended to be and should not be used by anyone other than the specified parties.

Samuel W. Stevens, III

June 16, 2004
